

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
OCTOBER 19, 2013**

APPROVED

2.0 Call to Order – President Deb McNamee called the regular monthly meeting of the Board of Directors of the Apple Canyon Lake Property Owners Association (ACLPOA) to order at 9:06 a.m. at the Apple Canyon Lake Clubhouse, on Saturday, October 19, 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. Mike Harris, Mr. Kevin Kavanaugh, Mr. Chuck Larsen, Ms. Debra McNamee, and Mr. Rick Paulson. Mr. Erin Winter was absent. Ms. Marge Clark, Operations Director, and Recording Secretary Kandee Haertel were also in attendance.

4.0 Record/Adopt BOD Minutes from September 14, 2013 and September 21, 2013 – Mike Harris moved, Kevin Kavanaugh seconded, to “Adopt the minutes of the September 14th meeting.” The motion failed because there were not sufficient members present at that meeting to approve the minutes. It was agreed they will be presented again at the November meeting. Rick Paulson moved, Mike Harris seconded, to approve the minutes of the September 21st meeting. The motion passed with Chuck Larsen and Kevin Kavanaugh abstaining. Marge Clark noted that there were not five votes for the September 21st Minutes. Those Minutes will also need to be approved at the November meeting.

5.0 Treasurer’s Report – Mike Harris gave the report for the month of September. September revenues were over budget by \$10,085 and Year-to-Date (YTD) Revenues were over budget by \$142,668. Significant line items included Delinquent Dues Fees Revenues, YTD Membership Assessment Revenues, and Contributions Income. September Operating Expenses were over budget by \$26,138 and YTD Operating Expenses were over budget by \$29,997. Significant YTD line item variances included F/F/E Expenses, Registration Expenses, Resale Supplies, and Insurance Expense. The above activity resulted in YTD Operating Revenues over Expenses of \$337,593 which is over budget \$110,709. In September we paid \$3,974 in interest on the pool project. Fall work scheduled for the pool project is in progress. We still retain \$59,367 to cover the cost of any work to be done. R&R expenditures for September were \$25,255, which includes \$3,200 for the first month’s rent on the backhoe and is charged to the remaining balance in the Asset Preservation account as listed by the accountants under R&R. YTD R&R expenditures total \$243,928. Rick Paulson moved, Kevin Kavanaugh seconded, “to accept the September Treasurer’s Report as presented.” Kevin Kavanaugh requested that a detailed explanation of why resale supplies are over budget be included in next month’s report. Upon voice vote, the motion carried unanimously.

6.0 Committee Reports

AECC – Rick Paulson reported that AECC has been busy having approved houses at 1-69, 10-79 and 14-55, shoreline work at 3-176 and a garage storage addition at 8-250 during the month of September.

Rules & Regulations – Josh Cocagne stated that the committee has met and a recommended definition of side-by-side ATV's and recommendation regarding trail usage hours. The next meeting date has not been set.

Maintenance -- Kevin Kavanaugh deferred the Maintenance Committee report to George Drogosz, Maintenance Committee member. The committee had a workshop with an outside individual who is very knowledgeable about what should be included in the new irrigation system at the golf course and what possibilities are available. The committee is working on formulating what should be included in a future bid letting.

Trails – Mike Harris reported that the committee met in September and reviewed the changes to trail signage. They are also working with Maintenance to evaluate the necessary changes to keep the entire trail system in greenways. They are finding pins and discussing alternatives. A surveyor will be assisting with this work. The trail clean up went very well with 11 people accomplishing a lot of work. Rick Paulson questioned whether the committee had ever considered an adopt-a-trail program because this would allow people to pick when they did their maintenance work rather than having to work on a specific day. Mike stated that it has been discussed, but on the whole it was not well received; because of this request, Mike will bring it up again at the next committee meeting. Marge Clark noted that this could be worked into the greenway stewardship program.

Campground – Chuck Larsen stated the chip and seal work has been completed and was well done. The Halloween party was successful. He also noted that the campground will be closing for the season very soon.

Long Range Planning– Chuck Larsen reported that the survey results are in and being reviewed, but it will take a while for the results to be tabulated and evaluated. He expects the update to the master plan to begin late next year. There were 484 responses total. One of the questions was whether or not a lot owner had plans to build a house in ACL during the next 10 years and 23 respondents stated “yes”.

