

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
OCTOBER 18, 2014**

APPROVED

2.0 Call to Order - Vice President Mike Harris called the regular monthly meeting of the Apple Canyon Lake Property Owner's Association (ACLPOA) to order at 9:00am, Saturday, October 18, 2014.

3.0 Pledge of Allegiance - After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Mr. Josh Cocagne, Mr. Jim Craig, Mr. Jack Finley, Mr. Mike Harris, Mr. Rich Krasula, Mr. Chuck Larsen, Ms. Deb McNamee, and Ms. Kathy Richards. Absent: Mr. Bob Ballenger. Interim Operations Director, Rick Paulson, and Recording Secretary, Janet Dowdall, were also in attendance. Deb McNamee left the meeting prior to the Consent Agenda.

4.0 Approve/ Adopt September 20, 2014 Minutes - A motion was made to approve the September 20, 2014 meeting minutes. Jim Craig requested a correction under 12.1 that 'homeowner' be changed to 'property owner'. An additional request was made for a typo and spelling correction. Mike Harris motioned to approve the September 20, 2014 minutes with the following correction under 12.1 to include "If a homeowner owns only own lot" be changed to "If a property owner owns only one lot" and the spelling correction. The motion carried with 7 yeas and one abstention from Chuck Larsen.

5.0 Treasurer's Report - Rich Krasula directed everyone to the treasurer's report on the table and stated anyone with questions could contact him. He briefly summarized the report by stating that the YTD Revenue is over budget by \$123,254. The YTD Operating Expenses are under budget by \$110,214. The net result is that YTD Operating Revenues are over expenses by \$481,265 which is over budget by \$233,468. Rich Krasula also stated that there was a typo on the R & R Expenditure Report. It stated July. The report actually is the R & R August Expenditure Report. The R & R Expenditures are over budget by \$5,537 for Greenway Restoration and Tower repair. The R&R YTD is \$167,890. A complete copy of the report is available in the *Apple Core* and on the ACL website.

6.0 Committee Reports-

AECC - Mike Harris reported that AECC approved one garage, two additions, and two shoreline restorations.

Recreation - Kathy Richards reported that the Recreation Committee has reviewed last year's calendar and will be reviewing with the board the FY 15 calendar at the workshop immediately following today's board meeting.

Deer Committee - Jack Finley reported that the Deer Committee doesn't have anything to report with the exception of a minor change in the rules to vote on.

Campground Committee - Chuck Larsen reported that the Campground Committee met on September 27, 2014. They made two motions. The first motion was to do the pancake breakfast again next year. The second motion was to erect a fence to screen the campground dumpster

using no more than \$500 of their designated funds. Chuck also wanted to remind the Board that the Long Range Planning Committee was put on hold over a year ago with no further direction. He stated he would like to convene a meeting within the next month so the committee can come up with a proposal or objectives to bring to the board. If no objections, he would like to convene the meeting. Mike Harris stated we will talk about it later because they need the whole board present. He thanked Chuck for bringing it up.

Dam Advisory Committee- Chuck Larsen then proposed to have a meeting of the Dam Advisory Committee to discuss further recommendations to the board regarding the dam. Josh Cocagne corrected and said that there isn't a Dam Advisory Committee, but instead it is a three person Dam Advisory Task Force. (Actual title is *Dam Advisory Panel*). Josh proposed that the task force (Advisory Panel) should be disbanded as they have already met, given their recommendations and the board already has a copy of their recommendations. Chuck stated that Josh and he will agree to respectfully disagree.

Trails - Rick Paulson reported that the Canyon Club trail was recently completed. In addition, he reported that the Independence to Remington trail, which is approx. 1 to 1 ¼ miles, as well as the Kennedy to George's Bench trail are 100% completed. He encourages all property owners to ride these trails to see how nice they look. In addition, Rick stated that the in-house staff is currently working on the Marina trail retaining wall which is 134ft and two stones high. Rick feels that the guys in the maintenance department are doing a great job. He stated that last year, Sproule Construction was contracted for a smaller area at a cost of approx. \$25,000. Rick stated that by in-house staff completing this project, they are saving the association a substantial amount of money, and should be commended on an outstanding job. Applause followed.

