

**Apple Canyon Lake Property Owners Association
Board of Directors Meeting Minutes
August 20, 2022**

APPROVED

2.0 Call to Order – President Nolan Mullen called the meeting of the Apple Canyon Lake Property Owners Association to order at 9:10 am on Saturday, August 20, 2022.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following Directors in attendance: Nolan Mullen, Mike Harris, Henry Doden, Steve Borst, Bill Becker, Mark Kosco, and Laura Pratt. Bob Ballenger and John Anderson were absent. Interim General Manager Ashlee Miller was also in attendance.

4.0 Approve/Adopt Minutes from the July 16 Executive Session and Regular Meeting, the July 19 Special Board of Directors Meeting, and the August 11 Special Board of Directors Meeting – Mark Kosco motioned “to approve the minutes from the July 16 Executive Session and Regular Meeting, the July 19 Special Board of Directors Meeting, and the August 11 Special Board of Directors Meeting.” Seconded by Mike Harris. Laura Pratt stated that in the interest of fairness to both sides of the Farmland issue, Edie Petelle’s comment should be added to the minutes of the last Regular Meeting. “Edie Petelle stated, “We are required to have our money in a federally insured [account]. This is not.” Motion, with correction, passed unanimously.

5.0 Treasurer’s Report – Treasurer’s Report will be in The Apple Core.

6.0 Committee/Commission Reports

Budget – Steve Borst reported Budget met four times this year. Spent a lot of time verifying the accuracy of the budget that was presented to us from staff. Concluded if we want everything to stay the same, with inflationary pressures, including wages, we verified what it would cost to have a mirror image from 2022 for 2023. Difficult. End of the meeting we are recommending a budget with significant increases in dues and fees. More discussion later in the meeting.

GM Search – Mike Yorke reported the search has been narrowed down to one candidate.

Nominating – Mike Yorke stated advertising will appear in the September Apple Core.

Multi-Sport Complex– Mike Harris reported new officers were put in charge at the July 26 meeting. Plans for specs for inspection of services included in Board packet today.

Board Policy – Mike Harris reported that the section 6000 is included in the Board packet. Still going through section 8000. Board Policy is looking for new members.

Zebra Mussel – Bill Becker reported that they expect to have a recommendation to the Board for the next meeting.

Conservation – Paula Wiener reported they met on August 6. Found out at last meeting, when the Zebra Mussel Ad Hoc Commission started, that some had no idea we have a Watershed Plan or that we did lake monitoring. Watershed Plan since 2015. Don’t know how to tell people what we have done. We don’t need duplication of efforts; we need to work together. Creel tracking – our fishermen do not want to tell us what they caught. QR code stopped working, so we dropped that program entirely. We have all 10 water testing sites being tested. Continuing work on revising the 5-10-year milestones for the Watershed Plan. Living changing document, goals won’t change but the way to measure will.

AECC – Joe Wiener reported they met two weeks ago, 200 building permits have been issued so far this year, consistent with last year. Committee was made aware that a lot has been cleared to bare earth with no silt fence installed. Also reported to GM that work along the lake is resulting in bare earth (Presidents Bay and North Bay) without silt fence. Wanted to point out that the permitted contractors doing work out

there, take their silt fences down during the workday. They will make sure it is replaced at end of the workday.

Trails - Tom Ohms reported that the bridge is about completed. Another big project – straightened out curve in Constitution is done as well. Shooting for having the bridge completed by Labor Day weekend.

7.0 General Manager's Report – Weed harvester part is in, should be installed within a week or two. Area north of Hawthorne, starting to clear out for savanna restoration project. Grant funded. Couple treatments for zebra mussels (around jumping rock). Pro Shop hours – struggling to keep the hours open for what we would like them to be. September we may have to go to limited hours and limited menu. Our lake consultant is requesting to Property Owners, if you see dead fish, we need to know that. Fresh dead fish we can send in for testing.

