

**MINUTES OF THE BOARD OF DIRECTORS OF THE
LAKE ARROWHEAD PROPERTY OWNERS' ASSOCIATION
AUGUST 6, 2011**

- I. The August 6, 2011 meeting of the Board of Directors of the Lake Arrowhead Property Owners' Association was called to order by President Chris Frey at 9:02 a.m., at the office building, with the Pledge of Allegiance.
- A. Board Members present were: Chris Frey, Dick Miller, Sue Fuller, Gary Fuller, Anita Wheaton, Scott Bicknell, Dave Cunningham, Kyle Stubli, Ron Race, Ron Race Jr., Dave Ligget and Tim Devine. Gordie Wearsch was excused.
- B. Ron Race moved that the agenda be changed to move the forestry project to IE and the well reports to IF. The motion was seconded by Gary Fuller and passed unanimously.
- C. Gary Fuller moved that the board appoint Mary Davignon to fill the vacancy on the board. The motion was seconded by Scott Bicknell and passed unanimously. Her term will expire at the annual meeting July 2012. Mary joined the board for the rest of the meeting. She will serve as the Newsletter Chairperson.
- D. Scott Bicknell moved that the minutes of the July 2, 2011 board meeting be accepted as written. The motion was seconded by Ron Race and the motion passed with Mary Davignon abstaining
- E. Forestry project: Ivan Witt
1. The next section will be the northwest corner of our property. The bid from Stuckman Tree Services, Inc. was accepted. The association will be paid \$3 per ton for all chips, \$24 per cord for pallet logs and \$75 per cord for hardwood. We can plan on compensation of \$15,000 to \$20,000, with a \$1,000 down payment. This will take about three weeks for the whole project and will only be done when the roads are frozen. There will be six to eight trucks per day.
 2. The board reviewed the contract and Tim Devine suggested that the words "arising out of/or relating to" be used instead of "caused by" in paragraph sixteen of the contract. Scott Bicknell moved that the contract be accepted with the language change. The motion was seconded by Dave Cunningham and passed with one nay.
- F. Well to increase lake level: Dick Miller
1. Dick gave members copies of the bids from well drillers. The bids were for 6 ¼ inch wells and 8 inch wells.
 2. Lake Harold, a 40 to 44 acre area, has a 6 ¼ inch well, 380 feet deep, which needs to pump three million gallons of water to raise the lake one inch.

3. Lake Arrowhead is about a 100 to 105 acre lake. We do not know how deep our well will need to be.
4. An eight inch well will pump 800 to 1,000 gallons per minute. We would retain approximately 70% and 30% will either evaporate or return to the water table.
5. Lake Arrowhead is a water table lake; this means there are no rivers or streams to feed it only the underground springs in the lake.
6. Dick recommends we do a test well which will cost about \$4,000. We need 80 to 100 feet of clay base. The permit from the health department will cost \$275.
7. An eight inch well requires a 30 hp pump, which requires a three phase electrical service. This must be run from Arapahoe and Beechnut. Great Lakes Electric requires a \$75 application fee for the project. We will also need a water withdrawal permit from Lansing DEQ, since we will be drawing more than 75 gallons per minute.
8. Mary Davignon asked whether the test well water would also be tested for toxins that would be detrimental to the lake.
9. Chris Speen asked whether we have hired a geological expert to assist us. He stated that he would be able to answer all questions pertaining to the project. Dave Cunningham stated that we use committees to do the leg work to get the questions answered since we do not have funds to hire someone to do it for us.
10. Steve Frantz asked if the board was going to go forward with the project.
11. Sue Fuller stated that before we go forward we need to know how much the electrical cost would be per month. There is not money in the budget to pay for this without an assessment vote by the membership.
12. There is group of members calling themselves "Friends of the Lake", who are raising money to help pay the cost of the well project.
13. Scott Bicknell estimated that it would cost \$2,000 per month to run the well pump.
14. Ed Heitch stated he is in favor of the project and asked how many feet do we want to raise the lake. Dick stated that he felt everyone would be happy if we could bring up the lake three feet.
15. The estimate for an eight inch well is \$30,000. The electrical hook up at the site would be \$2,000 to \$3,000. The cost of bring the three phase service from Arapahoe depends on how Great Lakes Energy would agree to do it.
16. Ed Heitch asked if the well could be placed at the electrical site on Arapahoe and the water piped underground to the office site. This would

have to be investigated to see if a larger pump would be needed to push the water to the site.

17. Chuck O'Connell stated the board should get the process moving, get permits, do the test well and hire an engineer to answer our questions. If the engineer states the project is feasible, to move forward with it. He would like an answer on what chemicals will be pumped into the lake and if they will show up in our well at any time.
18. Scott Bicknell moved we authorize up to \$10,000 from the forestry project funds, to get permits, drill the test well and hire any expertise needed. The motion was seconded by Tim Devine and passed with 11 yes and 2 no votes.
19. Chuck O'Connell reported that the gas company has told him that the augmentation well would have no impact on our gas wells. The gas wells go down 1,200 feet, encased in cement.
20. Kaye Maddix asked if the well would have any impact on the small lakes in the area. No one knew the answer for sure, but it was felt that it would help.
21. T & W Landscaping, Wayne Weirauch, has said he would provide the materials and the labor for getting the water from the pump outlet to the lake.
22. Dorothy James stated that the lake level would improve if we were to do something about the muck, since it is getting deeper all the time. She has found a company which will aerate the lake and use micro organisms to eat the muck. Dorothy handed out information to the board. The board will check into this.
23. Tim Devine stated that the board should plan on placing on the agenda a \$30 per year addition to our assessments.