Campground Task Force - Jim Craig reported that the Campground Task Force met and has finalized recommended rules. The Ad Hoc Amenity Tag Committee met and has recommended rules as well for amenity tag concerns. They have sent recommendations to the Rules and Regulations committee for approval and they are on today's agenda.

Nominating Committee - Rich Miranda, 14A8, Chairman of the Nominating Committee, stated that there will be an election for the ACL Board of Directors. He asked that anyone interested in running for the board, or if you know of anyone that would like to run for the board to contact him. After discussion, Mr. Miranda also announced that there will be a Coffee on November 8th at 10 AM in the Clubhouse for anyone interested in running for the ACL Board of Directors, and/or learning more about the process. Everyone is welcome to attend. Signs are posted.

7.0 President's Report - Mike Harris, Vice President, stated that the President's Report is printed in the *Apple Core*. He encouraged everyone to read it there.

8.0 Operation Director's Report - Mr. Rick Paulson stated that there is no Operation's Director's report at this time. He thanked the Board for having confidence in him to step into this position. He stated his door is always open. Rick stated the only thing he asks is if you see him out or having dinner somewhere to refrain from conducting business in that atmosphere; that is what the office is for including phone calls.

9.0 Property Owner Comments (3 minutes per member)

Marcy Stanger, 13-17- the Jo-Carroll Energy Board Representative for the Association gave an update to property owners on what is occurring and reported that there are four important things that everyone should be aware: First, Jo-Carroll bills will look different as utilities will be

unbundled. Second, Jo-Carroll is changing the capitol credit procedure and property owners may notice a capitol credit on their utility bill. Third, money is still available from October 1 through the end of the year for insulation credit and air sealing projects. Finally, Marcy reported that Jo-Carroll does have solar panels available to members for purchase. If anyone has questions, please contact Marcy.

Fred Pfeiffer, 3-14 - Asked if Marcy was aware that after the first of the year, the EPA will be imposing new rules on coal production and has the co-op anticipated the increase costs? Marcy replied yes but that they are at the discretion of the GMT and what they have to pay. Brief discussion continued; Marcy suggested that they talk about it later.

Don Ford, 13-124 - Stated that he knew there was much discussion at last month's board meeting about actually defining the word structure on Restricted Lots and wondered if that actually got done? Rick Paulson stated that concerns have been sent to the association's attorney and clarification is being addressed. Mr. Ford stated his point in bringing it up is that he feels the implementation has been irregularly applied in the past. He gave examples/stated that in the past lots with septic systems were not approved while lots with fences and fire pits were. Don encouraged the board to consider what they are attempting to do when restricting lots and that he believes the definition of structure must be resolved to achieve the goal.

Rich Miranda, 14-8 - wants to inform ACL members that there will be a referendum on the November 4th ballot to repair bridges in Thompson Township. He encourages everyone to vote yes for the referendum. There are currently two bridges in desperate need of repairs in the township. The State is mandating that they be repaired. The Township currently does not have the necessary funds for these repairs. If anyone has questions, Rich said to feel free to call him at home and he will be happy to explain it to you.

George Drogosz, 8-48 - Feels that the amenity tags are completely useless. He doesn't feel anyone ever checks whether they are worn or not. He discussed concerns over Labor Day weekend at the pool area.

Henry Doden, 13-129 - Stated the trails have been improved in certain areas, but his question is regarding maintenance of current trails. He stated for example, Pioneer Trail has a large groove due to erosion that could be fixed with proper grading towards the 12 to 15 foot ravine next to it. He stated there are several other trails (30 plus) showing the same erosion issues. He feels that with some time and knowledge of what to do, the issues can be corrected easily. Jim Craig thanked Henry for his comments.

Ron Carpenter, 11-247- Stated he is on the Budget Committee and understands that the board will be voting on the FY2015 budget today. Although he feels the board should approve the budget, he wants to remind the board this year's budget was created with limited information and asks as 2015 goes forward, the board monitors the budget carefully in order to make adjustments as needed.

