

**Apple Canyon Lake Property Owners Association  
Board of Directors Meeting Minutes  
November 21, 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. on Saturday, November 21, 2015.

**3.0 Pledge of Allegiance** – After the Pledge of Allegiance, a quorum was present the following directors in attendance: John Asta, Jody Ware, Bob Ballenger, Mike Harris, Rich Krasula, Fred Turek, and Jim Craig. Director Chuck Larsen was absent. Interim Operations Director Rick Paulson was also in attendance.

**4.0 Approval/Adopt October 17, 2015 Minutes** – Rich Krasula motioned “to approve the October 17, 2015 minutes”; seconded by Bob Ballenger. Minor corrections were made in 6.0 Committee Reports. Motion carried unanimously.

**5.0 Treasurer’s Report** – Rich Krasula read from the October Treasurer’s Report. The full report will be published in *The Apple Core* and on the website.

**6.0 Committee Reports** –

**AECC** – Mike Harris reported they approved a new house & stone retaining wall at one address, and a detached garage at another.

**Conservation** – Rich Krasula reported there are three active Greenway Stewardship Applications and one new one for spring. The committee will offer a “What’s in the Lake?” activity in the future. The Trails and Conservation committees, and possibly the Bass Club, are partnering for the cleanup on Earth Day. Postcards were sent to landscapers to understand their phosphorus fertilizer use policies.

**Legal** – Jody Ware reported they continue to meet, working on the alignment of CICAA and the other governing documents.

**GM Search** – Jody reported they have been meeting with Wipfli consultants. They have posted the job with a number of entities and have received five applications that have been researched. The posting remains open.

**7.0 Operations Director’s Report** – Rick Paulson reported the dredge has been removed from the lake prior to the inclement weather forecasted. Dredging the east side of Independence Bay has been completed. In the spring the docks will be moved from west side to the east side to continue dredging that bay. Maintenance is in the process of rebuilding the trail in North Bay and they will be working towards Remington. Work has been completed on the golf course holes 5 and 6 including drainage tile and new steps. Fish stocking was completed adding 4,000 walleye and 4,000 catfish to the lake. The UW-Platteville engineering final presentations were scheduled for today, but due to the inclement weather, the students will present their findings at the university on Tuesday. Mike Harris and Mike Malon will represent the association. Their

projects included erosion control for ACL ravines, evaluation of a number of dry dams, and a walking trail design just north of Pioneer off of the golf cart trail.

**8.0 President's Report** – Mike's report will be in *The Apple Core*.

**9.0 Property Owner Comments** – None.

**10.0 Consent Agenda** – Rich Krasula motioned “to approve the consent agenda items: committee changes (to accept the resignation of Mike Harris from the Amenity Tag Ad Hoc Committee, Chuck Larsen from the Long Range Planning Committee, and Kathy Richards from the Rules and Regulations and Legal Committees); and resignation of Jack Finley from the Board of Directors” seconded by Jim Craig. The motion carried unanimously.

**11.0 Unfinished Business**

**11.1 Adopt the 2016 Operating Budget, R & R Budget, and Fee Schedules** – Rich Krasula motioned “to adopt the 2016 Operating Budget, R & R Budget, Operating Fee Schedule, and Building Fee Schedule as published in the October issue of *The Apple Core*.” Seconded by John Asta. Motion carried unanimously.

**11.2 Cove parking lot retaining wall replacement** – Bob Ballenger motioned to authorize the Interim Operations Director to enter into an agreement with Korte Landscaping to remove and reconstruct the collapsed wall adjacent to the Cove parking lot per the specifications at a cost of \$7,500.” Seconded by Fred Turek. Bob Ballenger asked why the claim was denied by the insurance company? Rick Paulson responded it was denied because it was not part of a building and therefore not covered. The motion carried unanimously.

**12.0 New Business** – Bob Ballenger motioned, seconded by Jim Craig, to reorder the agenda so that 12.7 Honkamp Software Consultant Engagement Letter be moved to item 12.1. Motion carried unanimously.

