

**Apple Canyon Lake Property Owners Association
Board of Directors Meeting Minutes
March 19, 2016**

APPROVED

2.0 Call to Order – President Pro-Tem Bob Ballenger called the regular meeting of the Apple Canyon Lake Property Owners Association to order at 9:00 a.m. on Saturday, March 19, 2016.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following directors in attendance: John Asta, Marge Clark, Jody Ware, Bob Ballenger, Chuck Larsen (via conference phone), Rich Krasula, Jim Craig, and Fred Turek. President Mike Harris was absent. Operations Director Shaun Nordlie was also in attendance.

4.0 Approve/Adopt February 21, 2016 Minutes – Marge Clark motioned “to approve the February 21, 2016 minutes;” seconded by Rich Krasula. Corrections were made under 11.1, ninth line it mentions “Golf Course” and it should be Pro Shop food & beverage services. Include [discussion was directed to Pro Shop food & beverage services]. In item 12.2 a correction was made to read “He does not feel that the campground as currently administered should be considered an amenity....” Motion carried with one abstention from Jody Ware.

5.0 Treasurer’s Report – Rich Krasula summarized his January, 2016 Treasurer’s Report. The full report will be published in *The Apple Core* and on the website.

6.0 Committee Reports –

Campground – Chuck Larsen reported the Campground Committee will be meeting the second weekend in April to discuss the Pancake Breakfast.

Dam Advisory Panel – Chuck Larsen inquired about the status of the dam outlet pipe inspection contract. Shaun replied that he hoped to start this next week.

Conservation – Paula Wiener reported they have three new Greenway Stewardship Applications, which will be tracked by Rick Paulson. The committee is looking into using goats for invasive species cleanup. Machines can’t work every area. Goats are used at the Galena Territory, Dubuque, and O’Hare Airport. The Watershed Plan will be presented briefly at the end of this meeting. Earth Day Spring Cleanup will be held April 23 at 9:00 a.m. We had 32 volunteers last year. Jody Ware commented that the goat idea is great, but we need to be cognizant of Section 8 of the Covenants. If the Board adopts goats, a homeowner might want to do the same. Bob Ballenger replied that this provision applies to homeowners, not the Association.

Legal - Marge Clark reported that the Legal Committee has finalized a revision of the Covenants to comply with CICAA. Per the law, this revision is not subject to membership vote. We will discuss this today under item 12.8.

7.0 Operations Director’s Report – Shaun Nordlie reported that the lake opened on March 11. The cooler at the Pro Shop is installed. Golf Course is at 95% ready and with cool weather we will not open until April 1. We have 10 boat slips available this year; 4 campsites also came open. 148 lots Dues not paid, with 45 in lien or foreclosure. John Asta asked if the four

campsites were perpetual and if so should there be a discussion about that, not sure we want to go in that direction. Rich Krasula agreed, the whole campground administering needs to be evaluated. Megan Shamp replied that one of the four campsites has already been assigned, staff is in the middle of this process, now is not the time to make a change. Marge Clark report that this is on the agenda for the Rules & Regulations Committee – the Board might want to add some direction. John will attend the Rules & Regulations meetings.

8.0 President’s Report – President Harris is out of town; his report will be published in *The Apple Core*.

9.0 Property Owner Comments – Norm Vandigo, 12-277, recently came across a company that will remove sediment from small bays the dredge can’t reach. He found two companies that are local, who use small pontoon boats and a giant shop vac. He has no idea what the cost is and will share his information with Shaun.

10.0 Consent Agenda – Rich Krasula motioned “to approve the consent agenda item: committee changes (to appoint Ashlee Miller to the Budget Committee and to accept the resignation of Ron Horist from the Trails Committee).” Seconded by Jim Craig. John Asta motioned to remove this item from the consent agenda, seconded by Bob Ballenger, motion to remove carried unanimously. John Asta questioned whether Ms. Miller was a lot owner and would this be a conflict of interest since she works for Honkamp? Ms. Miller is a property owner and is an employee of Honkamp, not an owner of the company. There is some language in CICAA about conflicts of interest but it mentions board members, not committee members. Several Board members expressed they felt there was no conflict and in fact Ms. Miller would add valuable expertise to the committee. The motion to approve the appointment of Ashlee Miller to the Budget Committee and to accept the resignation of Ron Horist from the Trails Committee carried with one opposed, John Asta.

