

Draft

**ARROWHEAD IMPROVEMENTS ASSOCIATION, INC.
SPECIAL BOARD OF DIRECTORS MEETING
AUGUST 15, 2014 - 9:00 A.M. – ARROWHEAD FIREHOUSE**

Call to Order, Determination of Quorum, Adoption of Agenda with Any Changes: President Mike Wigent called the meeting to order at 9:00 a.m. In attendance, in addition to the President, were Vice President John Moseman, Treasurer Al Hale, Member Kathy Krohn, Member Sharon Pugh (via computer) and Secretary Linda Squirrell. Member Tim Carlson had not yet arrived. Mike determined that there was a quorum.

Linda moved the Board recess into Executive Session per C.R.S. 38-33.3-308 (4) (a), (e) and (f) to discuss personnel, privacy and legal issues. Kathy seconded the motion which carried unanimously.

Tim Carlson joined the meeting.

President Mike Wigent reconvened the special meeting for the Board work session at 1:12 p.m. There were no changes to the agenda. Mike reported that the Board had held an Executive Session in the morning to cover personnel, privacy and legal issues as previously announced.

Discussion of Trade of Commercial Lots: Tim Carlson read a statement from the Board clarifying the trade of AIA's Lots 2 and 3 of the Arrowhead Commercial Area for Lots 12 and 13, owned by the Squirrell family, that was approved at the July Board of Directors Meeting. The Board had approached the Squirrell family requesting this trade for several reasons; i.e., the potential for creating permanent access to the Inn across the Squirrell land behind the commercial area; the suggestion by Carol Bond at the July meeting that the Board should consider acquiring Lots 11 & 10 also in case it needed a larger site in the future for a building; and the preservation of the right to cross Lot 13 to reach the Squirrell land behind it that is currently leased (at no cost) to AIA yearly for winter recreation purposes.

2014 Reserve Study Discussion: John handed out the 2014 Reserve Study Review and went over this with the Board. The 2014 reserve requirements are expected to be met, and this study included recommended actions for 2015. Needs for the 10 year term of the Reserve Study should be met provided net income projections are met. That's why the study is reviewed annually. John recommended that the 2015

budget include a line item for the reserves and, if projected reserves cannot be met for that year, then owners need to be notified.

2014 net income will go into a non-operating reserves account, and the 2015 budget will include a line item for required reserve items. Owners must understand that achieving the reserves will be difficult and require diligent budget management.

John also pointed out that all 9 CCIOA governing policies are in place.

Beginning 1/1/15, Colorado will require professional management companies be licensed. This does not apply to AIA since we do not employ a professional management company.

Review of Bank Interest Rates: Al explained that one of AIA's CD's matures in September. He has looked at rates for CD's but felt that the return was so low that AIA is better off to keep the money in money market funds.

Grooming Discussion: Mike reported that John has talked with dealers in Grand Junction after taking size and equipment recommendations from Ron Corder and Will Hobson. John reported that one dealer has offered to visit Arrowhead, evaluate our needs and make recommendations. Our altitude and the amount of snow we deal with affect the life of a machine that we use up here. A 185 hp machine is considered to be light, while 300+ hp would be more appropriate for our conditions. The tiller robs 90-100 hp due to its weight and wears on the groomer itself. Will recommended a Caterpillar-made machine (that is a Piston Bully). Ski areas are the major consumers of groomers, which drives up the cost. We average 250 hours of grooming a year, so John is working on finding a used machine with low hours. We might consider using the snowmobile club's tiller since that was not purchased with State grant money. Mike will explore that idea while John will work with the groomers to set criteria for which trails will be groomed when. With proper maintenance, John believes we would not have to rebuild the engine for 10,000 hours. John will try to get the dealer evaluation of Arrowhead's needs done next week so that we can tie down a good machine as quickly as possible.

Discussion of Compactor Agreement with Inn: Mike passed out copies of the proposed agreement with the Inn. John pointed out that he donated the existing compactor to the Association, so we have no investment in it other than maintenance. In addition, EPA wants refuse delivered to landfills to be compacted

in order to save space; so, it is very important for us to compact our trash. By giving our existing compactor to the Inn when we begin the new contract, we will cut down on the amount of trash we have to pay to haul. Since the Board already authorized this, Mike will execute the agreement with the Inn.

Discussion of Opening Driveways: Board members observed that there is some confusion about what this means and we need to define what will be done, obtain a liability waiver from the requesting owner first, develop a procedure to follow and consider whether owners should pay for this service. John will talk with Will and Ron for their input and prepare an outline for the Board.

John reported that he has ordered stainless steel, locking, weather-tight sign-in boxes with steel posts. He will meet with Ron and Will about the best design for the roofs.

John is donating all the material for the warming hut improvements.

Final Review of Employee Handbook: John will distribute the final version to all Board members, and the Board will hold a meeting with all staff to review this document with them.

Road Cut Regulation: The Board will act on this as posted at Saturday's Board Meeting.

Service Activities/Liability Waiver: No new discussion on these items.

Discussion of Ministerial Changes to Regulations: Kathy has reformatted this document to make it more readable and easier to follow. She hopes to have it ready for posting to invite owner comments prior to our September meeting.

Dalby Wendland Engagement Letter (for election): The Board reviewed this (hiring Dalby to handle the election was previously approved). Mike and Lindy executed the engagement letter, which Lindy will get to Dalby.

Discussion of Open Meetings by Committees: Both chairpersons of the two committees of the Board (Design Review and Elections) were present at the work session and are aware that agendas for their meetings must be reasonably available, that their meetings are open to the owners and that they must follow CCIOA guidelines for any executive session.

Review of Work Plan: The Board reviewed items completed on the Work Plan and items to be added. John suggested that Kathy look at reformatting the Bylaws to make them easier to follow. Welcome Wagon is being organized by Kathy Koeltzow.

Discussion of Tree Removal on Common Land: Bill Conway asked the Board to approve \$300 to remove a standing dead tree located on common land that is a safety issue due to the way it is leaning. With its 40” diameter and large limbs all the way up, a bucket truck will be required to limb it and top it. Then another contractor can remove the rest of the tree. Were we to just try to fell it, it would topple all the trees in front of it onto the driveway next to its location. Since there are funds in the budget to cover this, the Board gave Bill the go-ahead.

Bill also reported that he had met with the State Forester about grant applications for 4 lots and Association lands. (There is a possibility of 5 more lot applications.) There is a lot of work involved to do all this, but the State Forester has delegated his part of this to Bill, which should expedite the applications. Bill is also investigating how we might conduct follow-up treatment on some bad common land areas that need additional treatment.

Owner Comments: The next community cleanup is set for Saturday, August 23rd, 9 a.m. till noon. All volunteer need to sign a release of liability prior to participating.

A vote by owners on the lot trade was requested by one owner and another wanted the Board to obtain an option on the rest of the commercial lots next to Lots 12 and 13.

Replacing the Patrol Explorer with an ATV to save money was suggested; however, John pointed out that they have to carry too much around with them to make that workable.

The meeting was adjourned at 3:57 p.m.

Linda Squirrell, Board Secretary