

**APPLE CANYON LAKE PROPERTY OWNER'S ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
MAY 16, 2015**

APPROVED

2.0 Call to Order - President Bob Ballenger called the regular monthly meeting of the Apple Canyon Lake Property Owners' Association to order at 1:04 P.M., Saturday, May 16, 2015.

3.0 Pledge of Allegiance - After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Jack Finley, Kathy Richards, Josh Cocagne, Mike Harris, Bob Ballenger, Rich Krasula, and Jim Craig. Directors Deb McNamee and Chuck Larsen were absent. Also in attendance were Interim Operations Director Rick Paulson and Association Attorney Phil Jensen.

4.0 Approve/Adopt the April 18, 2015 Minutes - Mike Harris motioned "to approve the April 18, 2015 Minutes"; seconded by Jim Craig. The motion carried unanimously.

5.0 Treasurer's Report - Rich Krasula read from the preliminary January and February Treasurer's Reports. He noted that the former general manager eliminated the monthly breakouts in the 2015 budget so his reports will not be as detailed as past reports. Both reports will be published in *The Apple Core*.

6.0 Committee Reports-

Campground - In Chuck Larsen's absence, Kathy Richards reported the Pancake Breakfast will be held next weekend.

Recreation - Kathy Richards reported the Triathlon took place this morning. Upcoming events include the Garage Sale and Firecracker Rumble and Roll Ball Race. The Ball Race is being held in lieu of collecting fireworks donations around the property. Bob Ballenger asked for more information on the Ball Race. Kathy explained that up to 1,000 numbered balls will be sold; these balls will be rolled down the hill by Nixon Beach and the purchasers of the first three balls to funnel down will win prizes. Tickets are available from the Office, Marina, Pro Shop, and Recreation Committee members.

AECC - Mike Harris reported on the projects approved by the AECC. Three variances were issued. Jim Craig questioned the hardship that allowed for the variances. In two cases not allowing the variance would have led to greater erosion; it was in the best interest of the lake to approve them.

Budget - Rich Krasula reported that the first meeting was held May 2. This was a preliminary informational meeting and the actual budget has not yet been reviewed. He noted that the committee needs a Recording Secretary. This is a paid position and anyone interested should contact Megan at the Office.

Trails - George Drogosz provided an update on projects the committee has reviewed. He commended Maintenance for doing an excellent job out on the trails. He asks that everyone take it easy when it is wet to help maintain their condition.

7.0 Operations Director's Report - Rick Paulson hopes that everyone has tried The Cove. The restaurant hours will be expanding soon and there will be live entertainment Memorial weekend.

Maintenance has started the Bunker Lane to golf course trail. Other trail projects will be beginning at the end of the month or early June. The manufacturer of the dredge was contacted for operational and maintenance training. During the course of this training, it was found that nine years of improper maintenance has led to several issues with the dredge. Rick foresees expensive repairs and dredging in Independence cannot commence until the repairs are done.

8.0 President's Report - Bob Ballenger's report was published in *The Apple Core*.

9.0 Property Owner Comments

Gary Bartell 11-1 and 11-2, agrees that Maintenance did a beautiful job cutting through from Bunker Lane to the golf course. He encourages the monthly breakouts be added back into the budget in the future.

10.0 Consent Agenda - Bob Ballenger read the recommended motion. Rich Krasula motioned "to approve the consent agenda item: committee changes (appointment of Henry Doden and Gary Hannon to the Trails and Conservation Committees and resignation of Jean Malone from the Recreation Committee)"; seconded by Josh Cocagne. The motion carried unanimously.

