

ARROWHEAD IMPROVEMENTS ASSOCIATION

Board of Directors Meeting Minutes
The Bridges - 2500 Bridges Drive, Montrose, CO
Saturday, March 16, 2013

1. **President's Welcome:** The President welcomed the owners; there were approximately 12 owners from Arrowhead and 39 owners from Montrose, Delta, Grand Junction and some from as far away as Aurora. She pointed out the handout that was given to everyone in attendance regarding the Conduct of Meetings which is one of the governing documents required by the CCIOA and that the board will be adopting a similar version soon. She also discussed the reasons for having the meeting in Montrose: Al Hale had researched the number of owners in the Montrose, Delta, and Grand Junction areas, and since there were over 250 of them versus about 25 households in Arrowhead during the winter, it was decided to hold the meeting in Montrose. This way, it allowed more owners who do not winter in Arrowhead the possibility of attending a winter meeting. In addition, she explained the change in meeting format since the board had decided to try holding hold one-day meetings instead of two separate meetings. There will no longer be a separate workshop meeting.

2. **Call to Order:** President Bobbie Kerns called the meeting to order at 11:10 AM.

President Kerns determined that a quorum was present. Board members present were:

- a. Bobbie Kerns
- b. Mike Wigent (via FaceTime)
- c. Al Hale
- d. Barrie Riddoch
- e. Sharon Pugh (via FaceTime)
- f. Linda Squirrell
- g. Carol Flick (Excused due to family matters)

3. **Review of Minutes:** Barrie reviewed the minutes from the October 2012, December 2012, and January 19, 2013 Workshop and Board meetings. Corrections were noted, Barrie moved to accept them, and the motion passed. After corrections are made, the minutes will be posted on the website.

4. **Review of Financials:** Al reviewed the financial report for February. He discussed moving one of our maturing CD deposits to another bank with a better interest rate. Al made a motion to move the CD to the Montrose Bank, it passed.

5. **Bylaws Discussion:** This discussion was continued from the January 19, 2013 meeting. Bobbie has developed a worksheet process from the CCIOA-required Board policy for "Procedures for the Adoption and Amendment of Policies, Procedures and Rules." It was decided to consider each Bylaw change individually. The first proposed change was to Article 3.2. The current text in the Bylaws is:

3.2 Number and Qualifications

The Board shall consist of seven (7) or more members, as determined by the Board. The members of the Board must be of the age of majority, and must be an owner of a site. Directors are not required to be residents neither of the Arrowhead community nor of the State of Colorado.

The proposed change to the Bylaw is:

3.2 Number and Qualifications

The Board shall consist of seven (7) or more directors. The number of directors shall be determined by the Board. The directors of the Board must be at least 18 years of age or older, an owner of record of a site, and an individual. Co-owners of record of any site within Arrowhead may not serve on the Board at the same time. Directors are not required to be residents of the Arrowhead community or the State of Colorado.

6. Bylaws Discussion: The first discussion question from the worksheet is: Why is the proposed change needed and necessary? Questions and comments were made by owners and the Board. Some people felt that co-owners of a lot serving together would tend to be like-minded and thus too heavily weigh the makeup of the board and cause a lack of diverse opinions. Others felt that the board already makes so many of the decisions regarding rules and regulations that the owners should be allowed to decide for themselves if co-owners present a problem. One owner pointed out that the owners “are intelligent” and are capable of thinking for themselves. The second question: Will this decision take away previously allowed rights of an owners property? The consensus of the Board was No. Third question: What immediate impact will this change have on the association? None. What are the long term impacts and implications? It maintains the diversity of the Board. How does the proposed change support the Covenants? It conforms to the Covenants which only permits one vote per site regardless of the number of co-owners. Does the change conflict with the Covenants, Bylaws or Regulations? No. How do we notify owners of the proposed changes? By minutes, AIA website, AIA Facebook page, Smoke Signals and by word of mouth. How much time should be allowed for owner comment? The proposed changes have been posted on the website since Jan 9, 2013. There was some additional discussion and a decision to post another notification on the website. Question 9, in working through this evaluation process there may be situations where the owners may be allowed to vote so the question is: Should owners vote on this change? Since the change is to the Bylaws, the owners don't vote but the Board members are open to owner input. A motion was made and seconded to approve the change to Article 3.2 as presented above. A point of order was raised that since this was identified as a Discussion item and not an Action item that the Board could not take a vote. After a brief discussion Barrie moved to table the motion until the May Board meeting. The motion was seconded and the motion passed. The second change to the Bylaws will also be discussed and voted on at the next meeting on May 18.