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

9.0 Property Owner Comments

10.0 Consent Agenda

10.1 Committee/Commission Changes – Mike Harris motioned “to appoint Robert Cook to the Rules & Regulations and Safety & Emergency Planning Ad Hoc Commissions; to appoint Dave Homb as Chair of the Rules & Regulations Commission; Dave Allgood as Chair, Jim Frank as Vice Chair, and Bill Ware as Secretary of the AECC; and Al Hendren as Chair, Gordy Williams as Vice Chair, and Kim Rees as Secretary of the Deer Management Commission; and to accept the resignation of Gordy Ostrander from the Deer Management Commission; Vickie Sershon from the Rules & Regulations Commission; and Barb Hendren from the Board Policy Ad Hoc and the Rules & Regulations Commissions.” Seconded by Mark Kosco, motion carried unanimously.

11.0 Unfinished Business

11.1 Rules & Regulations: Kayak Lockers – Henry Doden motioned “to approve the Rules & Regulations: Kayak Lockers as included in the August Board packet.” Seconded by Bill Becker. Discussion: need to have a waiting list for those lockers. Motion carried unanimously.

11.2 Rules & Regulations: Housekeeping – Mike Harris motioned “to approve the Rules & Regulations: Housekeeping as included in the August Board packet.” Seconded by Mark Kosco. Discussion: none, motion carried unanimously.

11.3 Board Policy 6000'S – Steve Borst motioned “to approve the Board Policy 6000's section as included in the August Board packet.” Seconded by Bill Becker. Discussion: none, motion carried with Henry Doden abstaining.

11.4 Board Policy: Non-Commercial Purpose for Document Inspection - Mark Kosco motioned “to approve Policy 8330.01 Non-Commercial Purpose for Document Inspection Exhibit A – Non-Commercial Purpose Policy for Document Inspection and the Non-Commercial Purpose Certification Form as included in the August Board packet.” Seconded by Mike Harris. Discussion: Laura Pratt - changing the fines? Increase the fine for illegal use of information. Can still pass, but at some point, maybe we should change the numbers. Policy is good. Exhibit A – only change at this point. \$1,000 per violation now. Mark Kosco amended motion to include “to make the fine \$10,000,” seconded by Mike Harris. Motion carried unanimously.

12.0 New Business

12.1 Property Owner Citation Appeal – Assmus – Motion to go to Executive Session from Mike Harris, seconded by Mark Kosco. Motion carried unanimously. Mark Kosco motioned “to return to open session meeting,” seconded by Bill Becker, motion carried unanimously. Mike Harris motioned “to uphold citation #0036 issued to Carl Assmus.” Seconded by Mark Kosco. Motion carried with Henry Doden voting nay.

12.2 Lot Combination Agreement – Jenkins – Mike Harris motioned “to approve the Lot Combination Agreement requested by the Joseph T. and Sandra M. Jenkins Family Trust of lots 4 and 5 in the Hidden Springs (2) subdivision. Once recorded, the Lot Combination Agreement may not be revoked or rescinded.” Seconded by Mark Kosco. Discussion: unanimous recommendation from AECC, motion carried unanimously.

12.3 Food Truck Agreement – Fall Craft Fair – Steve Borst motioned “to approve the proposed Concessionaire Agreement with Jay Upmann d/b/a JJ & Freddie’s.” Seconded by Bill Becker. Discussion: none, motion carried unanimously.

12.4 Recreation Commission Designated Fund Request – Mike Harris motioned “to approve the Recreation Commission’s request for up to \$500.00 from their Designated Fund to be spent to purchase four new bocce ball sets for use by the ACL bocce ball group.” Seconded by Steve Borst. Discussion: none, motion carried unanimously.

12.5 Cove Operator Search Ad Hoc Commission – Mark Kosco motioned “to approve the creation of the Cove Operator Search Ad Hoc Commission and its charge: The Cove Operator Search Ad Hoc Commission has been established for the purpose of conducting a search for a new Cove restaurant operator. The primary duties of the ad hoc commission shall include creation and distribution of an RFQ; interviewing potential operators; and recommending a short list of qualified operators to be interviewed by the Board of Directors.” Seconded by Bill Becker. Discussion: none, motion carried unanimously.

12.6 Multi-Sport Complex Proposal – Steve Borst motioned “to approve Fred Kolkmann of Tennis and Sport Surfaces LLC to create a design for the Multi-Sport Complex, at the cost of approximately \$15,000 to be paid from the R & R fund. The Multi-Sport Complex project was approved as part of the 2022 R & R budget.” Seconded by Mike Harris. Discussion: Henry Doden questioned the final cost of project. Range to give us for final cost. He gets \$15,000 whether we go ahead with it or not. Mike Harris – need a plan with specs in order to do something like that. Inspection services are included. Henry Doden – how many tennis courts has he designed and built? Gary Hannon – budget has been discussed. Pre-bids will be sent out. Who will be making decision on surface? Ad Hoc? Final design would probably come back to the Board. Ashlee Miller – Ad Hoc will make a recommendation. Motion carried unanimously.