10.0 Consent Agenda - Vice President, Mike Harris, listed the items on the consent agenda to be approved. Jim Craig asked that 10.4 be separated. Mike Harris read consent agenda items 10.1, 10.2, and 10.3 to include: committee changes (appoint Mike Harris to the Nominating and Rules and Regulations Committees, Jim Petelle to the Rules and Regulations Committee, and to accept the resignation of Josh Cocagne from the Rules and Regulations Committee); removal of the apple on the Golf Course; and final irrigation system payment. Discussion was held regarding the final irrigation system payment. Rick Paulson stated that he is holding final payment until final work is completed as there are a couple of minor issues being resolved. Josh Cocagne made

motion to approve the consent agenda items 10.1, 10.2, and 10.3. Jim Craig seconded the motion with the understanding that the final check for the irrigation system be held until work is completed. The motion carried unanimously. 7 Yeas, 0 Nays.

Consent Agenda Item 10.4 - Vice President, Mike Harris, read consent agenda item 10.4 Conservation Committee request; recommended motion to allow the Bass Club to place a downed conifer in the lake along the shoreline in Independence Bay. Discussion was held and questions answered by Conservationist, Mike Malon, regarding natural versus manmade structures, the type of tree, and reasons for the placement. Jim Craig stated he feels that a manmade structure would be better for the lake. Mike Malon stated that both manmade structure and the tree decomposition would result in chemical leaching with decomposition, however due to the volume of water it would be minimal with the net result the same. He feels that a natural cedar tree was selected because of its slow rate of decomposing and natural chemicals. The main purpose is to both promote fish spawning and better structure for fish. He stated the location of the tree placement will not interfere with recreation purposes and Independence Bay was chosen because of its depth. Josh Cocagne made motion to approve the consent agenda item 10.4. Jack Finley seconded. 6 Yeas, 1 Nay- Jim Craig. Motion Carried.

11.0 Unfinished Business

11.1 Adopt the 2015 Operating Budget, R&R Budget and Fee Schedules- Recommended motion “Adopt the 2015 Operating Budget, R&R Budget and Fee schedules as published in the September Issue of *The Apple Core*. Rich Krasula made motion to approve, seconded by Josh Cocagne. Motion carried unanimously. 7 Yeas, 0 Nays.

11.2 Restricted Lots Recommended for approval by staff.

11.3 Restricted lots requiring Board Consideration - Josh Cocagne made a motion to table 11.2 and 11.3 in order to get a definition of structure and a legal opinion. Jim Craig seconded the motion. Discussion was held regarding whether time frame allowed for tabling motion. Suggestion was made to extend the December 1st deadline and the need to educate/ inform property owners. Josh Cocagne amended motion to extend the deadline to March 1, 2015. Kathy Richards and Megan Shamp agreed a March 1st deadline would be appropriate. Josh Cocagne amended his motion to approve 11.2 and 11.3 and extend the deadline to March 1, 2015. Jim Craig seconded. 6 Yeas, 1 Nay- Chuck Larsen.

12.0 New Business

12.1 Approve Separation Agreement- Recommended motion “To approve the separation agreement between Tim Ridder and ACLPOA.” Rich Krasula made the motion to approve, seconded by Kathy Richards. Motion carried unanimously. 7 Yeas, 0 Nays.

12.2 Approve Interim General Manager Contract- Recommended Motion: To approve the interim General Manager contract for Rick Paulson. Rich Krasula made motion to approve, seconded by Jack Finley. Motion carried unanimously. 7 Yeas, 0 Nays.

12.3 Deer Management Rules and Regulations- Recommended Motion: “To amend rule #14 which now reads “Stands must be removed by March 31st” to include the words “Weather permitting”. The new rule would read “Stands must be removed by March 31, Weather permitting.” Jack Finley explained that this past year the ground was still frozen on March 31st

which made it impossible for deer stands to be removed. The change allows for this situation if it occurs in future. Josh Cocagne made motion to approve, seconded by Kathy Richards. Motion carried unanimously. 7 Yeas, 0 Nays.

