

ARROWHEAD IMPROVEMENTS ASSOCIATION, INC

BOARD OF DIRECTORS MEETING

SATURDAY, JUNE 21, 2014-2:00 p.m.

ARROWHEAD FIREHOUSE

Pledge of Allegiance: Veteran Sid Stauffer led the reciting of the Pledge of Allegiance.

Call to Order and Determination of a Quorum: President Mike Wigent called the meeting to order at 2:03 p.m. and determined that a quorum of the Board was present. In attendance were, in addition to Mike Wigent, Vice-President John Moseman, Secretary Linda Squirrel, Treasurer Al Hale, Sharon Pugh and Tim Carlson. Each member of the Board introduced themselves.

Adoption of Agenda with any Additions of Deletions: Linda asked to delete the May 31 Executive Session report because it was already reported on in the minutes of that date. Al suggested adding the approval of the CPA report. John made a motion to adopt these changes. Sharon Pugh seconded it, and the motion carried unanimously.

Friday's Special Meeting: Mike explained that the reason the Board's Friday Work Session is now called a Special meeting is to comply with CCIOA, which only recognizes two types of Board meetings; i.e., Regular meetings and Special meetings. The Board can go into Executive Session at either type of meeting. When the Board holds Work Sessions (workshops) as part of a meeting, the audience is invited to attend and listen. Audience members may be called upon by the Board if the Board feels that that person may have information helpful to the topic under consideration. But work sessions are to allow time for the Board to work on Association business. Therefore, owner comments in general will only be invited at the end of the work session. No votes are taken during a work session. Typically, the work session part of a special meeting will begin at 1:00 p.m. but that is subject to change.

Report on June Executive Session: Mike reported that the Board held an Executive Session at Friday's Special Meeting covering legal, personnel and delinquency matters.

Approval of May Minutes: There were no corrections to the Friday, May 16, 2014 Workshop minutes. Linda noted that the Communication Report paragraph was included twice in the minutes of the Saturday, May 17 Board of Directors Meeting. She will delete one of those paragraphs. Linda then made a motion to approve the minutes as corrected. Sharon seconded it. Motion carried unanimously.

Review of Financial Statements: Al explained the income side is right on track. Expenses all look good except for one account - #550 Legal. That shows we have spent \$12,679 against a budget of \$16,320.

Al's research on how legal expenses are being spent so far this year yielded the following breakdown:

49% on the development and release of policies and procedures,

21% on Owner Issues,

19% on a whole slew of various items. Examples: getting a property line moved, changes to leases, answering questions from Board members on different matters, etc.

11% on delinquent owner accounts

Since we still have another 6 months to go for legal expense, we are now assuming we will need to add another \$12,000 to the legal expense bucket. Fortunately some other budget lines are doing better than planned which should balance our expenses out. Examples – Not paying for a Courtesy Patrol manager this year, snow plowing wasn't as extensive as budgeted, maintenance and repair of equipment and buildings have been very low. Therefore, the assumption is our budgeted net income for the year is still valid.

CPA Review of AIA's Financial Records: Al explained that each year we contract with a CPA firm to go over our accounting records to make sure they are correct. This review was done in May. No issues were uncovered. Al moved to approve Chadwick, Steinkirchner, Davis and Company's Independent Accountant's Report on Applying Agreed-Upon Procedures dated May 13th, 2014. Tim seconded Al's motion. Motion carried unanimously. Al invited any owner who wanted to see the report to come up to look at his copy after the meeting.

Old Business Action Items:

Motion to Purchase 2nd Snowmobile for Courtesy Patrol: John made a motion to buy a 2011 powder snowmobile that is still crated for \$8500, with no trade in for old snowmobile but with full warranty. The 2008 Arctic Cat that is being used now needs to be replaced since it is starting to run up repair bills (\$3,000 last year). It has been well maintained and is being offered for sale at \$3000. Al seconded the motion which carried unanimously.

New Business Action Items:

Possible Adoption of AIA Records Inspection and Production Policy: Mike explained that this policy is the last of the CCIOA governing policies and also pointed out that AIA already had policies on most of these issues before CCIOA was passed. However, AIA has revisited all of them and our attorney has reviewed this final one. John moved to adopt the Records Inspection and Production Policy. Tim seconded the motion, which carried unanimously.