12.7 Publication of the 2023 Annual Assessment – Steve Borst motioned “to authorize staff to publish the recommended 2023 Annual Assessment of \$1,235 in the September issue of the Apple Core,” seconded by Mark Kosco. Discussion – authorize to publish in the September issue of The Apple Core, then sent back to Budget. Increase of roughly 12.5%. Nolan Mullen – we can vote down now or table for one month and work with Budget Commission. Henry Doden – meeting with Board and then send back to Budget. Board and Budget Commission work together. Assessments, Operating Budget, R & R and Fees – four items that would all go back to Budget. Ron Carpenter – Budget spent 20 hours working on this and to turn around and send back without guidance is a waste of our time. If you have specific things you can agree on, you have that in your ability without going to the Budget Commission. Too much effort goes into this – can’t just look at assessment without looking at Operating Budget, income, and expenses. R & R expenses are independent of the R & R funding. What we will need per year for the next 10 years and average that for the funding amount. Level this out over the years. Reserve Study – update every year, it is very collaborative – department managers get involved, we do this in-house. Steve Borst – Ron has been on Budget Commission for quite a while, knows the numbers here as well as anybody. Guidance – if you kick back to commission, probably won’t be much different. We spent a lot of time on every line item. We did verify costs. If you say go back and cut 2% - we would have to get creative. Exact thing in 2022 will cost this in 2023. Items we don’t feel are in our charge to do. Electronic Apple Core – who makes that decision? Why are we open on Sunday? Is that Budget Commission’s job to decide? Revenue side – If the Board says we don’t want the assessment to go up, now we would have to come up with other ways – fees for example. Analysis – last three years, dues were \$1,073, 2nd year \$1,100, 3rd year over \$1,100, held at that – we’ve been able to do that because of COVID. Dues have been held in check, but we weren’t providing services due to COVID. Not a mirror image of 2022 costs. Last Board meeting, we talked about how a Property Owner brought up he has a dead limb on the shoreline – he wants to hire a company to cut it down. Was told no, call Maintenance. Treat their own docks for zebra mussels, we

