

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS MEETING
FEBRUARY 16, 2013**

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 9:00 a.m. at the Apple Canyon Lake Clubhouse, on Saturday, February 16, 2013.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Mr. Bob Ballenger, Mr. Josh Cocagne, Mr. Kevin Kavanaugh, Mr. Chuck Larsen, Mr. Rick Paulson, Mr. Duane Suits, and Mr. Erin Winter. Ms. Marge Clark and Ms. Debra McNamee were absent. General Manager Paula Lange and Recording Secretary Kandee Haertel were also in attendance.

4.0 Record/Adopt January 19, 2013 BOD Minutes – Erin Winter moved, Bob Ballenger seconded, to “Adopt the January 19, 2013 Minutes as presented.” It was agreed that the record should be corrected to show that the date of the Triathlon should be corrected to 5-18-13. The January 19, 2013 minutes were approved as corrected.

President Kavanaugh requested a motion to amend the agenda to include items 11.4 and 11.5. Josh Cocagne moved, with a second by Chuck Larson, to amend the agenda as requested. The motion passed unanimously.

5.0 Treasurer’s Report – Duane Suits stated that there was no Treasurer’s report for January because February’s meeting was early in the month and he had not yet received the January financials. He also indicated that he wanted to wait until after completion of the audit to provide additional reports, which would probably be the March meeting.

6.0 Committee Reports

AECC – Rick Paulson reported that AECC had not met and, therefore, had no report.

Long Range Planning – Chuck Larsen reported that the original 2005 survey questions (used to create the 2005 Master Plan) are being updated and have been sent to Board members and committees for their input to update the questions. Responses from these groups are expected in early March and then the survey will be updated and sent to the membership. The membership should have their responses in to the ACLPOA office by the end of April. The Long Range Planning committee will meet in late March for final consideration of the questions to be sent to the membership.

Rules & Regulations – Josh Cocagne reported that the committee had received input from legal counsel and the Security Department, and has agreed that no posted speed limits are necessary. This conclusion was reached based on the fact that current rules and regulations already containing sufficient guidelines for the Security Department to enforce unsafe driving. Josh also noted that most of the vehicles using the trails do not have speedometers, which is another factor in enforcing speed limits. The Rules and Regulations Committee has scheduled a meeting for the second week in March. Kevin Kavanaugh asked Security Department Chief Marc Gabel if he

was in agreement with the committee's ruling and he stated that he was and that the current rules provide the Security Department with the authority they need to enforce safe driving on the trails.

Conservation – Erin Winter reported that the results of last year's lake testing will be available in March. He also stated that the IEPA grant will not be approved because there was not enough money in the state's budget for such grants. Discussion regarding the cleaning of boats before allowing them to enter the lake followed. Erin also shared an email he received from Randy Stowe, ACL's consultant, which stated that Apple Canyon Lake was specified as part of the IEPA's watershed planning that covers priority waters for protection. At present Apple Canyon lake is in a downward trend in water quality. He explained that means that the purity of the lake, as measured by sunlight, is less than in the past. The lake is being obscured by algae or sediment, indicating a decrease in the health of the lake. The next meeting of the Conservation Committee is March 2nd.

Nominating – Rich Miranda reported that, as of now, four people are running for the Board. The cut-off date for submitting applications is Saturday, February 23rd. He stated that the committee has exhausted their methods and encouraged members to run for the Board and asked that the current Board members please assist the committee in finding one more person ready to run for the Board. The Nominating Committee will be meeting on Thursday, February 21st.

Campground – Chuck Larsen reported the sad news that Mike Spagnola recently had a fatal heart attack. Mike will be missed for everything he did for the campground committee. He was a good friend to all who knew him. On behalf of the Board and the ACL Association, President Kavanaugh expressed condolences and sympathy. Chuck also asked Brian Hartlep if it would be possible to open the campground a week earlier because of the amount of use it receives. Jim Craig reported on the Campground's annual midwinter gathering, which was attended by 60-70 people. A good time was had by all.