11.0 Unfinished Business

11.1 Upper Deck Shade at the Pool – R&R – Bob Ballenger made the motion “to approve an additional \$3,500 for the modifications to the previously approved sunshade structure for the upper deck of the pool.” Seconded by Rich Krasula. A great deal of discussion followed. Jim Craig questioned why not purchase an 18’ x 30’ covered awning like he found online for less than \$4,000? He feels that an awning with four legs would be more stable in the wind than the sunshade. John Asta had questions on the wind load the shade could take and how it would be mounted. Jody Ware stated that at the last meeting staff was given direction to get two more bids for the same type of shade we currently have. Staff followed that direction the Board needs to act. Motion carried with John Asta and Jim Craig voting nay.

12.0 New Business

12.1 Open the Annual Trail Trekker 5K Color Run to the Public – Rich Krasula motioned “to allow the Communications/Recreation Department to open the annual Trail Trekker 5K Color Run to the public.” Seconded by Fred Turek. Questions were raised about liability for the event and stresses on Security staff monitoring the activity and the public. Cindy Carton responded that she only expects 100-200 people to participate in the fun run and it is designed to be easily monitored. This is an excellent opportunity to attract new members to Apple Canyon

Lake and bolster our relations with the community. Rich Krasula amended his motion to add “providing the Recreation Committee approves it and liability concerns can be met to the satisfaction of the GM.” The motion to amend carried unanimously. The amended motion carried with Jim Craig voting nay.

12.2 Open the Summer VIP Concert to the Public – Rich Krasula made the motion “allow the Recreation Department to open the Summer VIP Concert to the public providing the Recreation Committee approves it and liability concerns can be met to the satisfaction of the GM.” Seconded by John Asta. Eric White will be encouraged to handle the food/beverage. Marge Clark stated that the whole concept of ACL is a private property, she has reservations of inviting the public in. Cindy understands that but this is a good way to market our lake. Both the Trail Trekker 5K and the Summer VIP Concert will be held the same day and both are cool events for members as well. The motion carried unanimously.

12.3 Swim for a Cure Pool Party Fundraiser - Rich Krasula motioned to “approve the annual Swim for a Cure Pool Party fundraiser. The Aquatics Manager will select a local organization to the benefit from the fundraiser each year, with the approval of the Operations Director/General Manager. All proceeds will be donated to that local organization after each event.” Seconded by Jim Craig. Jody Ware was concerned about the Aquatics Manager selecting the local organization. Jody motioned to amend the motion to read “the Aquatics Manager will recommend a local organization to benefit from the fundraiser each year, with approval of the Board of Directors.” Motion to amend seconded by Jim Craig. The motion to amend carried unanimously. A suggestion was made to add “American Cancer Society” to the “What’s Trump Relay for Life Team” on the advertising to make sure everyone knows who benefits from the fundraiser. The motion carried unanimously.

Meeting adjourned for a 10-minute break. Meeting resumed at 11:10am.

12.4 Request to Restrict Lot – motion from Rich Krasula “to approve the restricted lot application of lot 06-108.” Seconded by Jim Craig. Several members of the Board repeated their positions on Restricted Lots from previous meeting. Roll Call: Fred Turek – nay; Jim Craig – yea; Rich Krasula – nay; Jody Ware – nay; Marge Clark – yea; John Asta – yea; Chuck Larsen – nay. Motion fails with three yeas and four nays.

12.5 Restricted Lot – Property Owner request for reconsideration – Jim Craig motioned “to approve the restricted lot application of lot 11-300.” Seconded by Rich Krasula. Roll Call: Fred Turek – nay; Jim Craig – yea; Rich Krasula – nay; Jody Ware – nay; Marge Clark – yea; John Asta – yea; Chuck Larsen – nay. Motion fails with three yeas and four nays.

12.6 Honkamp Software Consultant Engagement Letter – Phase 2 – motion from Rich Krasula “to approve the engagement letter for Phase 2 of the software consultant services from Honkamp. Consultant services were included in the R & R budget software purchase line item of \$100,000.” Seconded by Marge Clark. The RFP created in Phase 1 of the agreement with Honkamp will be sent to several software vendors. Honkamp will help staff analyze the response and select vendors for future demonstrations until a final selection is made. Shaun Nordlie feels that we need Honkamp’s assistance for this phase of the project. Motion carried unanimously.