**12.1 Honkamp Software Consultant Engagement Letter** – Rich Krasula motioned “to authorize the interim Operations Director to enter into an agreement with Honkamp Krueger & Co for software consulting services per the Honkamp engagement letter. Funds in 2015 will be used from the 5684 Hardware/Software Support line item which as of October financials has \$27,487.33 available.” Seconded by Jim Craig. John Asta had several questions about the proposal from Honkamp and Summary of Findings samples. Kyle Kunz from Honkamp responded and gave a presentation on the services that would be provided. He expects to spend two days on-site interviewing selected individuals from ACL currently using the software. After receiving these assessments, Honkamp will create a Summary of Findings and meet with the staff again. The Summary of Findings identifies features in the current system that we still need, features that we do not currently have that we need, and wish list features. This deliverable is sent to software companies to identify. Honkamp can send out the RFP but it would be part of phase 2. Phase 1 is only for the Summary of Findings. Phase 2 would be the vendor selection process. Phase 3 would be project implementation once software is selected. Today we are only voting on Phase 1 which will result in the Summary of Findings deliverable. Defining the requirements is important, without doing so could end up with a system like we have today that

does not meet our needs or does not have longevity. Honkamp would then sit in on demos with ACL. On average Phase 2 would cost \$5,000 if limited to three vendors. Jody Ware stated it is important that Honkamp participate in Phase 2 to assist us. If approved today, Honkamp would send their survey to ACL staff by first part of December. They would schedule the on-site interviews in December or January with a deliverable scheduled for February. In February/March we would solicit vendors and schedule demos. Vendor selection by May 1, 2016. The goal is to go live prior to January 1, 2017 to work out the kinks prior to the busy season. It realistically takes 3-6 months to switch software systems. The motion as amended by Rich to read "To authorize the Interim Operations Director to enter into an agreement with Honkamp Krueger & Co. for software consulting services per the Honkamp engagement letter Phase 1, pending attorney review. Funds in 2015 will be used from the 5684 Hardware/Software Support line item which as of October financials has \$27,487.33 available. With no further discussion, the motion carried unanimously.

**12.2 Appointment of Board member** – Bob Ballenger motioned "to appoint Marge Clark to fill the vacancy on the Board of Directors created by Jack Finley's resignation until the next Annual Meeting." Seconded by Rich Krasula. The motion carried unanimously.

**12.3 Elect Secretary** – Bob Ballenger motioned "to appoint Jody Ware as Secretary of the Board of Directors." Seconded by Rich Krasula. The motion carried with six yeas and one abstention from Jody Ware.

**12.4 Designated Signers** – Bob Ballenger motioned "to remove former Secretary Jack Finley from any and all ACLPOA accounts on which he is an authorized signer, and to designate director Marge Clark and Jody Ware, as Secretary, as designated signers for ACLPOA accounts at US Bank, Citizens State Bank, and Apple River State Bank." Seconded by John Asta. The motion carried unanimously.

**12.5 Annual Audit** – Rich Krasula motioned "to authorize the Interim Operations Director to enter into an agreement with Honkamp Krueger & Co for auditing services for the year ending December 31, 2015 per the Honkamp engagement letter." Seconded by Jody Ware. John Asta questioned why not send out an RFP now? Rick responded that we do not have someone currently on staff who can write and interpret the proposals. Also, time is of the essence; the audit process needs to start in December to be completed by April 30, 2016. The motion carried unanimously.

**12.6 Sand Prairie Contract** – Rich Krasula motioned "to pay Sand Prairie \$1,000 per the previous agreement and not approve the proposal as submitted November 13, 2015." Seconded by Bob Ballenger. We will allow them to leave the antenna on the tower or remove it at their discretion. The antenna is strictly used by ACL at this time and we have not experienced any benefit from it. The motion carried unanimously.

**12.7 Dam Outlet Pipe Inspection** – John Asta motioned "to accept the bid from GOE International, which includes the initial inspection and the bulkhead, in the amount of \$29,130." Seconded by Rich Krasula. The bulkhead is installed at the top of the inlet pipe sticking up from the lake. They then open the valve when it was sealed and the pipe is inspected when dry. The

inspection is better and if repairs are needed, the bulkhead will be available. The bulkhead will be ACL's property and will be stored when not in use. The motion carried unanimously.

**12.8 Restricted Lot Criteria** – Bob Ballenger motioned “to approve the attached Restricted Lot criteria as a basis for approval or denial of a Restricted Lot application.” Seconded by John Asta. Jody Ware clarified that if this is approved, it will be included in Board Approved Policy. Jim Craig believes this process goes around the Covenants. He would like to specify if any one of the criteria or all criteria are needed to deny a request. The motion carried with six yeas and one nay from Jim Craig.

