

**APPLE CANYON LAKE PROPERTY OWNER'S ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
NOVEMBER 15, 2014**

APPROVED

2.0 Call to Order- President Bob Ballenger, called the regular monthly meeting of the Apple Canyon Lake Property Owner's Association (ACLPOA) to order at 9:01am, Saturday, November 15, 2014.

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. Jim Craig, Mr. Jack Finley, Mr. Mike Harris, Mr. Rich Krasula, Mr. Chuck Larsen, and Ms. Kathy Richards. Absent: Ms. Deb McNamee. Interim Operations Director, Rick Paulson, and Recording Secretary, Janet Dowdall, were also in attendance.

4.0 Approve/ Adopt October 18, 2014 Minutes- Rich Krasula made a motion to approve the October 18, 2014 meeting minutes; seconded by Josh Cocagne. Discussion for corrections or changes followed. Rich Krasula requested a correction under 9.0 Property Owners Comments under Henry Doden, 13-129 second paragraph, sentence "He then stated he feels the comments made prior to Henry were inappropriate and asked the audience to disregard" be removed from the minutes. Jim Craig agreed and made the request for a correction under Property Owner Comments, under Henry Doden, 13-129 in the first paragraph regarding Pioneer Trail to be changed to state that "Pioneer trail has a large groove that could be fixed with proper grading towards the 12 to 15 foot ravine next to it". It currently reads that the groove is 12 to 15 feet deep. Mike Harris, after clarification from Don Ford and discussion, asked that sentence under Don Ford, 13-124, be corrected to reflect the correct 'approved/ disapproved' order in his statement. Don's statement should read "lots with septic systems were not approved while lots with fences and fire pits were [approved]." Bob Ballenger called for vote to approve the October 18, 2014 minutes as corrected. The motion carried with 7 yeas, 0 nays, and one abstention from Bob Ballenger.

5.0 Treasurer's Report- Rich Krasula stated that there isn't a treasurer's report for October at this time. They were late getting financials and some issues need to be clarified. He stated he will have it at the next board meeting.

6.0 Committee Reports-

AECC- Mike Harris reported that AECC approved one deck to be torn off and replaced, a two story addition, and a three season porch.

Campground Committee- Chuck Larsen reported that the Campground is now closed for the season and will reopen April 2015. He stated the Long Range Planning Committee is still waiting for direction from the board in order to update the master plan and bring recommendations to the board. No meetings are scheduled at this time, but he would like to see one scheduled in the near future.

Recreation- Kathy Richards invited property owners to attend the Christmas Musicale and potluck brunch scheduled for December 9th at 10 am. She said she hopes everyone will come out and enjoy. Cindy Carton stated that a snow date is scheduled for December 10th and will be determined if Stockton School cancels school due to weather. Kathy also stated the committee has finalized next year's calendar and it will be presented to the board under new business for final approval.

Nominating Committee- Rich Miranda, 14A8, Chairman of the Nominating Committee, stated that they are still looking for candidates interested in running 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, contact him. Applications are available and need to be turned in.

Conservation Committee- Rich Krasula reported that Greg Ratcliff from the EPA came out to audit the lake monitoring program and it went well. He wants to thank, and encourages others to thank, Darryle and Sharon Burmeister for their help and dedication. They have devoted a lot of work, coming out at least two times a month spring, summer, and fall. Rich reported that North Bay has been sprayed to help reduce invasive species, a burn is scheduled for later this month or the first of December pending weather, and a few committee members have been busy organizing the spring clean-up, scheduled for the third week in April and hope to have more people join the effort. The next Conservation Committee meeting will be held in February.

Trails Committee- Rick Paulson commended the Trails Committee and thanked them for their work. He stated that the Trails Committee will be taking December off and their next meeting will be held in January. Rick reported that over the course of approximately eight weeks, a review of all paths to docks was completed. He feels they have a good handle on all those pathways that are bad and in need of repair. Rick said that the Trails Committee will start prioritizing and scheduling repairs to begin in spring at their January meeting.

Budget Committee- Rich Krasula reported that copies of the completed 2013 Audit were forwarded to committee members and they were asked for comments and suggestions. He stated he has received good feedback and they will keep busy this winter gathering some information they need when they meet next spring.