say no. We want to control that – get that. \$60,000 in proposed budget we didn't have a year ago for zebra mussels. Brand new line item. Strange time right now. Without changing anything, the 2023 budget reflects accurately the cost of everything we did last year. Mike Harris – question to this Board, what are we hung up on? What is it we don't like? Ron Carpenter suggested to suspend Robert's Rules to discuss the whole budget process. Steve Borst motioned “to withdraw the motion to publish annual assessment.” Seconded by Mike Harris. Motion carried unanimously. Mark Kosco motioned “to suspend Robert's Rules of Order.” Seconded by Henry Doden, motion carried unanimously. Discussion: Assessment hasn't gone up much at all, if I don't pay my OARF fee can I access the amenities? Ashlee Miller - no, bound to pay OARF (Owner Amenity Registration Fee). Mark Kosco - why do we have a separate fee that is required we pay? Most would look at as assessment. Ashlee Miller - three lots – can pay one OARF fee. Steve Borst – reached out to Marge Clark recently and she said we put OARF fee in, not an issue of us raising OARF fee. Some properties had multiple owners, every weekend different people coming out and enjoying the amenities. Almost like a rental, came up with OARF fee. But if someone has multiple properties, they only pay one OARF fee. After we put it in, a lot of these deeds got re-written with one name. If intent was to be a fee to make an equitable amount, not a fair thing to double for everybody. 100% increase. Golf fee – no question it is costing us more today to maintain, salaries, etc. Raise the golf fees? We didn't do that. Why are we picking on the OARF as being a fee to make up our whole budget? Not the intent. Raise everything 15%? All should go up, not just OARF. Mark Kosco – that is a mandatory fee – Trash and OARF fee. Don't have to pay a fee for other items here. More of an assessment than a fee. Steve Borst - keep the dues and OARF within the 15%. Henry Doden – OARF fee – we allow people to rent houses out. Same owner will use the lake, two sets of people using the lake. Fees for people using the place should probably go up. Bill Becker – more in favor of fees. Own a lot to use the lake. Could start questioning if they get their value. More lots getting turned over to the lake through foreclosure, delinquent fees, etc., more burden on homeowners. Laura Pratt – 2/3 owners are for the amenities only. If we keep raising it up, people will get fed up. Are we going to wait until that happens? Increase the fees more, people that are using the amenities can help shoulder that. Mark Kosco – OARF being part of assessment, require that I pay. Raising the assessment close to 20% then. Dock fees have not been raised for quite a few years. Fee structure should be looked at. Mike Harris – raise dues 15%, get rest out of our boat docks. Leave the OARF alone. Ron Carpenter – when you talk about raising fees 10%, nothing made a big amount of money except putting a large increase on the docks. To make the kind of money we need, coming back with \$400 on docks and 15% increase on dues would get us pretty close. Don't want to nickel and dime people and not get anywhere. When we budgeted 2022, we were not looking at 10% inflation. We are looking at that this year. That is something we will have to catch up on besides funding 2023. No GM right now, saving some \$\$ this summer. But everywhere else, we are paying more than expected. John Diehl – very similar discussion five or six years ago. All I heard back then was we can't mess with the fees (CICAA). Has CICAA changed? If that is where we go, why would you raise a dock fee and no fee for the swimming pool. Laura Pratt – lawyer confirmed CICAA only allowed us to become primarily assessment based. CICAA does NOT restrict us from raising fees. Ashlee Miller – swimming pool is available for everyone, only 773 boat slips. Gordon Williams – see what others are charging for fees – other lake associations. Mark Kosco – annual assessment (OARF), believes that if I don't pay, go to lien. It's an annual assessment, not a fee. Ashlee Miller – 2022 Budget was budgeted to be over \$50,000 loss. We have to fund that. Nolan Mullen – OARF concern, raise fees, assessments too high, three of the four topics on the agenda. Recommend that we have a joint venture meeting with the Budget Commission and sit down and hash this out. Ashlee Miller – come from the Budget Commission, publications will completely change. Mark Kosco motioned “to reinstate Robert's Rules of Order.” Seconded by Mike Harris, motion carried unanimously at 11:32 am.

12.8 Publication of the 2023 Operating Budget – Mike Harris motioned “to table items 12.7, 12.8, 12.9 and 12.10.” Seconded by Mark Kosco, motioned carried unanimously.

12.9 Publication of the 2023 R & R Budget – Tabled.

12.10 Publication of the 2023 Operating and Building Fee Schedules - Tabled.

12.11 Ratify Electronic Vote – At the August 11 Special Board Meeting we discussed GM candidates, electronic vote amending the GM offer we need to ratify. Steve Borst motioned “to ratify the electronic vote amending the GM offer.” Seconded by Mark Kosco, motion carried unanimously.

12.12 Building Code – Sequential Floating Docks – 1st Reading – Discussion: plastic floating docks making sure they do not share more than 50% of space. Would like to see a percentage not exceed 50% of shared docks. Will be done on an individual basis. This is giving Joe the ability to look at this space. Steve Borst – converted everything to inches. Plenty of room. Could make that 49% or 48% still room. Go back to AECC and revisit the percentage.

Henry Doden motioned “to suspend Robert’s Rules of Order.” Seconded by Bill Becker. Motion carried unanimously.

12.13 Capital Projects Update – Ashlee Miller reported flood mitigation has a meeting set up with commission and Board for August 29th. Will find out next steps moving forward. Dredging - have a proposal, waiting on budget for that. Winchester redesign – process that had to be done, register with government, finished that and now time for grant submission when open. Dredging still moving forward on this. Bathometric study will tell us how much should come out of the lake. Perhaps a dredging workshop would be helpful – professionals to come and tell us what we should and could do. Goal is to do this correctly.

Mike Harris motioned to reinstate Robert’s Rules of Order.” Seconded by Mark Kosco, motion carried unanimously.

Motion to adjourn from Mike Harris at 11:48 a.m.

Recording Secretary, Rhonda Perry

President, Nolan Mullen

Corporate Secretary, Laura Pratt

Date