Bob Ballenger motioned to move item **13.1 Watershed Plan presentation** to follow 12.6 on the agenda. Seconded by Rich Krasula. Mike Malon briefly explained that we have done two years of testing drainage, with concerns about sediment moving into the lake. A good portion of the sediment is coming from our own property. Bob Ballenger asked about chemicals that could be applied to the lake to combat phosphorus. Mike responded that it is not cost effective to add additives to the lake when fresh phosphorus is coming in. We need policies to cover Shoreline Buffers; Zero Runoff and Septic Systems. North Bay and Winchester Bay are our two biggest priorities right now for shoreline stabilization. Questions about sediment ponds – we would need more acreage to do this. Topography would allow for wetlands but getting the landowners to agree would be the next challenge. Rich Krasula added that Mike has done a great job – this is very important to all of us at the lake. The quality of the lake has been deteriorating in the past several years.

12.7 Rules & Regulations Revisions – Bob Ballenger turned the floor over to Marge Clark. Marge asked to remove 12.7 Rules and Regulations Revision Request R-15-7. This should not have been on this agenda; it needs to go to AECC first. The question was divided to address each requested change individually.

R-15-1 – Rich Krasula motioned “to approve request R-15-1 as recommended by the Rules and Regulations Committee and attached to the motion card.” Seconded by Jim Craig. Rich Krasula motioned to amend his motion to read “to approve request R-15-1 as presented and replacing the words “friends and relatives” with “guests” in the preamble.” Motion to amend seconded by Jim Craig and carried unanimously. The amended motion then carried unanimously.

R-15-2 – Jody Ware motioned to “approve request R-15-2 as recommended by the Rules and Regulations Committee to deny the request of the Appeals Board to raise the fine for Vehicle Sticker/Guest Parking Pass.” Seconded from Jim Craig. Discussion followed on why the Board was voting on this since Appeals did not bring it to them. Marge Clark clarified that the Board assigned the Rules and Regulations Committee to act as a clearing house for these change requests. That committee does not have the authority to deny a request, the Board must do so. If the Appeals Board does not agree with the Rules and Regulations Committee’s recommendation, they can come directly to the Board. Motion carried with one nay from Chuck Larsen.

R-15-3 – Bob Ballenger motioned to “approve request R-15-3 as recommended by the Rules and Regulations Committee as presented and attached to the motion card.” Seconded by Jody Ware. This was not changed in the Committee Procedures when the Bylaws were approved. Rich Krasula expressed his concerns that we have information in too many places which leads to these inconsistencies. Marge Clark replied that the Committee Procedures are given to new committee members and need to include all relevant information. Motion carried unanimously.

R-15-4 – Jody Ware motioned to “approve request R-15-4 as recommended by the Rules and Regulations Committee and attached to the motion card.” Seconded by Fred Turek. This will be consistent with the Bylaws. Motion carried unanimously.

R-15-5 – Marge Clark motioned to “approve request R-15-5 as recommended by the Rules and Regulations Committee and attached to the motion card.” Seconded by John Asta. Motion carried unanimously.

R-15-6 – Rich Krasula motioned to “approve request R-15-6 as recommended by the Rules and Regulations Committee and attached to the motion card.” Seconded by John Asta. Rich reported that this is in the Bylaws, making this change in committee level is a moot point. Marge Clark

replied that we want the charge up to date, it could be a couple of years before we will get the Bylaws changed. Motion carried unanimously.

12.9 Rules and Regulations revision – flag rule R-16-2 – Rich Krasula motioned to “approve R-16-2 subsection E-6 to read “Boaters towing skiers, tubers, surfers, etc. must wave a red flag when the person(s) are down or in the water.” Seconded by Bob Ballenger. Motion carried unanimously.

R-16-2 – Jim Craig motioned to “amend the Rules and Regulations Section V Subsection E-5 to: The operator of any watercraft that is towing a person or persons shall display on the watercraft a bright or brilliant orange flag measuring not less than 12 inches per side. The flag shall be displayed at the highest point of the area surrounding the boat’s helm as to be visible from all directions, continuously, while the person or persons being towed depart the boat in preparation for towing and until reentry into the board when the activity has ceased. Display of the flag for purposes other than the activity described in this section is prohibited.” Seconded by John Asta. Motion carried unanimously. Education about the new rules will start soon. Both flags will be sold at the Marina.

12.8 Covenants revision to comply with CICAA – Marge Clark motioned to “apply the three meeting rule to Covenants revisions to comply with CICAA.” Seconded by Rich Krasula. The revisions will be discussed at the April meeting and approved in May.

Meeting adjourned at 2:14 P.M.

Recording Secretary, Rhonda Perry

President, Pro Tem, Bob Ballenger

Secretary, Jody Ware

Date