

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS MINUTES
MAY 19, 2012**

APPROVED

2.0 Call to Order – President Kevin Kavanaugh called the regular monthly meeting of the Apple Canyon Lake Property Owners Association (ACLPOA) to order at 1:00 p.m. at the Apple Canyon Lake Clubhouse, Saturday, May 19, 2012.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Mr. Bob Ballenger, Ms. Marge Clark, Mr. Josh Cocagne, Mr. Kevin Kavanaugh, Mr. Chuck Larsen, Ms. Debra McNamee, Mr. Duane Suits and Mr. Erin Winter. General Manager Paula Lange was in attendance. Mr. Rick Paulson was not present.

4.0 Approve/Adopt April 21, 2012 BOD Minutes – Bob Ballenger moved, Duane Suits seconded, to “Adopt the April 21, 2012 Minutes as presented.” Motion carried.

5.0 Treasurer’s Report -- Duane Suits reported the April Revenues were over budget by \$11,782 and YTD Revenues were over budget by \$20,630. Ahead of YTD budget was Delinquent Due Fees of \$22,525 (an unbudgeted line item). Other significant revenue variances included Owner Access Registration Fees (OARF) under budget by \$20,433, Golf Fees over YTD budget by \$18,666 and Golf Sales over by \$10,590. April Operating Expenses were under budget by \$31,460 and YTD Operating Expenses were under budget by \$146,815. Significant line item YTD variances included Total Wages and Fringes under budget by \$24,416, Maintenance under by \$11,145, Utilities expenses under by \$14,054, Land and Lake under by \$15,165 and Contingencies under by \$33,333. The above resulted in YTD Operating Revenues over Expenses of \$388,603 which is over budget by \$167,445. R&R expenditures were \$2,118 for the month, with YTD R&R expenditures total of \$178,825. Pool project YTD expenditures total approximately \$103,000, with largest portion for architectural fees of \$93,000. Marge Clark moved, Chuck Larsen seconded, to “Record the Treasurer’s Report as presented.” Motion carried.

6.0 Committee Reports by Board Liaison and/or Committee Chair

Conservation – Erin Winter reported he was drafted as Chair and Rich Krasula as Vice Chair. Phyllis Cady is researching cost for a parking area by the walking trail. The first annual Spring Fling lake cleanup was cancelled due to rain and cold. A recommendation was made to submit EQIP (Environmental Quality Incentives Program) for cost share with the USDA. He also suggested a need to adopt a program to eliminate the invasive plants from the greenways, especially garlic mustard. Also we are researching a boat washing station, but it’s proving to be very costly. More information will be available at the next meeting.

Trails – Mike Harris said the trail cleanup went very well on April 28th.

Legal – Marge Clark had no report.

Budget – Duane Suits reported they have set their timetable and June 23rd will be the Orientation Meeting and July 28th will be the main meeting.

Campground – Chuck Larsen reported the Pancake Breakfast is on Sunday, May 27th.

Architectural and Environment Control – Bob Ballenger had no report.

Pool Committee – Josh Cocagne reported the committee received bids back for construction of the pool and the committee will be bringing forth a recommendation on a contractor.

7.0 President's Report – President Kevin Kavanaugh did not have a report. He will file one for the *Apple Core* after seeing some of the votes from today's meeting. Kevin asked for more volunteers for the Nominating Committee. Kevin reminded everyone to be sure to vote.