Deer Committee- Jack Finley stated he encourages all people to follow prescribed safety procedures now that deer season has begun; Jack stated 162 deer were counted during the last count completed on March 15 of this year. A balance of 60 to 90 deer is suggested, based on the number of acres needed to keep the herd and resources healthy. Approximately 47 or 48 deer have been harvested this year to date. Jack stated although the committee has the ability to limit hunting, at this time there appears to be no need. The deer population is still above recommended levels by 24-54. He stated the harvest seems to be on target.

7.0 President's Report- Bob Ballenger, President, stated that his President's Report is usually printed in the *Apple Core*. However, because he was absent from last month's meeting, there will not be a President's Report for October.

8.0 Operation Director's Report- Mr. Rick Paulson, Interim Operations Director, apologized for the temperature in the Clubhouse. He stated that a bad heat exchanger has been ordered and should be replaced by the end of the week. Although it is an expensive part, Rick stated the good news is that, other than labor, the cost is covered under warranty. Rick stated he has just completed thirty days in his new position of Interim Operations Director, and the staff and he are moving forward. As many may be aware, the Association has a request for qualifications for the Cove in several publications. He stated there have been a couple of inquiries and an Open House is scheduled for November 20th for all interested parties. Although Dede and her staff left the Cove in good shape, Rick commended maintenance's hard work and stated they have been very busy deep cleaning and polishing so the Cove shows at its best at the open house. In addition, the Pro Shop Manager position has been advertised with several applicants currently having phone interviews. In person interviews are scheduled to begin. Rick encouraged all owners to check out the completed Marina trail, that one last trail grooming has been

done, and he thanked maintenance for a great job. He pointed out that property owners should be aware of the significant monetary savings over previous contracts because ACL staff completed the work. The rip rap project has been completed. The office staff is busy updating the website and researching new software.

9.0 Property Owner Comments

Edie Petelle, 11-209, stated that she came across a trailer covered by a brown tarp. It is on an empty lot without a structure. She stated it is her understanding that there are rules against storing anything on empty lots. She asked the board to do their fiduciary duty that they were elected to do and have owner of said lot be fined and remove the trailer immediately. Bob Ballenger stated he doesn't disagree with her at all. However, Bob stated for everyone that if any property owner sees a rule violation, don't save it for the next board meeting, report it to Security. Bob stated Edie's point is well taken and the board will direct it to Security. Jim Craig stated, in full disclosure, it is his lot and trailer. He feels as a property owner it is his right to do what he wants with his property. Mr. Ballenger stated it is a violation of the ACLPOA Covenants, that no discussion will be held during the meeting regarding this issue, and that the matter will be handed over to Security. Again, Bob stated that property owners shouldn't wait to bring concerns of violations to the board but need to contact the Association's Safety & Security Department or bring their concern to Rick Paulson's attention so the matter can be handled immediately.

Rich Miranda, 14-8- stated he would like to address the property owners and give Mr. Paulson kudos for the job he has done this past month. He stated to Rick to keep up the good work.

George Drogosz, 8-48- stated he is member of the Maintenance Committee and Trails Committee. First he said he would like to commend the maintenance staff. He observed the staff grooming the trails and stated they did a great job. George said he has spoken with Mr. Paulson about future trail maintenance ideas. They will be discussed further at the next committee meeting. Next, George stated he has a question regarding how the amenity tags are going to be enforced. Mr. Ballenger stated an Ad Hoc Committee has been given the task of bringing recommendations to the board. George was invited to attend the next meeting which will be held next spring because of members leaving for the winter. Mr. Ballenger, again, asked property owners if they ever see advertisements on eBay, in the newspapers, or become aware of misuse of the amenity tags, to report it to the GM or Security. He stated this is going to be the best way to handle misuse. Kathy Richards stated she feels that now there are rules in place to help address this issue. Prior there were no rules. Bob Ballenger agreed and said that now there are both rules and a \$500 fine to help with recourse.

Don Ford, 13-124- Asked permission to comment on item 11.0 when board discusses this item. Bob Ballenger agreed to his request.

Rick Paulson, 02-049- Stated he forgot under the Operations Director's Report to invite everyone to Thursday's Martini Night at the Pro Shop. He stated as a property owner he hopes other owners will come out to these events. He stated last night's event was well attended and everyone seemed to enjoy themselves. Bob Ballenger stated that although the Pro Shop is an amenity and not there to make a profit, it did turn a profit for the first time last year. The board is looking forward to the new manager continuing these events and also hopes property owners will continue support them.