7. Firehouse Flagpole Proposal: Dee Sedgwick was unable to be at the meeting so Bobbie presented his proposal. After a brief discussion, it was determined that Dee needed to conduct further investigation and present this information later.

8. Arrowhead Water Status: Jim Squirrel answered several questions from the Board and the owners regarding the water situation at Arrowhead. Key points:

- a. The water system is 40 years old with 17 miles of pipe and a 10,000 gallon holding tank. Jim worked with an engineer to design the sizing for the delivery system; it starts with 8" main lines, then loops such as Balsam Road are 6" lines, then the smaller roads are served by 4" lines. Consequently, the system infrastructure is designed to serve only one unit per site.

- b. There is adequate water for this summer. The aquifer is 1200 feet below surface. We have no idea how long it takes water to reach the aquifer that feeds the springs that fill Evergreen Lake.
- c. Evergreen Lake is the holding basin; last summer flow out of lake was very high even though Colorado was in a drought condition. Property supporting Evergreen Lake is protected by two water rights filings.
- d. Water can be pumped at 100 gal/min. but typically the rate is less than 60 gal/min.
- e. An additional 23 acre feet of water is purchased from the Bureau of Reclamation which operates the Blue Mesa Reservoir as protection against a downstream call for water. Other communities also have access to this water through first-in-time first-in-right seniority water rights. Since our community needs water primarily for drinking we would have an elevated priority in the event of water calls.
- f. We need more water storage for fire protection. To provide this storage would require at least a 60,000 gallon storage tank that would be expensive. This issue has been discussed with the fire protection district.
- g. Jim verified that the water from the Arrowhead Water Company is strictly for the Arrowhead Community.

9. **RV Parking:** Mike will investigate possible storage locations for stored RVs. This will probably involve a land use permit because of Gunnison County regulations.

10. **RV Regulation and Exceptions:** There was discussion about how to implement the regulation and how exceptions would be considered. It was agreed to make the process simple. There was agreement that Security was the beginning and ending point of contact with the owner requests for exceptions. The Board will continue to work with Reinie to define the process for granting exceptions.

11. **AVFD Fire Chief:** Brent Mims discussed the new state regulations regarding the burning of forest refuse. Burning of the forest refuse pile in early January used a special burn permit due to the size of the pile. In the future the size of the burn pile(s) may be smaller and burning may occur over several days. The impact on the Forest Refuse Storage site is:

- a. No stumps regardless of size are allowed to go into the pile.
- b. All logs over 6” diameter have to be piled separately and reasonable attempt made to dispose of usable firewood from this pile.
- c. No construction material in the pile.
- d. Stacking of the pile will depend on the permit issued by the State.

The biggest issue at this time is that the leased burn area is outside the boundaries of the AVFD. This affects every home owner’s insurance when AVFD equipment goes outside the fire district. Home owner’s insurance could be invalid. AVFD needs to explain the situation to the Gunnison County Fire District and work out a modification of the existing mutual aid agreement and add a standing order that the AVFD equipment can be out of the district area. This will allow the AVFD equipment to be offsite with coverage provided under the mutual aid agreement. This modification will maintain the association property owners insurance protection.

12. **Contractor Heavy Equipment Storage:** Possible storage at the winter parking lot was discussed but this would require a change to the existing Conditional Land Use Permit. This

change has been attempted before and failed because of some owner complaints. There is also a potential liability issue for the Association if the equipment is not locked inside an enclosed area to prevent children from climbing on the equipment.

