

**ARROWHEAD IMPROVEMENTS ASSOCIATION
BOARD MEETING
OCTOBER 18, 2008**

The October meeting of the AIA Board of Directors was called to order at 2 pm on Saturday, October 18, 2008, at the Arrowhead Inn with President Kathy Leary presiding. All board members were present. Approximately 50 association members attended the meeting.

Order of Business:

1. Approval of minutes: Randy asked for any comments or corrections of the August board meeting minutes. None received, he moved for approval, Rich seconded, and the motion passed.
2. Financial report: Paul reviewed the financial statements for September. Other than a couple items requiring further explanation, the financial reports are as expected for this time of year. The first item of interest is the negative number for Net Income after capital expenditures on the Income Statement of (minus \$27,159). There are several reasons for that negative. Foremost is that we have not yet received the Colorado matching funds for Wildfire Mitigation (Account #696) which should be almost \$23,000. Additional reasons for the negative are going over budget in Heavy Equipment operations (fuel and payroll) due to last year's heavy snowfall and proceeding with the construction of the RV dump station and parking lot bathroom. Shortfalls are to be covered by moving funds from undesignated surplus and other set aside budget accounts. Paul asked for questions from the floor. None asked, he moved that the September financials be approved, Sondra seconded, and the motion passed unanimously. Paul then discussed the 2009 budget. A worksheet was available for public review. Many items are similar to this year with adjustments made based on experience. One area that has changed is in employee salaries. The board has decided to convert stipend positions to employees, primarily to comply with Federal employment laws and to protect both the Association and the employee for issues such as liability and workman's compensation. Another factor in the board's decision was the concept of making these positions responsible for more aspects of their work, pulling away some of the more routine things that board members had done. Compensation will be increased commensurate with the change in responsibility and time required. There will be more discussion about this concept under Management Proposal. Heavy equipment fuel and Payroll are other areas of significant change. This reflects 2008 experience, a pay raise for those employees, and anticipated work to be done in 2009. In that same category is the budgeted amount for road materials, which reflects the recommendations of Tim Caton, our consultant. He has finished an assessment of the condition of the infrastructure and laid out a plan of action for upgrade and replacement. After answering several questions from the audience, Paul moved that the 2009 budget be approved, Ralph seconded, and the motion passed.

3. Committee Reports:

- a. Roads and Equipment: Ralph first asked Rich Leary to give a report on his contact with Gunnison County and the Forest Service. Winter logging up the Alpine is an unknown. Intermountain Resources is still involved with beetle kill tree removal in other areas. The county was still promising some long promised improvements (blind curves in several areas) on the lower Alpine. Ralph then reported on several projects. The propane heater is now installed in the heavy equipment shed. The tool kit has been upgraded to get our employees out of the borrowed tool mindset. A new 2000 gallon fuel tank has been provided free of charge, which will allow us to store more fuel. The grader tires have been replaced. Will and Tim have been working the filing roads hard before winter, creating crown and cleaning ditches. Tim's road plan for 2009 (Phase One of a three year plan) was discussed and a worksheet was passed out. The plan calls for almost \$48,000 for gravel and culverts. Contact Ralph with any questions you have. The parking lot dump station and bathroom project is well underway. The septic and leach field are complete. Pete Nauyokus was low bidder on the bathroom and expects to complete the work this year. Ralph is working with the Long Range Planning Committee to look at grader replacement in three years, as well as a parking lot expansion.
- b. Design Review: Rich reported that DRC is requesting a revision to a regulation having to do with the number of driveways allowed onto filing roads. The intent is to give the DRC manager discretion to come up with the 'best' plan in difficult lot situations to accommodate trailers or RV's and to minimize the number of trees that need to be removed. It is always desired to rely on common roads where possible. The second subject Rich discussed was about housing definitions, in particular as regards systems built homes. No decisions have been made and won't be made until all the facts and experiences of other HOA's are investigated. The subject of Yurts was brought up. Gunnison County has strong rules that make yurt construction very difficult. That fact coupled with our covenants which treat them as temporary structures that must be removed each year makes the threat of permanent Yurt construction unlikely at Arrowhead. As a final word on systems built homes, a covenant change would be required before such a home would be permitted. That in itself must be approved by a vote of the Association membership. In answer to public questions about why the AIA Board and DRC are continuing to work on this issue: comprehensive review of the subject is prudent so that the rules can be strengthened and clarified and brought into the 21st Century. For example, metal roofs were prohibited in the early rules and there was a responsible effort to update and revise those regulations. Be assured that there is no pre-disposition by the board toward allowing this type of construction.
- c. Fire Protection District: Bob Rosenbaum was asked to report on district activities. The 2009 budget is going through the mandatory public hearings before finalization. The district has purchased a fuel tank to be located at the firehouse and filled it for use of the fire equipment. The ladder truck has been sold for a net profit of \$6000. The hunt is on for a replacement vehicle.
- d. Long Range Planning: A seven-person committee has been formed with Karla Vavrik as the chair. It has been chartered to determine and distinguish between Association needs and wants, put a price tag on them, and come up with ideas of how they can be paid for. Billie Ellis is the vice chair and reported that they hope to have a report by next spring and

