

**Apple Canyon Lake Property Owners Association
Board of Directors Meeting Minutes
August 15, 2015**

APPROVED

2.0 Call to Order – President Mike Harris called the regular monthly meeting of the Apple Canyon Lake Property Owners’ Association to order at 9:00 A.M., Saturday, August 15, 2015.

3.0 Pledge of Allegiance – After the Pledge of allegiance, a quorum was present with the following directors in attendance: Jack Finley, Fred Turek, Jody Ware, Bob Ballenger, Mike Harris, Rich Krasula, John Asta, and Jim Craig. Director Chuck Larsen was absent. Interim Operations Director Rick Paulson, Attorney Phil Jensen, and Recording Secretary Rhonda Perry were also in attendance. Mike Harris noted that the order of items 12.1 and 12.2 was being reversed.

4.0 Approve/Adopt the July 18, 2015 Minutes – Rich Krasula motioned “to approve the July 15, 2015 Minutes”; seconded by Jim Craig. The motion carried unanimously.

5.0 Treasurer’s Report – Rich Krasula read from the July 31, 2015 Treasurer’s Report which will be published in full in the Apple Core and on the website.

6.0 Committee Reports –

AECC – Mike Harris reported that as of July 24, we have 12 new permits. ~~On~~ At the August 1st AECC meeting they approved two lot combinations.

Deer Management – Jack Finley reported the Youth Archery Program was very successful with 50 kids participating. 20-25 will participate in the management program.

Golf – Fred Turek reported he didn’t have any figures yet for golf events, but he would like to see more member participation.

Legal – Jody Ware reported they are in the process of reviewing the governing documents starting with CICAA, trying to understand how it impacts other documents. They are working to parallel the language between the different documents for clarification.

Budget – Rich Krasula reported that the committee met August 8 and got through several departments. With total revenue minus expenses, we are looking at a \$524,384 deficit. Our next meeting is scheduled for August 29 and we will try to eliminate some of that deficit, but we may need to dip into reserves for next year.

Trails – George Drogosz reported that the committee met on July 25th, but due to lack of attendance from maintenance and security, no decisions were made. One half of the signage for the boat docks pathways ~~are~~ is up. Maintenance has made great strides with pathways to the boat docks and we are getting positive feedback. Maintenance has done a lot of work on the trails.

Conservation – Paula Wiener reported that the last watershed meeting was well attended. The watershed signs will be ready soon. Letters to landscaping professionals went out reminding them about the no phosphorous rules. They will continue to publish monthly conservation articles in the Apple Core. Materials regarding the invasive plant removal project will be sent out to educate people on what the big machine is and what it is going to do. They are trying to put

together a conservation themed program possibly in April. They would like to have the event at Apple Canyon Lake and open it to the community.

7.0 Operations Director's Report – Rick Paulson reported that the WIPFLI process has started. Onsite interviews will begin on August 26 & 27 looking at the management flowchart and overall evaluation of our management and our whole process. The last piece for the dredge is being shipped on August 27 and it should be operational mid-September. The trail system is moving forward. Steve Davis, maintenance since last fall, is resigning. He was hired for general maintenance last fall, but stepped in as building inspector. Rick will take over those responsibilities until the end of the year. Projects being worked on include the trail redesign in Independence, the Wilson Ct project, greenway invasive species removal, the dredge pond, and rip rap projects. Rick encouraged everyone to check out the observation tower, it should be finished by Labor Day weekend. For the first time in years, people will be able to go to the top of the tower.

8.0 President's Report – Mike's report will be in the Apple Core. He wanted to reiterate what George said, the trails look fantastic.

9.0 Property Owner Comments

George Drogosz 8-48, representing the Trail Committee. We have an overabundance of walkers on our trails and he would urge golf carts, ATVs, etc. to slow down.