Henry Doden, 13-129- stated that he feels that as an Association, the board should be making sure that owners know what is going on, which he feels they don't. Henry stated he thinks that, although many projects are done with the best intentions, many times they have adverse results. Mr. Ballenger stated he disagrees with Henry's comments and that projects are printed in the minutes, in the Apple Core, and/or are included in the budget. Information is available to property owners if requested. Discussion continued. Mr. Ballenger stated that the board's responsibility is to publish the information. Property

owners can contact the Mr. Paulson, or members of the board, if they would like more information regarding specific projects. Mr. Paulson stated that all information on projects that Henry has requested is available and if anyone else would like copies he is happy to provide them. Henry then asked the board, and informed property owners, that his understanding is that a home was broken into, the faucets were turned on resulting in the home being flooded, and believes property owners should be aware.

10.0 Consent Agenda- President Bob Ballenger read the recommended motion to approve the consent agenda items 10.1 committee changes and 10.2 removal of designated signer, Tim Ridder. 10.1 includes: committee changes (appointment of Bob Stanger to the Maintenance and Rules and Regulations committee, Marge Clark to the Rules and Regulations Committee, and George Drogosz to the Ad Hoc Amenity Tag Committee; and to accept the resignation of Kevin Kavanaugh from the Maintenance Committee, Pat Reese from the Rules and Regulations Committee, and Bob Stanger from the Legislative Action and Legal Committees); 10.2 to include: removal of designated signer, Tim Ridder. Josh Cocagne made a motion to approve the consent agenda items 10.1, and 10.2. Jim Craig seconded the motion. The motion carried unanimously. 8 Yeas, 0 Nays.

11.0 Unfinished Business

11.1 Restricted Lots recommended for approval by staff - President Bob Ballenger read the recommended motion to approve the request to restrict lot for 04-097, 04-155, 05-112, 06-094, 07-016, 07-088, 07-168, 09-008, 09-128, 11-129, 11-312, 12-347, 13-023, 13-038, 13-078, 13-100, 12-180, 11-161, 11-292, and 11-311. The recorded restrictive covenant must be returned to Phil Jensen, ACLPOA Legal Counsel, and the Association office on or before March 1, 2015 to qualify for the reduction in the annual assessment (dues) for 2015. Jim Craig made a motion to approve, seconded by Chuck Larsen. Bob Ballenger asked for discussion. Don Ford, property owner, was given permission to comment. Mr. Ford stated his concern about the need for consistency in the board's definition of 'permanent structure' and asked they evaluate their goal of having restricted lots. Mr. Ford stated that his understanding was the board was going to seek legal counsel on this issue and asked if they have received that opinion. He stated in the past he feels that the application of the definition has been inconsistent and gave examples. Mr. Ballenger stated yes; the board did seek legal advice. Rick Paulson stated that Mr. Jensen, legal counsel for the association, has looked at the specific language in the covenants regarding 'permanent structure'. The attorney stated it should go back to the AECC. Mr. Ballenger stated that Mr. Jensen stated that it would be difficult to be more specific and feels the current language in the Covenants is sufficient. He doesn't recommend any changes or additions. Further discussion regarding clarification on past board actions regarding specific rulings was discussed. One vote was a ruling that a post stuck in the ground that could be removed by pulling it out was not considered permanent while a post set in concrete was considered permanent. Another was a ruling that rocks that could be removed easily forming a fire pit was not permanent, but a flagstone patio with a fire pit was considered permanent. The board concluded that each request will be considered on an individual basis but the current definition for structure in the Covenants is adequate. Additional discussion was held regarding the reasons why and how reduction of fees for restricted lots occurred. Jim Craig read from the Covenants regarding definition of structure. Bob Ballenger stated that in retrospect it appears that in order to pass the Covenants, several owners had the reduction of fees for restricted lots added as a pork barrel project. At the time of the vote, this wasn't obvious. Don Ford commented that if the objective is to take lots out of development so the resources are not over-taxed, he feels that the cost of the structured lots would far exceed that amount collected if lots were not restricted and fees not reduced. Discussion continued. Bob Ballenger stated that most owners of restricted lots use the amenities of the lake and he thinks property

owners should be aware that the reduction of fees for the restricted lots is costing the association approximately \$35,000 and could result in an unfair burden on other property owners. A vote to approve 11.1 restricted lots recommended for approval by staff as motioned by Jim Craig, seconded by Chuck Larsen was taken. The Motion carried unanimously. 8 Yeas, 0 Nays.