12.4 Amenity Tag Rules and Regulations- Recommended Motion: “To accept the amended amenity tag rules and regulations as amended by the board of directors. A copy of the amended language is attached.” It was brought to the Board’s attention that Amenity Tags were being resold on local buy/sell/swap sites. An Ad Hoc Committee was created and met in August 2014 to address concerns. A concern as to whether the Board had the legal right to restrict the use of amenity tags was sent to the Association Attorney. Megan Shamp reported that the Attorney feels that the Association does have the authority to restrict the sale of amenity tags. Discussion was held on definition of guests, occupants, and owners, as well as other language in the amended language. The Ad Hoc committee addressed these concerns and Kathy Richards and Megan Shamp answered questions and explained amended language to address concerns. Josh Cocagne made the motion to table issue and to remove second paragraph completely. Megan Shamp stated her concerns that if tabled, there would be time constraints on staff to get information out to property owners. Kathy Richards made a motion to approve with amendments. Rich Krasula asked to remove the second paragraph of proposed language. Discussion continued to make following changes: Move “The tags remain the property of ACLPOA” to the end of the first paragraph, to remove the second paragraph, and to change the first sentence in the last paragraph to read “The sale or unauthorized use of Association Amenity Tags is strictly prohibited.” Jim Craig stated he would also like to see Amenity Tags required to be displayed. He feels that if Security is asking some people to produce their Amenity Tag and not others, the board may be opening themselves up for discrimination liability. Discussion followed with many suggestions and concerns expressed. Mike Harris reminded everyone that this will be an on-going Task Force and that there currently isn’t money in the FY 2015 budget for anything but amenity tags. The public was invited to attend the meetings to help develop a solution and review new amenity programs. Josh Cocagne made a motion to approve the rule changes as amended, and seconded by Rich Krasula. Motion carried unanimously. 7 Yeas, 0 Nays.

12.5 Section IX Campground Rules and Regulations- Recommended Motion: To approve the Rules and Regulations Section IX campgrounds as presented by the campground Task Force and Rules and Regulations Committee. A copy of the amended language is attached to the motion card.” Josh Cocagne asked if it would be appropriate with the staff change to table the motion. Kathy Richards, member of the Campground Task Force stated that she feels the current administration has the knowledge and willingness to work with the Campground Committee and Task Force. Because the campground will be closing at the end of the month, this gives everyone time to work together. Jim Craig expressed concern that last year was the first year winter storage violations were enforced resulting in many violations and fines even though rules and regulations had been on books prior. He said he would like to see winter rules not enforced this year until clarification can be made. Discussion followed. Josh Cocagne made a motion to table item 12.5 and send it back to the Campground Task Force and Campground Committee. Kathy Richards seconded. Motion to table was unanimous. 7 Yeas, 0 Nays.

12.6 Sub-License Program Assignments - Recommended Motion: “To approve the amended Operational Programs and Procedures regarding sub-license boat slip assignments. The sub-license form has been updated to reflect the assignment changes. Copies of both documents are attached to motion card.” The sub-license boat slip assignments are still taking months to complete due to timelines allowing property owners to consider their choice of assignment. The Slip Swap and Slip Assignment day dramatically improved the process for Slip to Trade and No Boat Slip Waiting List assignments. The persons at the Slip Assignment Day are also eligible for a Sub-License assignment if they do not receive an assignment. Recommendation is to have the Sub-License assignments be done on the same day/same time. Any additional slips remaining after this event will be assigned on a first come, first serve basis. Rich Krasula voiced his concern that a consistent title be used for the program. Megan Shamp agreed to make sure the same title would be used throughout documents. Jack Finley made motion to approve with changes to be consistent in title, seconded by Rich Krasula. Motion carried unanimously. 7 Yeas, 0 Nays.

13.0 Other - Mike Harris asked the Board to consider December Meeting. Chuck Larsen made a motion to hold the Board meeting in December 2014. Discussion took place regarding date of December meeting. Kathy Richards made the motion, seconded by Rich Krasula “to have ACLPOA December meeting on Saturday, December 13, 2014”. Motion carried unanimously. 7 Yeas, 0 Nays.

Mike Harris thanked everyone for attending. Josh Cocagne made a motion to adjourn at 9:52 am. Meeting adjourned.

Recording Secretary, Janet Dowdall

Mike Harris, Vice President

Corporate Secretary, Josh Cocagne

Date