Dam Advisory Committee – Chuck Larsen stated that they had been asked by the IDNR to ensure the inspection report is in accordance with the latest guidelines. While he believes it is in accordance, he will confirm that it is.

7.0 President's Report – President McNamee reported that a new General Manager has been hired and urged everyone to meet Tim Ridder at the end of the Board meeting. She then gave an overview of his credentials.

8.0 Operations Director's Report – Marge Clark reported that work on Winchester Bay silt ponds is progressing now that the backhoe problems have been resolved. Then dredging will begin and hopefully get back on schedule with clearing silt ponds. Water bills have had a small increase, as had been announced last month. The case against Utilities, Inc. over the rate increases four years ago, which ACL fought with another lake community, has been taken to court and a decision has been reached that the communities have lost because the court felt that the company was within its rights to set their rates however they wanted. The new doors will be installed in the annex within the next 4-5 weeks, which will then be ADA compliant. The dam report has been received, and it was complimentary to the work ACL has been doing. Henry Doden had pointed out that critters were creating holes in the dam. Seth Sample, ACL's Environmentalist, has investigated the problem and subsequently has been plugging woodchuck

holes and setting traps to prevent further damage to the dam. The woodchucks will be relocated to a more appropriate area.

9.0 Property Owner Comments – Jan Davis, 11-193, stated she was concerned about the accessibility of Board members to property owners and suggested that there should be a way to have more actual face-to-face time between the Board and property owners. She was also concerned about the communication between the new GM and the Board as well as the amount of control the Board would defer to the GM. She stressed that checks and balances between the Board and GM must be carefully adhered to.

George Drogosz, 8-48, stated that as a member of the Maintenance Committee, he was concerned that a motion giving the committee more authority was tabled at the last Board meeting and has not moved forward to today's meeting. President McNamee responded that the new GM will be on board very soon and the Board wants the benefit of his experience before establishing an organization chart and lines of communication are formalized.

Jim Craig, 11-294, noted that he has sent emails to Board members without receiving any response. He also felt that work done by the Board during executive sessions is excessive.

Fred Pfeiffer, 3-14, questioned the status of the assessments and charges regarding foreclosed lots. Marge Clark responded that the group of lots that were auctioned in June have all been sold, either at the auction or later, and that the dues owed have been collected. The list that is on this day's agenda is a new list. She also noted that the lots retained by ACL do not have a water bill and that the Association does not pay county taxes. These fees are part of the redemption and/or sale of the property.

Eddie Petelle, 11-209, stated that she feels that Phil Jensen should be removed as ACL's legal counsel because he is alleged to have received stolen goods from ACL.

Joe Chiaro, 14-54, stated that AECC approved a house to be built at 14-55 and questioned how the approval process works. He is concerned because this house has the same footprint as his. He also questioned the drainage of the sand filter for this new house because it will drain towards his lot, which means that the drainage will wash out his fire pit. Rick Paulson stated that ACL does not have an anti-monotony code regarding likeness of structures. Secondly, the sand filter must be placed within the lot with nothing greater than a 4 to 1 slope and must conform to the building code. Mr. Paulson will make certain that the building inspector is aware of this situation. .

Henry Doden, 13-129, stated that some of the trail signage changes appear to be in violation of the rules. He also noted that ATVs cannot legally be used on county roads and he wants to see this enforced. He also noted the grading of the trails has not been done and in order to prevent further damage, this work must be done. President McNamee stated that the rules are being updated and that some trails are being rerouted. George Drogosz from the Maintenance committee noted that rerouting of trails has been looked into for years and that funding has been a significant problem. President McNamee also noted that this situation was brought forward by Bob Stanger earlier.

Roland Schroeder, 8-43, asked what the new GM's salary will be. President McNamee stated that personnel issues are confidential and that only the Executive Committee is aware of what salaries are.

Fred Pfeiffer, 3-14, questioned the policy on handling deer guts generated by hunters. President McNamee asked him to hold off on his comments until the item came up later in today's agenda and he agreed to do so.