8.0 General Manager's Report – Paula Lange reported that on Saturday, June 23rd at 9:00 a.m., six lots will be auctioned, pursuant to court order, at the ACL Clubhouse by the Jo Daviess County Sheriff. Full purchase price must be paid at time of sale. The foreclosure process begins with filing of a lien in May of the year previous. The six lots being foreclosed upon were part of 25 liens filed in May 2011. Lots still delinquent on June 1 will be turned over to the Association Legal Counsel Phil Jensen for collection. Paula said to refer to the Apple Canyon Lake website for all of ACLPOA's activities. Notification letters were mailed on May 7, 2012 regarding the first round of boat slip waiting list assignments. Twenty-five property owners submitted their boat slip for sub-license. Sub-licensing will begin as soon as all of the slips are assigned. Seasonal campsite assignments were completed and three sites were available out of the 59 seasonal sites. There are nine full hook-up sites and fourteen primitive sites available for short-term camping. A reminder the pool closes Monday, August 6th in order to have the new pool ready for 2013. The Safety and Security Department will conduct a Boater Safety Class on June 23rd from 8:00 a.m. to 4:00 p.m. On May 26th from 9:00 a.m. to 2:00 p.m., the U.S. Coast Guard will conduct Vessel Safety checks. June 30th will be the fireworks display at ACL. Frenress Lake Marina installed, at their own expense, a set of slips on the north end of the lake where the slips receive the most wave action, exposure to water levels, debris, winds, etc. Next year, we will be able to evaluate the slips and be ready to decide how they will work in our environment. Ms. Lange explained the boat rental rates for the brand new boats provided by Frenress Lake.

9.0 Property Owner Comments

-Jan Hedges gave kudos to the Maintenance Department and to the Garden Club because the property around the association is looking fantastic. Jan also thought that Deb McNamee's idea for a dais made by the Cove Restaurant is great. Ms. Hedges thought the Marina should have been opened earlier along with the campground. Paula said it was a staffing issue that caused the delay in the Marina to open.

-Jim Craig mentioned the patio down by the Marina looks great. Mr. Craig felt there should have been a permit from AECC before it was built. It would have been noted that the rules say no concrete allowed within five feet from the water as it is, and there is also a rule of a 50-foot buffer zone that should be kept as natural as possible. The Covenants say no deck within 100 feet from the shoreline. If we expect the property owners to obey the rules, then the Association should also.

-Stan thanked Erin Winter for taking over the chairmanship of the Conservation Committee. Mr. Hohnstadt had a question regarding restricted lots. "If the owner no longer wants to use the lot amenities, what's the likelihood of the non-used lot reselling? If it doesn't sell and goes on a short sale, how likely will it sell with the restrictions, and if it doesn't sell that way, and we're stuck with it at the lake, what will be done with it?"

-Henry Doden said he has been waiting for an answer since November as promised from Ms. Lange. Paula went through a lot of work and effort to establish a dock lease agreement, and the lawyer approved leasing the docks. Henry said that none of them are legal. In Illinois a lease is only legal if both parties have a copy of the signed lease. Copies of these leases have not been sent out to the people who have leased these docks. Ms. Lange interjected and said it is a license not a lease. Henry also mentioned that the soil erosion dry dam project done last fall by Constitution and East Apple Canyon Lake Road, grass seed has not yet been planted. Maintenance did work by the holes next to Apple Canyon Lake Road below the dam, and did work on the other side. There is no grass seed there either. Henry presented pictures of piles of rock at a new home site that are several feet onto the greenway. No silt fencing is visible on that side of the property. Kevin asked for the pictures and Paula will speak to the Building Inspector.

10.0 Unfinished Business

10.1 Campground Renovations – President Kevin Kavanaugh reported at the last meeting much discussion was had on the best approach in solving the erosion issues at the campground and a vote was made to authorize some dollars for the project. Josh Cocagne suggested to table further discussion and research for more information. Marge Clark said a motion can be made to suspend the rules for motion discussion. Bob Ballenger motioned and Josh Cocagne seconded to, “Suspend the rules in order to discuss further.” Motion carried. After further discussion, Bob Ballenger moved, Josh Cocagne seconded, “To table campground renovations until further information is researched.” Motion carried.

10.2 Revised Lot Combination Form – President Kevin Kavanaugh read the narrative. After some discussion Chuck Larsen moved, Josh Cocagne seconded, “To approve the revised lot combination form as approved by legal counsel.” Motion carried.