7.0 President's Report – President Kavanaugh indicated that his complete report would be in *The Apple Core*. He also encouraged the Board to look around at the increased winter lake activities provided this season, including the ice skating rink. The grill at the Pro Shop continues to show increased use by members and he personally found it a good place to eat. He encouraged all members to frequent the Pro Shop.

8.0 General Manager's Report – General Manager Paula Lange's report will also be in *The Apple Core*. She wanted the Board to know that while 2013 registrations are ahead of last year, a second notice was still sent to remind all members that payments are due. There are currently 98 property owners on the payment plan and the deadline for signing up for the payment plan has been extended. She requested that Board members share this information and, if appropriate, have the property owner contact her. She also advised the Board that low water is again anticipated this spring and that boat slips will continue to be a problem. She urged property owners who experience low water problems to contact the office for assistance in locating temporary boat slips. Regarding the 22% increase in water utility rates, she advised the Board approve challenging this increase through legal channels, but reminded them that we are still waiting for an answer to the challenge to the rate increase of a year ago. The pool work is on schedule and on budget. That entire project should be ready to go Memorial Day weekend. She also advised that the propane gas co-op program is being cancelled for next year because

competitive pricing cannot be obtained for property owners. After ACLPOA's purchase for the 2012 season, gas prices actually went down. She also wished to remind everyone that if they contract with a company other than their present one, it may be necessary to also purchase a tank. Considerable discussion regarding how individuals can contract on their own behalf followed. Paula will assist individuals in any way she can to make this an easy process. Kevin noted that the price of propane had gone through some pretty large swings this year. Kevin also requested that Marci Stanger report to the Board regarding Jo Carroll's position on electric aggregation. She noted that amenity tags are new to ACLPOA and that the office has received numerous calls about their use. The system was put in place to identify people who should not be using our private properties. The tag system has been used successfully in other areas, and she urged common sense cooperation from all property owners. George Drogosz from the audience requested clarification regarding the Security Department's feelings about the use of amenity tags and enforcement. Marc Gabel indicated that he was meeting with the Sheriff's office on February 26th to discuss the roles of both enforcement agencies in dealing with trespassers and other possible violations. A similar meeting is also scheduled with the Assistant State's Attorney. Paula also introduced new security officer Mark Gable, Safety and Security Chief. The Security team this year will be much more engaged so they can better assist property owners.

9.0 Property Owner Comments – George Drogosz wished to make several quick comments, the first being that individuals can contract for propane if they wish. He also noted that gas companies offer what is called indexed price. You can pay the going rate plus the margin. He felt that the Valentine's greeting, which was actually a second notice of fees due that was printed on pink paper, was a waste of money. He also asked the Conservation Committee to check into the water quality at Washington Cove because during a recent thaw the edges of the cove turned a golden brown and the water was mud brown.

10.0 Unfinished Business – There was no unfinished business at this meeting.

11.0 New Business

11.1 Property Owner Citation Appeal - President Kavanaugh read the narrative, "Property owner Jim Craig is appealing the Appeal Board's decision to uphold his citation which was heard at the hearing held on February 2, 2013. Information on the appeal was included in Board Packet." Prior to adjourning to executive session to discuss this citation appeal, the Board heard testimony from Security Officer Josh Groharing and property owner Jim Craig. At 9:45 am, the Board moved to executive session; they returned at 9:54 am. Josh Cocagne moved, Duane Suits seconded, "to uphold the violation as presented to the Appeals Committee." President Kavanaugh called for a roll call vote. All members present voted "yes". The motion carried unanimously. President Kavanaugh additionally requested that Mr. Craig resign from the AECC.

11.2 Committee Changes Via Motion of Consent - President Kavanaugh read the narrative. Rick Paulson moved, Josh Cocagne seconded, "to accept the resignation of Jack Finley from the Long Range Planning Committee." The motion carried unanimously.