12.0 New Business

12.1 Property Owner Hearing - Bob Ballenger provided a brief history on the boating accident that occurred last summer and subsequent actions. Association Attorney Phil Jensen is present and will conduct today's hearing. Phil Jensen then asked the Zobjecks and their counsel to come forward; Mr. Jensen outlined the reason this hearing was being held. On August 9, 2014, Mr. Zobjeck entrusted his boat to a guest who was impaired or under the influence of alcohol, and that guest while operating the boat, collided with another boat owned by Paul Logan causing property damage. The Board has the right to impose a fine and/or to suspend the member's rights of enjoyment for up to 90 days. The Zobjeck's attorney Ted Kusniar proceeded to outline the Zobjeck's side of the issue. He was present on the boat at the time of the accident and advised the operator of the boat, Mr. Brink, to speak to the IDNR and Sheriff's Office following the accident. It is his personal belief that Mr. Brink was not impaired. Photos of the damage to the boat and the letter of appeal submitted by the Zobjecks were admitted as Petitioner's Exhibits 1, 2, and 3. In conclusion, Mr. Kusniar explained why he and Mr. Brink's attorney Joe Nack recommended Mr. Brink plead guilty to the OWI charge and that, in his opinion, the fine and suspension of enjoyment rights levied at the April 18 Board Meeting against the Zobjecks were punitive and a stronger sanction than the penalties given to Mr. Brink by the State of Illinois. Bob Ballenger asked whether the DNR had administered a breathalyzer; Mr. Kusniar stated they had but he did not know the results. With no other questions from the Board, Bob Ballenger stated the Board would now recess with the attorney to review the three actions that could be taken: to set the decision aside, to uphold the decision, or to amend the decision. The Board recessed at 1:38 P.M. The Board returned from recess at 1:54 P.M. and Mike Harris motioned "to amend the Board decision of April 18, 2015 so as to impose a fine of \$250 and impose only a loss of boating privileges through July 18, 2015. All other privileges of ownership will be immediately reinstated"; seconded by Rich Krasula. The motion carried unanimously.

12.2 Fireworks Contract - Josh Cocagne motioned "to accept the bid of Mad Bomber Fireworks Productions and approve the contract with Mad Bomber for the 2015, 2016, and 2017

ACL Fireworks "; seconded by Mike Harris. The 2015 Fireworks will be held Friday, July 3; dates have not been set for 2016 and 2017. The motion carried unanimously.

12.3 Conservation Committee Request - Watershed Boundary Signage - Rich Krasula motioned "to approve the purchase and implementation of signs to mark the boundaries of the Apple Canyon Lake watershed at a cost not to exceed \$1,000"; seconded by Kathy Richards. Discussion ensued on what the signs would look like and where they would be located. Bob Ballenger questioned what is the purpose of the signs. Rich Krasula stated the signs are to raise awareness that the area is part of the watershed. To Josh Cocagne's question, he clarified the signage is not a requirement of the 319 Grant. Jim Craig thought \$1,000 could be better spent on the watershed. The motion carried with five yeas (President Ballenger voting) and two nays from Jim Craig and Josh Cocagne.

12.4 Conservation Committee Request - Tree for Fish Habitat - Rich Krasula motioned "to approve the placement by the Bass Club and volunteers of a cedar tree removed from lot 8-214 in the Independence area for fish habitat"; seconded by Jack Finley. Bob Ballenger questioned where exactly the tree would be located, how it would be anchored down, and how close to the surface the tree would be. Rich Krasula did his best to answer without Mike Malon; it is his belief that the only part of the tree that may be close to the surface would be close to the shore. Henry Doden questioned whether adding anything semi-green to the lake was a wise idea when water quality decline has been seen. He thought plastic alternatives should be considered. Board members questioned whether the tree or remains of previous trees were a hazard to the dredge. The motion carried with five yeas and one nay from Jim Craig.

12.5 Pro Shop Bar Expansion - Jack Finley motioned "to approve the expansion of the bar at the Pro Shop and make appropriate changes to streamline the Pro Shop operations per the estimate submitted by Knuckey Construction"; seconded by Mike Harris. Greg Smith of the Pro Shop explained that currently beer and wine are being stored inappropriately. The lack of storage creates inefficiencies for the staff. Rick Paulson stated that this year the Pro Shop has made 52% of projected revenue in the first four months of the year; the Pro Shop is doing very well and the additional bar seating and storage space will improve it even more. More than enough money to complete the project was budgeted for 2015. Josh Cocagne feels that we need to scale back on budgeting if we don't have a plan; Bob Ballenger stated that with that amount of refrigeration equipment you also have to plan for things to break. The motion carried unanimously.

Mike Harris motioned to adjourn. Meeting adjourned at 2:14 P.M.

Acting Recording Secretary, Megan Shamp

President, Bob Ballenger

Corporate Secretary, Josh Cocagne

Date