

FINAL DRAFT*

ARROWHEAD IMPROVEMENTS ASSOCIATION, INC.

Board Workshop Minutes

Arrowhead Firehouse

October 18, 2013

Call to Order & Determination of Quorum: The meeting was called to order at 1:00 p.m. at the Arrowhead Firehouse and a quorum was determined to be present.

Members attending: Mike Wigent, Al Hale, John Moseman, Barrie Riddoch (electronically), Bobbie Kerns, Linda Squirrell **Excused Absence:** Sharon Pugh

An Executive Session was held by the Board at 9:00 a.m. covering dues delinquencies, legal matters, personnel costs for the budget and a hiring decision.

Adoption of Agenda: The following items were added to the agenda: Robb Robbins Lease Discussion, Oren Request, Juniper Road (the Office Computer Security item was removed from the Agenda since those questions were answered by the Office Manager.)

Robb Robbins Lease: Robb Robbins met with the Board to discuss his lease renewal; his insurance agent will send renewal of insurance naming AIA as additional insured to AIA office manager. Mike and Robb executed the renewal.

Oren Request: Mike presented the Oren request to remove a building setback requirement on Lot 7, Block 2 of Ridges. Gunnison County has requested a letter from the AIA Board agreeing to this. The Orens have agreed to pay the AIA's attorney's bills for this review. AIA's attorney's advice was that the Board could write a letter to the County taking no position or showing no objection to the removal. The Orens have already obtained the consent of all the Block 2, Ridges owners as well as the successor in interest to the Fullers, former owners of Lot 29, Block 9, Filing 2 (who were the objectors for whom the County imposed the restriction originally). However, they did not contact the owners of the 2 other lots (Lots 30 and 28) from which Lot 7 can be seen. Bonnie Oren agreed to get letters to these owners notifying them of the proposed removal of the building setback and asking for their consent.

Maturing CD: Al reviewed the CD that is maturing and provided information on rates. Al will have a motion ready for the Board meeting on Saturday.

2014 Budget and Financials: Al reviewed changes since the last draft including possible need for a chain saw for Forest Management, the plan to deliver the Smoke Signals digitally for all owners except those who request paper copies in 2014, and weed spraying options and costs (John will look into whether AIA, as a nonprofit, could qualify for herbicide under the state bid process and Patty Greeves and Carol Flick are working on a grant application for these costs).

Regarding the pie charts that Al provided, Barrie suggested revisions to the charts. Page 5 of the Financials needs to show the amounts now shown as net income as Members' Contributions. Bobbie suggested posting the owners' annual dues breakdown pie chart once it is finalized for member information.

Fines and Assessments Info from Attorney: David Masters approved the existing language in our Regulations with 2 recommended changes to page 17 and John will work on the procedure to

implement the policy. The Secretary will make the 2 changes to page 17 of the Regulations and send it out to the Board.

Collections Policy: This will be voted on at the Saturday Board meeting.

Reserve Study/Investment and Surplus Cash Policies: John suggested posting the Reserve Study again on the website because of more changes. The idea will be to incorporate the Reserve Study needs for each year into each year's budget. John explained the difference between maintenance and replacement of a capital asset in planning for yearly budgets vs the reserve study.

Member Contributions amounts will need to be liquid so would be kept in money market accounts and the accounts would need to include "Members' Contributions" in the title. The Board will act on this at the Saturday Board meeting.

The Board will need to identify funds that need to be liquid and funds that don't need to be liquid annually for the Investment policy. Mike thanked John, Al, Bob Hernandez, and Pete Nauyokas for their work on all this.

Possible Future Acquisition of the Water Company: Mike suggested AIA begin work on how it would fund a future acquisition of the water company under its First Right to Purchase Agreement. Mike will work on a draft of a letter to owners seeking their comments on pursuing this idea.

Juniper Road: A safety issue regarding Juniper Road had been brought up by a property owner. Mike drove the road and confirmed that there is an outlet to the right at the bottom of the road via a common driveway that connects to a common driveway that returns to Ute Drive; there are a transformer and a fire hydrant at the bottom of the road; the road serves a number of lots; it is steep but so are other roads here. Reinie and Mike obtained and erected a "Caution – Steep Grade" sign on the Juniper sign post.

Other Lease Agreements: The Board discussed other leases up for renewal including the free recreation lease for the cross country ski track behind the inn (Linda did not participate since she is one of the owners of that land) and the one for our forest refuse site which renews automatically unless either side notifies the other of cancellation prior to January 1 (Linda did not participate). Mike will find out whether the Board usually notifies the owners of the land that we want to continue.

RV Regulations Ideas: John suggested drafting an outline of ideas and weighing those ideas against our governing documents. The Board will try to have this ready by mid-January. Mike requested that Board members send bullet point ideas to be considered to either him or John.

Affordable Health Care Act: John presented materials on this for all employees. They will be given out to employees present at today's workshop or tomorrow's meeting. The rest will be delivered to the Office Manager by Bobbie for distribution to employees.

Conflict of Interest Policy: There was discussion of why the Board would change what is already in place and how it complies with law. The Board asked for some revisions which the Secretary will prepare for tomorrow's meeting. Bobbie preferred to use the version she had had legal counsel prepare.

Discussion of Minutes Process: After much discussion, the consensus was that a draft of minutes should only be posted after approval of the draft by the Board members. Then after action on the minutes at a Board meeting, the final approved minutes would replace the draft on the website.

2014 Board Workshop and Meeting Dates: Dates were selected for 2014 meetings and the Secretary will see that the Communications Director posts these (Friday meetings are Workshops usually beginning at 1:00 p.m. and Saturday meetings are Board of Directors meetings usually beginning at 2:00 p.m): January 17 & 18, March 14 & 15, May 16 & 17, June 20 & 21, July 18 & 19, August 15 & 16 (also annual meeting and new owners meeting), September 19 & 20 and October 17 & 18 (also winter owners meeting)

It was announced that the Christmas Party will be held at the Inn on December 10. More information will be provided at the Board meeting on Saturday.

Linda Squirrell, Secretary