Roy Spangler 6-21, representing 10 property owners, wants to thank Rick and Mike for responding. North Bay is pretty much cleaned out and that is a good start. The question he has is, will the report from Jadeco be printed in the Apple Core? Many would like to see this report in print, what weeds do we actually have here? He requested that members get on the internet to look to see what Eurasian Milfoil is and the problem with it. He has concerns about how long it took to get this accomplished. These weeds have been introduced to this lake and we cannot ignore it.

Norm Vandigo 12-277, he attended a watershed meeting and the lake was compared to a giant septic tank. A number of farmers were there and there was discussion about topography of land, they can't do anything because of the flow. This is a manmade lake, we have an obligation to suck the silt up as best we can. The silt is a major problem. The beach and marina have weeds along the entire shore.

Jon Sonntag 6-19, Algae blooms are a great concern, the weeds removed are the same weeds that were there a month ago. He hopes there is a better plan in place next year. When is the dredge going to be done? North Bay is a part of the lake.

Henry Doden 13-129, our lake is our most important asset. We have nothing in the long range plan for it. Henry stated the Evergreen Trail to Independence Bay is pretty steep; the little rock would make it too slippery. Henry commented on trail maintenance practices and budget requests.

Kevin Kavanaugh 6-6, feels we need to try to redirect our efforts with area farmers and cost share on watershed issues.

George Drogosz, stated that years back we hired a consultant and thought we would make great strides in cleaning up the lake. Assumed he was going to build a retention pond at the beginning of the lake at each creek or stream.

Jan Helgason, 6-18, attended last month's meeting and thanked everyone for cutting the milfoil in North Bay. She stated the delay in cleaning out the weeds ruined most of the summer for North Bay. We must work together on a plan.

Steve McIntyre, 11-152, reported that the real estate market is doing much better than Galena Territory. Apple Canyon Lake has 62 homes on the market; from June to June we've sold 45 homes; we have one year's worth of inventory. The Galena Territory has about 4.5 years of inventory and Lake Carroll has about 2.5 years of inventory. 125 lots were sold in the last 12 months. 43 lots are on the market right now. The bad news is that about 1/3 to 40% of those lots are worth under \$5,000.

Bob Achille, 13-67, has concerns about the restricted lot issue, which seems to be in suspension. Are we going to stop restricting lots? He also questioned the budget deficit of \$524,000 for next year – how can we have these numbers when we were in the positive for YTD of \$400,000? He stated we need to level the playing field for the fees – restricted lots use lower fees. They do not require security or use of facilities like you do if you live here.

Carol Horist 5-58, stated they are in the last cove and this has not been cleaned out for years. She doesn't know if they can even get their boat out next week. Something needs to be done.

Ron Horist, 5-58 has been on the trails since 1998. The trails have never been in finer condition than they are now.

10.0 Consent Agenda – Mike Harris read the recommendation motion. Rich Krasula motioned “to approve the committee changes (appointment of Carmel Cottrell to the Recreation Committee, Mike Tyson to the Nominating Committee, Jody Ware to the Long Range Planning Committee, Mike Cammack as Chair of the Nominating Committee, and Rich Miranda as Vice chair of the Nominating Committee; and to accept the resignation of Rich Krasula from the Long Range Planning Committee, Cindy Finley from the Golf Committee, John Matheson from the Rules & Regulations Committee, and Jeff Pope from the Legal Committee.”; seconded by John Asta. The motion carried unanimously.

12.0 New Business

12.1 Anwar Variance Request – Mrs. Anwar reported that Mr. Brashaw surveyed the area and it is all silted up. Would have to have a dock 30 feet long to reach water. Rick Paulson stated if you haven't seen the silt, you can't understand what is going on. This situation is directly related to what was talked about earlier. John Asta motioned to approve the variance request, no second, motion failed.