11.2 Restricted lots requiring Board consideration- Recommend motion: To approve the request to restrict lot for 12-131. The recorded restrictive covenant must be returned to Phil Jensen ACLPOA Legal Counsel, and the association office on or before March 1, 2015 to qualify for the reduction in the annual assessment (Dues) for 2015. Discussion was held with questions regarding pictures of lot 12-131. Mr. Ballenger stated there are too many unanswered questions. No motion was made.

11.3 Restricted lots requiring Board consideration- Recommend motion: To approve the request to restrict lot for 9-130. The recorded restrictive covenant must be returned to Phil Jensen ACLPOA Legal Counsel, and the association office on or before March 1, 2015 to qualify for the reduction in the annual assessment (Dues) for 2015. Rich Krasula made motion to approve, seconded by Jim Craig. Rich Krasula stated he did go look at this property. The property owner has a temporary fence in place around trees to keep deer from eating them. He stated the fence is easily removed and not permanent. Mr. Ballenger asked for a roll call vote. Roll Call Vote: Jack Finley- Yea, Josh Cocagne- Nay, Kathy Richards- Nay, Mike Harris- Nay, Rich Krasula- Yea, Jim Craig- Yea, Chuck Larsen- Yea. Four yeas, three nays. In order for motion to carry, a vote of 5 yeas is needed; Chair votes; Bob Ballenger – Yea. Motion carried with 5 Yea, 3 Nay.

12.0 New Business

12.1 2015 Date for Annual Fireworks- Recommend motion: That the board approve Friday, July 3, 2015 for the annual fireworks show and approve the attached 2015 calendar of events for publishing. Chuck Larsen motioned to approve, seconded by Kathy Richards. Kathy stated that the Recreation Committee highly recommends the July 3rd date after much consideration. She explained that the week prior was considered very early and to have it on July 4th would conflict with surrounding community displays and tax local fire departments. Bob Ballenger stated it would also be much more expensive to the association if the fireworks where to be held on the 4th. The motion carried unanimously. 8 Yeas, 0 Nays.

12.2 Boat Slip/Boat Registration Rules & Regulations, Operational Programs & Procedures- Recommend motion: “That the only requirement for long term assignment of both transferable and non-transferable slips be that the payment for the boat slip and boat be made by March 1 of each year. Revised rules and regulations and operational programs and procedures reflecting this change are attached to this motion card.” An electronic vote was held by Rules and Regs and copies of emails are included in packet. Rich Krasula made the motion, seconded by Josh Cocagne. Rich stated he is not in favor of the proposed change. Josh Cocagne stated that he doesn’t feel property owners should have to register a boat. If the dock is deeded with their property then it is their dock. They do not need to own or register a boat. Discussion was held regarding the reason why both deeded boat slips and leased boat docks require property owners to register boats. Marge Clark, 11-042 stated that she was President of the Board when the Ad Hoc Dock Committee did work on this issue. The committee felt that the association owns, builds, and maintains the docks so that property owners have access to the water, not to increase property value of individual owners. All docks are licensed. The committee considered what is fair to all owners. The reason why owners of docks or leases are required to register a boat is so that failure to do so will allow the association to assign the dock to another owner. Additional discussion was held by board members and property owners to possible hardships for some property owners to register their boats with conclusion that property owners working with the office staff would

not be affected. Kathy Richards stated she believes the board needs to support office staff stating that current rules and regulations and operational procedures should be followed. Mr. Ballenger stated he thinks that a special mailing should be completed to inform property owners that they must register a boat to their dock even if this hasn't been enforced in the past. Mr. Paulson asked Megan Shamp to comment. Megan stated that as of now, 40% of docks do not have a current registered boat. Josh stated that doesn't mean property owners do not own a boat, just one has failed to be registered. Marge stated that when these rules and regulations and procedures were passed, Phil Jensen, the Association's Attorney was very clear with the language. Procedures were put into place with a clear deadline of March 1st. A second letter was to be mailed to property owners who failed to meet this deadline and a certified letter would be mailed in order for the Association to meet legal obligations. She encouraged the board to simply follow and enforce the current rules and regulations and operational programs and procedures for the benefit of all property owners, not a select few. A roll call vote was taken. Roll Call: Jack Finley- Nay, Josh Cocagne- Yea, Kathy Richards- Nay, Mike Harris- Nay, Rich Krasula- Nay, Chuck Larsen- Yea, Jim Craig- Nay. 5 Nays, 2 Yeas, Motion Fails.