plan to mail out a survey to solicit member thoughts and preferences. Pass any thoughts or ideas to the committee.

- e. Covenant review: Rich reported that the committee is still at work identifying areas that could be clarified, corrected, or changed.
 - f. Security: Kathy said there was nothing to report. Reinie explained about the new vehicle registration and stickers (yellow). The form can be downloaded from the web site or obtained from security. The goal is to have a database of vehicle information for security's use.
4. Board Election: Randy, as Board Secretary, is responsible for conducting the board election to fill the seats that will come open at the end of the year. Five members have been nominated: Jules Fabian, Bob Hernandez, Don Koeltzow, Paul McDermott, and Karla Vavrik. Ballots are to be mailed by Oct 22 and the election close date is Dec 5 with counting and results announcement ASAP after that date.
 5. Fire Department: Bruce stated that most recent news is in the Smoke Signals.
 6. Arrowhead Lake Recreation Easement/Shinn Park Ranch: The ranch owner requested AIA relinquish the easement granted by Jim Squirrel when he sold the property. The board has responded to the lawyers that we will not give up the easement, but would like to cooperate in defining and marking the exact boundaries so long as barriers to use can be removed.
 7. Management Proposal: Paul further described the plan that the Board is pursuing to convert stipend positions into employees (discussed above under financials). The four positions to be converted are DRC, Communication/Web Site, Security, and Forest Management. A new position is to be created to oversee heavy equipment, roads and infrastructure. Job descriptions have been written.
 8. Web Site: Rich reported on efforts to improve the web site. Extra funds are in the budget to upgrade our service to that of a fully paid customer instead of the previous barter exchange. Cheri Ratliff will be working with the web master to make the site more responsive to changes and more current. An interactive site would be a desirable goal. Communicate with Cheri if you have ideas or suggestions.
 9. Diesel winter parking: Kathy reported on efforts to increase diesel parking. Ralph is working with security to identify options for increased spots.
 10. 2009 Meeting Dates: Kathy moved that the Board accept that next year's eight meeting dates be as before: third Saturday of Jan, Mar, May, Jun, Jul, Aug, Sep, and Oct. Rich seconded the motion and it passed unanimously.
 11. Announcements: A public question was raised about the rumor of a ranching neighbor requesting a winter parking spot. This is an item under investigation and has no impact on this year's operations. Mary Cokes reported that there are 61 Snowmobile Club members, making us one of the largest in state. Doug Cokes was recognized for his coming service in Iraq.
 12. Board Recognition: This being Bruce Saunders last board meeting, Kathy recognized his three years of dedicated service and presented him with a gift. Bruce leaves some pretty large shoes to be filled by the new members to be elected.

No further business to discuss, Kathy asked for a motion to adjourn at 3:30pm. Bruce so moved, Rich seconded and the motion carried. The next board meeting will be January 17 at 2pm, to be held at Arrowhead Inn.