11.0 New Business

11.1 Committee Changes Via Motion of Consent – President Kavanaugh read the changes. Marge Clark moved, Josh Cocagne seconded, “To approve the committee changes as listed: to accept resignation of Larry Loete from the Conservation Committee; and to appoint Erin Winter as Chairman of the Conservation Committee, Rich Krasula as Vice Chairman of the Conservation Committee, Kathy Richards to the Recreation Committee, Jan Harris to the Recreation Committee, and Marilyn Detwiler to the Tellers Committee.” Motion carried with one abstention (Erin Winter).

11.2 General Contractor for Pool Project – President Kavanaugh read the narrative. Mr. Kavanaugh added that he, Ms. Lange and the architect met with the representatives from Conlon Construction, Mr. Darren Kent and Mr. Dan Harkness, who are in the audience today. We had an extensive and informative discussion with them and they answered a series of questions presented to them from the architect, the Pool Committee and ourselves. Conlon is a local company in business over 100 years. We also met with Joe Mattingley and Dave Oldenberg at the Galena Territory to see their new pool. It is gorgeous with three pools: an indoor pool, an outdoor pool and a children’s pool. Deb McNamee thanked the Pool Committee for their work on the pool project. Mr. Kavanaugh introduced Darren Kent, who is the Project Manager and Estimator and Dan Harkness, who will be Project Superintendent at ACL during the pool installation. Henry Doden asked some questions regarding other bids. Mr. Kavanaugh stated that everyone is comfortable with the bids that have been submitted. Bob Ballenger moved, Marge

Clark seconded, “To approve the recommendation of the Pool Committee to accept Conlon Construction’s bid, which includes the five alternates, and retain them as the general contractor for the pool/bathhouse project.” Motion carried unanimously.

11.3 Approve Re-Allocation of Funds – President Kavanaugh read the narrative. Ms. Lange stated the \$27,000 has been received from SWCD. Erin Winter moved, Marge Clark seconded, “To approve the re-allocation of R&R funds as stated above.” Motion carried unanimously.

11.4 Restricted Lots – President Kavanaugh read the narrative. Discussion ensued regarding a question on a small garden fence on lot 13-019. Bob Ballenger moved, Chuck Larsen seconded, “To approve the lots as listed to be restricted: lot 05-129, lot 08-011, lot 03-078, lot 13-096, lot 03-038 and lot-13-019. Recorded deed must be returned to Phil Jensen, ACLPOA Legal Counsel, and ACLPOA office prior to December 31, 2012 to qualify for reduction in dues for 2013.” Motion carried, with one nay (Josh Cocagne).

11.5 Resolution to Support EQIP (Environmental Quality Incentives Program) Program – President Kavanaugh read the narrative that EQIP is offering applicants an opportunity for reimbursement up to certain set amounts based on the extent of the Forestry Plan. ACLPOA is applying for a Forestry Program to help us professionally and wisely manage our forested acres. Erin Winter moved, Marge Clark seconded, “To approve and support the EQIP Program.” Motion carried.

11.6 Variance for Fence Surrounding Port-A-Potties on Golf Course – President Kavanaugh read the narrative. After much discussion, Chuck Larsen moved, Erin Winter seconded, “To approve the variance for the fence for the two port-a-potties on the golf course.” Motion failed due to a tie - 4 Yea (Chuck Larsen, Erin Winter, Debra McNamee, Marge Clark); 4 Nay (Josh Cocagne, Bob Ballenger, Duane Suits, Kevin Kavanaugh).

11.7 Nominating Committee Approval – President Kavanaugh read the narrative. Marge Clark moved, Josh Cocagne seconded, “To accept Rich Miranda, Mike Cammack, Bo Skoskiewicz and Chuck Larsen to serve on the Nominating Committee.” Motion carried.

11.8 New Holes and Yardage Markers – President Kavanaugh read the narrative from the Golf Committee. Bob Ballenger moved, Chuck Larsen seconded, “To approve the purchase from Designated Funds by the Golf Committee for new hole and yardage markers not to exceed the cost of \$2,100”. Motion carried unanimously.

Adjournment – Bob Ballenger moved to adjourn at 2:14 p.m.

Respectfully submitted,
Karen Drogosz, Acting Secretary