11.3 Restrict Lots - President Kavanaugh read the narrative. Bob Ballenger moved, Rick Paulson seconded, to "allow lots 03-141, 11-307, 07-237, 12-168, and 07-239 to be restricted.

Recorded deed must be returned to Phil Jensen, ACLPOA legal counsel, and ACLPOA office prior to December 01, 2013 to qualify for reduction in dues for 2014.” Josh Cocagne questioned how many lots were presently restricted. Paula Lange responded that there are approximately 57. President Kavanaugh asked Brian Hartlep to report regarding the fire seating area in Lot 07-239. Brian stated that it is a structure built out of very large limestone rocks were arranged on the ground in a ring to make a sitting area. The area did not appear to be paved. It is an area where fires have taken place, not contained by a metal ring. Paula Lange noted that another lot was denied restriction for the same type of seating area. After lengthy discussion regarding what the definition of “improvement” was, President Kavanaugh requested that the motion be amended to not include Lot 07-239, and that the restriction of Lot 07-239 could be held off until the next meeting so that additional information could be brought to the Board. Both Bob Ballenger and Rick Paulson agreed to amend their original motion, so that it would be to approve the restriction of lots 03-141, 11-307, 07-237 and 12-168 and to hold off on lot 07-239’s restriction. The vote to restrict the lots 03-141, 11-307, 07-237 and 12-168 was unanimous.

11.4 R&R Budget - President Kavanaugh read the narrative. Erin Winter moved, Josh Cocagne seconded, to “approve the fund transfer of \$11,000 from the greenway restoration R&R (8038) to a new G/L account which will be created specifically to track the interns’ wages. This amount includes all required state and federal taxes. Erin Winter noted that this is a continuation of the Level 1 lake monitoring program with the water sample being done by the University of Dubuque. This monitoring program allows us to know very quickly if something that goes wrong in the lake. Also this program may help us obtain grants as well. He also noted that this is a continuation of what is already being done. Brian Hartlep noted that this proposal is to move R&R funds to general funds so that two interns would be paid for ten 40-hour weeks of work. This will be part of the formal internship contract that will be brought to the Board next month. This program will test lake water quality and rates of flow. The interns will also eradicate invasive species throughout ACLPOA. Mike Malon from the Jo Daviess County Soil and Water Conservation District stated that the planned contract would have the interns spending 25% time of their time of lake research, 50% eradicating invasive species, and 25% of their time on golf course grounds maintenance. A big part of this plan is to save money by using University of Dubuque student interns rather than ACLPOA regular employees. It is proposed that the interns’ work will be reviewed weekly by ACLPOA’s Environmentalist and Mike Malon. The discussion continued as to whether or not the funds needed to be moved to operations or if it could stay in R&R where we can actually continue to tract the Greenway Restoration as planned. Unless otherwise directed by ACL Auditors, the funds would be better for tracking in R&R.

President Kavanaugh requested that Josh Cocagne withdraw his second and that Erin Winter withdraw his motion. Both parties did so, resulting in no Board action.

Paula Lange commented that AmeriCorps students will be again working on Apple Canyon Lake for approximately five days and she is hopeful that property owners will be willing to provide dinners for these 10-16 people. Brian Hartlep commented that plans call for the students to be tent camping on site and will be working primarily on invasive species eradication for 8-10 hours per day. This is a major service learning opportunity for these students that greatly benefits ACLPOA and she feels that it is an opportunity for us to show our appreciation for their work.

11.5 Pool – Closed Circuit TV Security for the New Pool - President Kavanaugh read the narrative. Chuck Larsen moved, Erin Winter seconded, to “approve the proposal for the CCTV security system from Per Mar Security at a cost not to exceed \$6,000.” The motion carried unanimously.

12.0 Other – There was no other business.

Adjournment – Josh Cocagne moved to adjourn at 10:20 a.m. Motion carried unanimously.

Recording Secretary Kandee Haertel

President Kevin Kavanaugh

Date

Corporate Secretary Josh Cocagne