**12.9 Restricted Lots** – Rich Krasula motioned “to deny the Request to Restrict Lot submitted for lots 05-135, 08-117, 09-130, and 12-131 in accordance with the criteria for Restricted Lots approved November 21, 2015.” Seconded by John Asta. Jim Craig asked that we not use criteria just approved to deny these Restricted Lots. Bob Ballenger does not believe we should have a motion to deny something, the language should be in the affirmative. Rich Krasula withdrew his motion. Bob Ballenger motioned “to approve the Request to Restrict Lot submitted for lots 05-135, 08-117, 09-130, and 12-131.” Seconded by John Asta. The motion failed with one yeas from Jim Craig and six nays. Rick will contact the property owners with improvements on a vacant lot that the improvements must be removed or the lots combined.

**12.10 Covenants Revision – Restricted Lots** – Rich Krasula motioned “to direct the Legal Committee to revise or eliminate Section 12. Restricted Lots. of Article VI Covenant to Pay Assessments in preparation of the future Covenants revision.” Seconded by Jody Ware. The Chairman of the Legal Committee requested this motion of the Board for direction. The motion carried with six yeas and one abstention from Jim Craig.

**12.11 Speed limit on interior roads/legalize golf cart & ATV usage on interior roads** – Jim Craig motioned “to authorize the Interim Operations Director, with the assistance of Phil Jensen, to move forward with amending the Illinois Vehicle Code to allow golf carts/UTVs on the interior township roads.” Seconded by John Asta. Jim amended his motion to include ATVs. The amended motion reads “to authorize the Interim Operations Director, with the assistance of Phil Jensen, to move forward with amending the Illinois Vehicle Code to allow golf carts, ATVs, and UTVs on the interior township roads.” The motion carried unanimously.

**12.12 Rules and Regulations Campground section** – Jim Craig motioned “to approve the amended Rules and Regulations Section IX Campground as attached to the motion card.” Seconded by John Asta. The following changes were made to section IX Campground: B. Guest Rules, c. Insert the word “Occupied” before “seasonal.” C. Campground Sanitary Rules, 1. the word “dunk” should be “dump.” D. Seasonal Campsites, 1. End the second to last sentence after the word “campsite” and insert a new sentence “For camping units stored on site over the winter, the decal and ID numbers must be displayed by Memorial Day weekend.” 4. Strike the word “vinyl” and insert “similar deck material.” E. Campground Winter Rules 4. After “storage container” insert “firewood, tote along” and strike the word “firewood” after “grills” in the following sentence. The motion was amended to read “to approve the amended Rules and Regulations Section IX Campground as amended and attached to the motion card.” The motion carried unanimously.

**12.13 December Board meeting** – Jody Ware motioned “to cancel the December 2015 Board meeting.” Seconded by Jim Craig. The motion carried unanimously.

**12.14 Banking Services** – John Asta motioned “to enter into a five-year agreement with First Community Bank of Galena/The Apple River State Bank based on their October 29, 2015 proposal.” Seconded by Rich Krasula. John Asta also noted we can process our credit cards through them for a flat rate of 3%. Rich Krasula reported they offered us the best package with essentially no fees for at least a year, and they will try to maintain that for five years. They have several convenient locations. The motion carried unanimously.

**12.15 University of WI-Platteville student presentations** – cancelled due to inclement weather.

**13.0 Other** – Rich Krasula motioned “to ratify the electronic vote for the purchase of the Security vehicle in the amount not to exceed \$4,500.” Seconded by Jim Craig. The motion carried with six yeas and one abstention from Bob Ballenger. John Asta, Rich Krasula, Jim Craig, Rich Krasula, Jody Ware, and Fred Turek voted yea. At the time of the electronic vote, director Jack Finley also voted yea.

**9.0 Property Owner Comments** – Robert Achille, 13-67, was not present during property owner comments but asked to speak. He previously requested an ad hoc committee be created to address issues surrounding Restricted Lots. He would still like the Board to consider an alternative to eliminating Restricted Lots. Rick requested Mr. Achille email him his proposal to include on the January agenda.

Meeting adjourned at 11:00 A.M.

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Recording Secretary, Megan Shamp

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President, Mike Harris

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Secretary, Jody Ware

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Date