

**ARROWHEAD IMPROVEMENTS ASSOCIATION
ANNUAL REPORT
JULY 2007**

The following is a brief summary of Board activity during the past year. Many of our accomplishments were made possible by the assistance of the numerous volunteers who served on committees and worked on various projects. We are grateful to everyone who participated to help improve our community.

Design Review

The construction activity at Arrowhead continues, although not as much as last year. Since January the Design Review Committee has issued building permits for 5 houses, 2 deck additions, 3 garages, and 5 sheds. Additionally, there have been 18 driveway location approvals. The fee structure for approvals has been revised to better correlate fees to approval effort and impact on common areas. Gary Keiser.

Elections

Three board members' terms expire at the end of this year. John Moseman and Gary Keiser have served two terms and are not eligible to run again. Lindy Lindner has decided not to run again. We had three candidates for the three positions, so according to the bylaws they were appointed to three-year terms and no election is necessary. The three new board members are: Kathy Leary, Sondra Clifton, and Randy Touslee. Gary Keiser

Finance

The financial results for 2006 were good. We ended the year with net income of about \$17,000 after transferring \$37,000 to our equipment reserve and funding \$15,000 for the fire protection district formation. That's a positive budget variance of about 5% resulting primarily from timing changes in our wildfire mitigation program and Hazel Lake repairs project. Unallocated surplus at December 31 was approximately \$113,000. The first six months of 2007 produced net income of about \$11,000 after capital expenditures and funding an additional \$30,000 for the fire protection district formation. John Moseman

Fire Department

The formation of the Arrowhead Fire Protection District is proceeding on schedule. The next step in the process will be to gain approval by eligible voters in August to form the District and to elect a five person Board of Directors to manage the District. Tax funding will be available in 2009 and, along with grant monies which should become available, will provide funding for new equipment, training, and repairs without additional tax to owners and without cost to AIA.

Training efforts for community members and for firefighters ranging from CPR and First Aid to helpful information on living with wildlife and home fire suppression have been conducted. Training is an ongoing priority.

In view of the numerous and serious wildfires in the western United States last season and already this summer, defensible space surrounding owner structures must remain a very high priority. Our forest manager, Bob Rosenbaum, conducted numerous defensible space surveys and together with the owners identified areas of need and opportunity. Emergencies were again limited to minor accidents and medical events. Think safety always!

The annual Independence Day picnic and fire department fundraiser was well attended, and we thank all those who contributed to its success. Bruce Saunders

Forest Health

Mitigation on the very steep west and southwest facing slopes in the southwest portion of the subdivision above Evergreen Lake was completed last fall. It was partially funded by a grant from the US Forest Service. We are continuing this season with two additional extremely hazardous areas: between Snowshoe and the Alpine and north of Columbine. We also have a 50% matching grant to fund this project. The Forest Health Report prepared by the Colorado State Forest Service emphasized the value of the mitigation efforts by both the Association and owners in reducing fire danger and the threat of beetle damage. Gary Keiser

Heavy Equipment

The opening of the roads again took place at the end of April, and the late snows and melt off took a heavy toll on the road surfaces as usual. However, the damp conditions made it easier for the County to grade the Alpine and apply a heavy coating of Mag. Chloride during June (much earlier than usual).

Our full-time equipment operator, Will Hobson has done a yeoman's job keeping our filing roads maintained and the Alpine plowed as needed. By the way, many folks don't know that we have over 17 miles of filing roads to maintain and 7 miles of The Alpine that we oversee.

As the board guy responsible for watching over our road effort I have successfully recruited some really great volunteers to help me.

Oscar Ratliff has agreed to become our dirt road expert. There is a lot to know about maintaining 17 miles of filing road. He has surveyed our roads with Will and they both agree that they are in really good shape. That being said, they won't stay in good shape without some preventive maintenance and long range planning. Oscar, working with Will, has determined where we will be applying 600 tons of road-base this year, a much needed investment to replenish some of our roads requiring gravel. To complete this project we will need about 1200 more tons of road-base which we will buy and apply over the next one to two years. Additionally we will also be installing 4 new culverts this year. Once again, this is a preventative measure to eliminate future problems. Now we need to talk about the ugly and sticky "Mag Chloride" word. For those of you that don't know, Mag Chloride is a chemical that when properly applied to dirt roads reduces dust and holds the gravel in place. The key word here is "properly." We will not be applying any this year while Oscar works with the County to understand how and where we should be applying it for best results.