13. **Manager Reports:** Manager reports for Communications, Design Review, Forest, Heavy Equipment, and Security are attached to these minutes. Reinie Masanetz's report required two actions by the Board. The first action was to approve the sale of one of the Security Snowmobiles. Barrie made the motion to accept the buyer's check for \$500 for the very well used snowmobile, and the motion passed. Reinie would like to rotate replacement of the snowmobiles before they are so worn out they have no value. He proposed buying a 2014 model snowmobile and trading in one of the existing machines. The new machine costs \$8500; the trade in value for the old snowmobile is \$5000. The new machine only requires a \$500 down payment with a remainder of \$3662 required when the machine is picked up in January 2014. Al moved that we apply the \$500 received from the sale of the snowmobile noted above towards procuring the new machine. Funding for the remaining amount (\$3662) will be part of the 2014 Budget. The motion was seconded and passed.

14. **Adjournment:** President Bobbie Kerns adjourned the meeting at 4:35 PM.

Secretary - Barrie Riddoch

March 16, 2013

To: The AIA Board

Reference the Notice: "Montrose was selected for the March meeting because the road closures in Arrowhead coupled with the winter closure of the Inn at Arrowhead caused a hardship for non-year-round owners."

Many full time and part time residents strongly disapprove of the change in venue for the March AIA board meeting and discourage this practice now and in the future.

I cannot find a valid justification for this change. It is inappropriate and not in the best interest for the Arrowhead HOA. This decision was made in a non-transparent manner and was based on personal agendas.

Finding ones way to the Arrowhead Firehouse in March is by no means a hardship. As was demonstrated in January, the community spirit at Arrowhead is so strong that all one has to do is ask for a ride. Also, as was done in January, it isn't hard to hike, cross-country ski or snowshoe to the firehouse. All of these are activities we promote at Arrowhead during the winter. It also, gives non-winter users of their property a chance to see the beauty of Arrowhead in the winter.

The previous Board made the decision to hold all 2013 meetings at Arrowhead. They also decided at the special meeting in December (after the Inn closed) that the meetings would be at the firehouse. This was not a major change from the Inn but was necessitated by the Inns closing. The new Board's first outward facing decision is to change the meeting location from Arrowhead proper, which has been the venue for well over 12 years. Also, the community has had no opportunity for input on this matter which many consider a major decision and change. This is a change in the AIA's process and procedures, the meeting dates and locations, as published last October and making it without comments or input from the owners should not occur. While the meeting location is not specified in any AIA governing document, shouldn't this change of a longstanding practice be given the same treatment as required by the AIA's policy for changes adopted last summer? Some would say this change is more drastic than the proposed Bylaws changes.

There is also a cost in time and money to the managers who have to be at the Board meeting. This additional burden on your volunteers and employees is a poor management practice. The fire department volunteers on call as well as the AIA Security member on duty during this Board meeting will now not be able to attend. Finally, what is the message you are sending to the AIA's employees who keep the filing roads groomed and the Alpine open and easily passible year around? Aren't you saying that the result of their hard work isn't good enough because it a "hardship" to get to Arrowhead and the firehouse.

Board members have pledged to "To serve the whole community." And to "To set aside individual needs and desires." This decision appears to be made based on the desire for convenience of Board members, none of who live at Arrowhead full time. Board members have made two choices. First, some have decided that their primary residence is not at Arrowhead year round. The second is to serve on the Board as volunteers. When they decided to serve on the Board they all knew that Board meetings have been held year round at Arrowhead. Now, because of winter and the closing of the Inn, this isn't convenient. The change you are making makes it inconvenient and possibly limits the participation of

the group that contributes most to Arrowhead by participating at almost all Board meetings and volunteering to lead and run AIA activities, your full-time residents. This group has made the choice to live at Arrowhead full time and is now being disenfranchised by a Board, most who have not made the same choice.

All AIA Board meetings should be held at Arrowhead because the AIA represents this property and the Board only serves the owners of property at Arrowhead. This is what we all have in common. Many weekend residents who come up on Friday and leave on Sunday will either not attend the March Board meeting or not be able to enjoy a full weekend at their Arrowhead property.

I request that this decision be reevaluated. It should have been reversed and definitely should not be made in the same manner again.

I also request that language be added to the BOD Handbook to prevent this from occurring in the future with only an exception for emergency circumstances.

Respectfully,

Bob Hernandez