12.2 Lot Combination Anwar – Withdrawn.

12.3 Lot Combination Vanderwiel – Mike Harris read the recommended motion. Bob Ballenger motioned “to approve the lot combination agreement requested by David Vanderwiel for Lots 190 and 191 in the Fairway (11) Subdivision.” Seconded by Rich Krasula. Motion carried with one nay from Jim Craig.

12.4 Strategic Plan Proposal Approval – Mike Harris read the recommended motion. Bob Ballenger motioned “to authorize the interim operations director to formalize the agreement with Mr. Lew Bender for the facilitation of a strategic plan on Saturday, December 12, 2015 in the amount of \$2,650.00 which includes expenses.” Seconded by John Asta, motion carried unanimously.

12.5 Golf Committee Designated Funds Usage – Event Donations – Mike Harris read the recommended motion. Jim Craig motioned “to approve the Golf Committee's donation of \$1,000

(\$250.00 per event) to the Big Cup Tournament, Property Owners Tournament, Memorial Golf Tournament, and Rocking Chair Classic, for prizes.” Seconded by Jody Ware, motion carried unanimously.

12.6 Golf Committee Designated Funds Purchase Request – Mike Harris read the recommended motion. Bob Ballenger motioned “to approve the purchase of 30 6-pack coolers from the Golf Committee’s designated fund in an amount not to exceed \$500.00.” Seconded by Jack Finley. Motion carried unanimously. These coolers will be the property of the Pro Shop.

12.7 Deer Management Committee Designated Funds Usage Request – Mike Harris read the recommended motion. Jack Finley motioned “to approve funds in an amount not to exceed \$250, to be paid from the Deer Management Committee’s designated fund to cover the personal expenses necessary to perform the duties of Secretary of the Deer Management Committee. The current balance in the fund prior to this expenditure is \$1,154.33.” Seconded by Fred Turek. Rich Krasula questioned what the tasks are. Jack Finley stated the tasks include keeping a harvest log, making sure people are checking in and out, putting together the youth archery program and coordinating with Boy Scouts. Motion carried with one nay vote from Jim Craig.

12.8 Restricted Lots - Jim Craig requested to separate lot 11-294 from the list making the total 11 rather than 12. Rich Krasula motioned “to approve the request to restrict lots: 03-045, 03-109, 04-022, 07-193, 07-236, 08-024, 10-014, 11-212, 11-314, 11-324, 13-081”, motion seconded by Jim Craig. Discussion followed about the 108 lots we have restricted right now which are costing us \$55,000 per year. If we allow more restricted lots it will produce an additional hardship. All property owners should be paying the same amount. It is not mandatory to approve Restricted Lots, this is optional. Jim Craig disagreed that this is optional. He referenced a legal opinion which stated that the Covenants would have to be changed if the Board did not want to continue approving Restricted Lots. Rich Krasula stated that three legal opinions were received, two opinions stated the Board had the option to deny Restricted Lots. Attorney Phil Jensen was present at the meeting and stated he has not seen the legal opinion that Jim referenced, but he does not understand it from what Jim read. Jody Ware shared Article 6, section 12 of the Covenants – “owner may enter into agreement”. She stated it takes two parties to enter into an agreement. The motion was re-read and a vote taken. Yeas – 1 (Jim Craig); Nays – 6, motion failed.

11-294 Restricted Lot – Motion to approve restricting lot 11-294 made by Bob Ballenger, seconded by Rich Krasula and vote taken. Yeas – 0; Nays 6; Abstain – 1 (Jim Craig), motion failed. Rick Paulson asked for direction on the remaining Restricted Lot applications. If the Board is going to vote against them, it is a waste of staff time to inspect the lots. He was directed that the Board could vote differently in the future, so the same process needs to be followed.

13.0 Other – Mike Harris reminded everyone about the Ice Cream Social coming up on September 6.

Motion to adjourn from Bob Ballenger, meeting adjourned at 10:30 a.m.

Recording Secretary, Rhonda Perry

President, Mike Harris

Secretary, Jack Finley

Date