Volunteer number two is Rich Leary. Rich has agreed to understand and take on the convoluted issues of the Alpine.. This involves coordination and negotiating with Gunnison County, the U.S. Forest Service and the holders of whichever lumbering contract is in place at the time. It is a complex problem. The Alpine is a forest access road. The forest service pays the county to maintain it. The timber contract holder is obligated to remedy whatever impact they have caused. This last winter the timber contractor played havoc with the Alpine virtually ruining snowmobiling to the up country. They have also caused several unsafe situations and heavily impacted the road base itself. Rich has agreed to understand this complex problem and advise us how to manage the situation to our advantage.

Eric Johnson has agreed to become involved in our effort to develop an alternate snowmobile trail to the "top" since timber contractors have rendered unusable our existing pathway to the high country. This will require coordination with the Forest Service and the Lake City Snowmobile Club.

Lastly, Richard Ostrom, has agreed to help me with the proposed bathroom/trailer-dumpsite at the parking lot. The initial project was a simple bathroom at the parking lot that could have been some kind of self-composting toilet. As we got into the project we found that we would soon be losing access to our existing trailer dumpsite. We need to provide this service to our camping community. Combining these two projects required that we involve an engineering firm and work through the complicated process for permits with the county and possibly the state. We are now looking at a facility that would provide a bathroom, a trailer dumpsite and possibly replace the existing warming hut. Richard and I plan to present a plan on this to the board and hope to have this facility in place by winter.

I should make mention of our heavy equipment. All seems to be in good working order requiring only normal maintenance. This year we did invest in a power steam cleaner to help Will maintain our equipment.

As the Arrowhead community grows and prospers the impact on the roads is going to increase, and we are going to have to invest more in their maintenance. We will be putting a long-range road plan into place for consideration by the board as a whole.
Ralph Ambruster

Logging

It was a tough winter for snowmobiling due to the logging activity up the Alpine. It is likely to be a continuing problem as the contractor has another winter to finish, and another timber contract will be awarded this spring. We are meeting with the US Forest Service to search for solutions to the snowmobiling and other issues resulting from the winter transportation of logs. Gary Keiser

Maintenance and Improvements

Landscaping around the new Arrowhead sign was completed last fall. Fish have been stocked in the Flint Lakes, and rumor has it that fishing is pretty good. A community work day to remove the down and dead along the filing roads resulted in over 20 loads to the stump dump. Our priority this summer has been trying to get control of some of the noxious weeds which have been proliferating in the Arrowhead area. A wet summer and fall last year allowed Canada thistle to really take off. This year a specialist was hired to work the area between Ponderosa Road and Alpine Plateau Road. Initial spraying in late June has shown dramatic results. In addition, volunteers have been spraying along the filing roads. The 2006 John Krall Community Service Award went to Don and Elaine La Forge for all they have done over the years for Arrowhead. We are currently accepting nominations for the 2007 award.

Paul Mc Dermott

Security

We've made some personnel changes this year. The Board created a part time Security Manager position to handle the day-to-day security activities including scheduling, record keeping, and some of the issue resolution. Reinie Masanetz was appointed to the position of Security Manager and Mike Goddard was hired to fill the fourth security position. With over 200 driveways to keep open in the winter now, it worked well for us to have last year's snowmobile as well as the new one. We were able to run two machines to open driveways after a heavy snow. The spirit of Arrowhead was very evident with the wonderful volunteers who rode with security to help open driveways and roads. The Security team has added another communication tool to help owners contact us. Our e-mail is security@arrowhead1.org. For non-emergency requests, to notify us of guests or renters, please e-mail or call 970-862-8282. Lindy Lindner