Possible Motion to Hire Outside Firm for 2014 Elections: Linda made a motion to hire Dalby Wendland & Company, CPA's, to handle this fall's election since they have done it before at a very fair cost and did an excellent job last election. Sharon seconded it. Motion carried unanimously.

Possible Vote on Appointment to fill Mid-Term Board Vacancy: Two letters of interest to fill the mid-term board vacancy were submitted – one from Kathy Krohn and one from Larry Kontz. One and a half years are left on this term. The Board voted via written secret ballot and Kathy was elected. Linda administered the Board's Member's Pledge to Kathy and she accepted.

Reports:

Friday Special Board Meeting: Mike recapped Friday's Special Meeting. The Board went into executive session to discuss delinquent accounts, privacy and personnel matters and legal issues. During the afternoon work session they talked about financials, winter grooming (two suggestions were prioritizing

the more travelled roads and targeting the worst areas including moguls), trash compactor, ministerial corrections to the Regulations, employee handbook, Board Handbook and the 2014 budget

Communications: No report was presented.

Design Review: After Chairperson Joyce Boulter had canceled the Design Review Committee's May meeting, she received a request for house plan approval. She took the plans to other committee members and they all approved of the plan. This summer there are two houses being built, two houses being finished, two garages, and three sheds. Joyce has done several driveway walk-ins. Please make sure your lot has an address sign that tells the lot number and street name. Your name doesn't have to be on it. Please check with Joyce about the size of the sign. Joyce also recommended dropping the \$250 utility fee for the cut in the AIA roads since contractors seem to be doing a good job of backfilling these and Will agrees. Therefore, the Board will post this Regulation change for action at the July Board of Directors Meeting. If passed, the Board would like to make this change retroactive to 1/1/14.

Forest Management: Bill Conway reported that Douglas fir trees are continuing to die. Beetle traps put out this year have been increased to 24. He asked anyone who sees evidence of woodpeckers working on spruce trees to contact him right away so that those trees can be removed. Bill and volunteers have put out 1900 MCH packs on community property and he has turned in \$475 to the AIA for sales of MCH packs to individual lot owners.

Bill also announced that the No Stump Dump (Forest Refuse Site) is open. He reminded users to please put piles closer to the big pile and not leave loads in the middle of the site because, if not done, Will has to spend more time and money to move the tree debris to the pile. He also reminded folks to separate out logs for burning and that NO STUMPS are allowed!

Blading by Montrose Forest Products up country (south of the subdivision on the Alpine Road) has begun. There is still snow up there, so the road is still closed and cannot be used to access Lake City right now. July 12-20 there will be a Mountain Man Rendezvous near Cox's Park on private land. There will be approximately 200 people driving on the Alpine for that event. (Bill's full report will be attached to these minutes when they are approved.)

Maintenance and Heavy Equipment: Linda Squirrell reported that Will had been able to greatly improve driving conditions on the Alpine Plateau Road thanks to successful negotiations with Montrose Forest Products to fund that work and provide materials. Since there was so much snow this year and Kebler Pass was severely damaged, the County is not expected to be able to grade the Alpine Plateau Road until much later than normal.

She also reported that Will plans to repair/repaint signs as time permits but is giving priority to blading our filing roads. And, of course, everyone was reminded to fasten the bear latch on the trash compactor.

Courtesy Patrol: John Moseman reported that bears are still being a problem. Therefore, Mike provided materials on living with bears as handouts for this meeting. Only Lower Flint Lake was able to be stocked earlier this month due to muddy conditions at Upper Flint and a shortage of fish. The Board suggested that people be aware of this in regard to the number of fish they take.

After meeting with Courtesy Patrol members and discussing it in the Friday work session, the decision was made to change the patrol's name to Arrowhead Patrol. This will also fit better on uniforms and vehicles. John explained that the security name was dropped to satisfy insurance concerns which will also mean that we will be requiring more waivers and releases for services. A booth with more information is planned for the July Picnic.

John reminded all to slow down for walkers/bikers/and ATV'ers. There have been a few loose dogs seen in the community, so everyone was reminded to keep dogs on a leash unless they are really under the owner's control.

Fire Department Report: Bill Conway also provided the Fire Department report. Since Fire Chief Kevin Stilley has resigned, Gary Broughton has become acting fire chief until a new chief is hired.