10.0 Unfinished Business

10.1 Adopt the 2014 Operating Budget, R&R Budget, and Fee Schedules – Mike Harris moved, Josh Cocagne seconded, to “Adopt the 2014 Operating Budget, R&R Budget, and Fee Schedules as published in the August, 2013 issue of *The Apple Core*.” Discussion included questioning the possible impact of the increase in water bills and how campground lots are charged. It was generally agreed that the Fee Schedule should have an in-depth analysis during 2014 to consider impacts to the 2015 budget. By voice vote, the motion carried unanimously.

11.0 New Business

11.1 Property Owner Request - President McNamee read the narrative. Mr. Cook, 9-153 Hawthorne, addressed the committee regarding problems with building a wall. After discussion, the Board moved to executive session to reach a decision in this matter. Kevin Kavanaugh announced that the majority of the Board members voted to deny Mr. Cook's request. This is the final decision.

11.2 Committee Change via Motion of Consent – President McNamee read the narrative. Mike Harris moved, Kevin Kavanaugh seconded, “to approve the appointment of Bernie Hauck to the Campground Committee.” The motion carried unanimously.

11.3 Restricted Lots – President McNamee read the narrative. Chuck Larsen moved, Bob Ballenger seconded, to “allow lot 09-014 to be restricted. Recorded Restrictive Covenant must be returned to Phil Jensen, ACLPOA Legal Counsel, and ACLPOA office prior to December 1, 2013, to qualify for reduction in dues for 2014.” By voice vote, the motion carried with five yeas, with Rick Paulson abstaining.

11.4 Lot Combination Request – President McNamee read the narrative. Bob Ballenger moved, Rick Paulson seconded, to “approve the lot combination for Lots 29 and 30 in Independence.” The motion carried unanimously.

11.5 Approve Foreclosure of Liens on Association Lots - President McNamee read the narrative. Rick Paulson moved, Chuck Larsen seconded, to “approve foreclosure of the liens on ACL lots as identified on the attached list.” The motion carried unanimously.

11.6 Deer Management Program Rules and Regulations -- President McNamee read the narrative. Josh Cocagne moved, Mike Harris seconded, to “approve the changes to the Rules & Regulations Sections XIV Hunting, Deer Management Program Rules and Regulations; and XIII Archery as included in the Board packet and attached to the motion card.” Discussion included why crossbows were specifically mentioned, what areas the use of crossbows applied to; and the appropriate placement of entrails after a deer is killed. Josh Cocagne withdrew his motion and Mike Harris withdrew his second. It was agreed that these changes would not be enacted and

would be put on the November agenda when members of the Deer Management Committee could be present.

11.7 Rules & Regulations Insurance Requirement Changes – President McNamee read the narrative. Chuck Larsen moved, Mike Harris seconded, to “approve the changes to the Rules & Regulations regarding insurance requirements as included in the Board packet and attached to the motion card.” Discussion included exactly what the word “proof” meant. The motion carried unanimously.

11.8 [Dues] Assessments Policy Change -- President McNamee read the narrative. Rick Paulson moved, Bob Ballenger seconded, to “approve the changes to the Board Approved Policy as included in the Board Packet and attached to the motion card.” The motion carried unanimously.

11.9 2013 R&R Fund Transfers -- President McNamee read the narrative. Bob Ballenger moved, Mike Harris seconded, to “approve the transfer of \$8,000 from Turbidity Curtain (8069) to Greenway Restorations (8068); \$10,000 from Winchester Bay Parking Area (8070) to Trail Improvements (8052); and \$13,500 from Pro Shop Kitchen Remodel (8328) to Clubhouse Interior Renovations (8225) and Pro Shop HVAC (8229).” The motion carried unanimously.

11.10 Recreation Committee Fundraiser – President McNamee read the narrative. Mike Harris moved, Rick Paulson seconded, to “approve the Recreation Committee fundraiser selling ACL logo merchandise. Net proceeds will be used towards the memorial Pavilion and/or other Recreation Committee needs.” Discussion included the type of merchandise used and it was stated there would be no duplication of Pro Shop merchandise. The motion carried unanimously.

11.11 Presentation of University of Dubuque Intern - University of Dubuque summer intern, Audra Isenhardt, presented her garlic mustard research findings to the Board and audience.

Adjournment – Josh Cocagne moved to adjourn at 11:50 a.m. Motion carried.

Recording Secretary Kande Haertel

President Deb McNamee

Date

Corporate Secretary Josh Cocagne