II. Asset group

A. Treasurer's report: Gary Fuller

1. \$134,501.57 has been taken in of the \$166,700 budgeted. All expenses are within the budgeted amounts.
2. The campground has taken in \$22,596.65 of their \$23,700 budgeted amount.
3. Dave Cunningham reported that it would not be in the best interest of the association to lease a truck. Zaremba's have stated that they would find a way for us to lease one, but that in the end we would be better off to purchase a truck. This is proved by how long our present truck has lasted.

4. Gary stated we need to be aware that we will be going to the members next year not only to approve an assessment to pay for the electricity for an augmentation well, also for a new truck.
 5. Gary also wanted the board to be aware that it has been six years since we resurfaced Arapahoe.
 6. Ron Race moved that the treasurer's report be accepted. Tim Devine seconded the motion and was passed unanimously.
- B. Financial & Collection Committees Report: Sue & Gary Fuller, Anita Wheaton & Dana Stubli
1. As of 7-22-11: assessments have been paid on 1276 lots of the 1571 lots billed. 81.22% of the lots are paid compared with 77.8% last year at this time.
 2. There have been 549 envelopes mailed with membership cards enclosed.
 3. Collection: \$10,665.81 has been collected of the \$12,000 budgeted.
 4. Payments are coming in regularly.
 5. The last meeting we discussed a foreclosure that didn't feel they should pay the assessments due. We did receive the full amount.
 6. Our next step is to send letters to all members who are more than this present year behind in assessments. We will then take more cases to Attorney Krussell.
 7. A member has QCD his lot to the association. We had told him we did not want to accept the lot back. Tim Devine will look into the situation and see what we do to prevent this in the future.
 - a. Someone has brought it to our attention that the two track from the common grounds at the end of Crow may be on this lot, 3043, and not on our deeded road.
 - b. Chris Frey will try to find the lot markers.

III. Common ground

- A. Roads and Maintenance: Dave Cunningham & Tim Wheaton
1. Plans are to brine one more time before Labor Day.
 2. The center stripes have been painted on Arapahoe at a cost of \$2,240.
 3. Tim is working on replacing gravel on the shoulders of Arapahoe.
 4. R & H will fill 34 major cracks on Arapahoe for \$1,700.
 5. The back of the office building has been sided. The work was done by a group of volunteers led by Dave Cunningham.
 6. Chris Frey stated that he had been approached by a sheriff deputy who stated that they have had several calls about four wheelers that are going up and down Lindsey Lane. He asked if there was anything we could do to stop the action. Dave Cunningham explained that this is a utility easement and not a part of the association property.

- B. Pool: Ron Race & Diana Elliot
 - 1. The health department was out for a follow up inspection and the pool passed on all points.
 - 2. Diana has been doing a great job at the pool.
 - 3. The solar cover will need to be replaced next season.
 - C. Parks: Anita Wheaton
 - 1. The lights on the entrance sign have been installed.
 - 2. Cost to stock the lake: Kyle Stubli
 - a. Highbred bluegill is \$1.50 each
 - b. Crappy are \$1.00 each.
 - c. This will be put on hold until we have more water in the lake.
 - 3. An access gate to be place at the entrance to the office building would be \$400.
 - 4. Tim Devine moved the board support the parks committee on placing a gate at the entrance to the office building. The motion was seconded by Scott Bicknell and passed with two opposed.
 - D. Environmental & Zoning: Dave Ligget and Kyle Stubli
 - 1. Arrow Sanitation: \$39 per ton plus \$300 for \$553.50 and will sign a three year contract at that price.
 - 2. Waste Management: Will sign a three year contract for \$583 per pull.
 - 3. Tim Devine moved we sign the contract with Waste Management. The motion was seconded by Scott Bicknell and passed unanimously.
 - E. Campground: Eva Davidson
 - 1. Everything is in good shape at the campground. She thanked Jim and Sharon Morris and Dale for all their help this spring.
 - 2. There were two bad tests for the water. The well was chlorinated and flushed out. Two more tests were done, but the results have not come back. Eva will call the lab today.
- IV. Communications
- A. Newsletter: Mary Davignon The deadline for article in the newsletter is September 15th.
 - B. Website: Scott Bicknell The site is up to date.
- V. Planning
- A. Propane rates: Scott Bicknell
 - 1. Amerigas: \$2.359
 - 2. Gaylord Gas: \$1.99
 - 3. Johnson Oil: hasn't set their price for this season.
- VI. New business
- A. Maintenance person's contract: Ron Race moved that we approve the contract and hire Tim Wheaton with a 3% raise, for a salary of \$22,145 and \$3,708

vehicle allowance. The motion was seconded by Tim Devine and passed unanimously.

- B. Scott Bicknell looked at the lake in front of Tom James place where he placed the micro organisms to eat the muck. He was not able to tell any difference. Ron Race stated that he was not sure that the muck is worse. Mary Davignon will make an internet search on the subject.

- Vii. Adjournment: Gary Fuller moved that we adjourn. The meeting adjourned at 12:35 p.m.

Respectfully submitted,

Sue Ann Fuller, Secretary Lake Arrowhead Property Owners' Association

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