Regarding the 4th of July picnic, it will be held on Saturday, July 5th, beginning at 10:00 a.m. Lunch will be served at noon and volunteers are still needed. Owners or others who would like to set up an arts and crafts booth should contact Joanie Aufderheide. Silent auction items are due at the picnic site by 10:00 a.m.; contact Carla Vavrik. Pat Grosvenor is the person to contact about flea market items.

Bill then went over plans for the **voluntary** mock evacuation on July 26. It will begin at 10:45 and should be over by 1:00. Public Information Officer for the evacuation Mary Cokes explained that flyers have gone out in dues billings so that folks could plan for this event in advance and that no packing is required to participate. The main purpose to learn how long it takes to notify folks in the event of an evacuation order. Therefore, it is important the participants in the voluntary mock evacuation check in at the winter parking lot. There will also be a sign out sheet down at Highway 50 for those who might decide to go off the mountain at that time.

A number of agencies from both Gunnison and Montrose Counties as well as BLM, NPS, FS and Colorado State Patrol will all be participating. The Code Red call should go out at approximately 10:45 a.m. And the entire exercise should be over by about 1:45 a.m. Mike thanked everyone who is working so hard on this project.

Any Committee Reports: No Reports.

Board Announcements: Mike reported that the Board has received a written complaint regarding an AIA employee. The goal is to protect the rights of all involved. Tim Carlson has been assigned to investigate the complaint and will report back to the Board in July.

Announcement of 2014 Election Dates and Call for Candidates again: Lindy Lindner reported that there are two seats open for this fall's election to the Board. Letters of interest need to be submitted to the AIA office by July 17th. Ballots will be sent out September 30th. The date to return the ballot has been changed to November 17th. The change was made to insure 45 days between ballot mail out and return due to the weekend. To be able to vote, all owners need to be current on their dues and assessments. In addition, lots held in more than one name or in an entity (like a trust or LLC), must have a designated voter chosen to exercise that lot's vote. Such designation must be made in writing to the Association office.

Temporary 2014 Fishing Rules for Flint Lakes: 448 fish were delivered to the Lower Flint Lake this month. The Board discussed having temporary rules regarding the number of fish to be taken for this

summer. AIA will only have one stocking this summer due to fish hatcheries having trouble with fish supply. Recommendations were to ask owners to practice catch and release at Upper Flint (since that could not be stocked this year) using flies or lures with barbless hooks. Folks were reminded to wet hands while handling fish before returning them to the water. The other idea was to ask folks to voluntarily limit their take from Lower Flint Lake to 3 fish per day per group. The Board will post signs about this and Tim will create the sign wording. Joanie reported that property owners to whom she had mentioned these ideas this week had no objections. After more discussion, the consensus was that the Board should try this approach for this year. Lucia Lebon gave permission for the Association to have Will make a sweep down the access road to the lakes to improve driving conditions.

DORA Handouts: Included in the Saturday packets as owner education was information on HOA's that has been provided by the Colorado Department of Regulatory Agencies. This information will also be enclosed in the next dues billing.

Owner Comments: Bridget Isles asked whether lop and scatter mitigation will continue since it is unsightly. Bill Conway explained that this was done on high hazard areas in compliance with the grant AIA obtained for cleanup of common land. The area scheduled for cleanup on the 28th is an area that was treated in that manner. While it might be aesthetically pleasing to clean up more areas like that, much of that probably is not feasible. However, Bill agreed to see whether there are areas that are easily accessible for such cleanup.

Carol Bond asked whether there would be an open dumpster for large items this summer. There will not be due to the cost and misuse of the dumpster last year which created bear problems.

Curt Treichel urged everyone to support the Inn now that it has reopened after its remodeling.

Announcements from Audience (and Board): Clean up day is Saturday, June 28th. Location is behind the trash compactor. Time is from 9 a.m. to noon. Please bring trailers, chain saws, water. Also small trailers that can be pulled with ATVs are needed. Participants can meet at the firehouse or go straight to the work site. Mike thanked Clyde and Carla Vavrck for their years of work on community cleanup.

Mary Cox provided more details on the mock evacuation.

Mike thanked Rich Leary for his work in fixing the Arrowhead Patrol booster.

Adjournment: The meeting was adjourned at 4:00 p.m.

Linda Squirrel, Board Secretary