12.3 Revised Annual Boat Slip License- Recommend motion: To approve the revised Annual Boat Slip License as attached to the motion card. Josh Cocagne asked if this was necessary because motion failed to carry for 12.2. Marge Clark stated she feels the confusion is between the use of Operational Programs and Procedures and Rules and Regulations. Discussion was held. Megan Shamp stated that a change should be made from Rules and Regulations to read Operational Programs and procedures. Josh Cocagne made motion to approve with change. Seconded by Chuck Larsen. Mr. Ballenger abstained. Motion carried 7 yeas, 1 abstention.

12.4 ACL Payment Plan- Recommend motion: To approve the ACLPOA Payment Plan terms and fees as attached to this motion card. Mike Harris motioned to approve, seconded by Jim Craig. Discussion was held regarding the need to include "along with the required insurance and State Watercraft Registration/Water Usage Stamp" back into the ACL Payment Plan agreement. Jim Craig amended motion to include reinstating this wording back into the plan. Kathy Richards seconded. Mr. Bob Ballenger abstained. Motion carried with 7 yeas, 1 abstention.

12.5 Budget Contracts Not to Exceed \$5,000- Recommended Motion: To approve a resolution authorizing the General Manager to enter into contracts for labor, services, materials, equipment, supplies, or other improvements, provided the contract is a budgeted item and the obligation does not exceed \$5,000. Rick Paulson explained that this motion is intended to expedite the process of being able to conduct business. Jim Craig stated he wants the board to be informed and included in decisions. Mr. Paulson stated it would only be for already approved, budgeted items and he could include all contracts in his weekly report. Bob Ballenger stated he would be informed because he would be signing all contracts. Mr. Paulson stated, no, this is so that the general manager doesn't have to wait for signatures. A suggestion to amend the motion to include: "such proceeding must be reported to the board within one month". Rich Krasula motioned to approve with the amendment, seconded by Charles Larsen. 6 Yeas, 1 Nay- Mike Harris, 1 Abstention- Bob Ballenger.

12.6 Marine Service Center Lease Extension. Recommended Motion: To approve the Marine Service Center three year (2015-2017) Lease Agreement between ACLPOA and K & S Marine, Inc. Josh Cocagne motioned, seconded by Jack Finley. Henry Doden, 13-129, requested permission to comment. He stated that K & S Marine staff violates the no wake zone. Josh Cocagne stated he understands why they may need to increase speed in order to pull large weights. Bob Ballenger stated that he has seen what Henry is stating. At times K & S Marine staff has raced up the lake, ignoring the no wake zones. Discussion was held. Amendment to include "Lessee will be subject to all Rules and Regulations,

including fines” was proposed. Kathy Richards motioned to approve with amendments, seconded by Mike Harris. Mr. Bob Ballenger abstained. Motion carried with 7 yeas, 1 abstention.

13.0 Other

13.1 Presentation by Beth Baranski – Ms. Baranski, from the League of Women Voters, updated the board and property owners of the current watershed plan for the county. She stated Mike Malon is also on their board and they are very impressed with the ACLPOA’s project. They are addressing storm water management and water quality. December 11th is their next meeting and they will have a presentation on impaired water bodies. She passed out watershed maps of the county and the lake for reference. Ms. Baranski encouraged board members to fill out a survey. The questionnaires will be anonymous and given to UW-Platteville to compile the results. She thanked the board for the opportunity to speak to the property owners.

Bob Ballenger thanked everyone for attending the meeting and requested board members return to executive session. Meeting adjourned at 10:38 AM.

Recording Secretary, Janet Dowdall

President, Bob Ballenger

Corporate Secretary, Josh Cocagne

Date