

**Apple Canyon Lake Property Owners Association
Board of Directors Meeting Minutes
February 18, 2023**

APPROVED

1.0 Call to Order: Meeting called to order at 8:02 AM by Board President Nolan Mullen, via Zoom. Other Board members present: John Anderson, Stephen Borst, Mike Harris, Mark Kosco, Laura Pratt. Bill Becker arrived to meeting at 8:22 AM. Other members present via Zoom: Bob Ballenger, Henry Doden. Also present, Jen Callaghan, GM.

2.0 Executive Session: Mark Kosco motioned, seconded by John Anderson to go into Executive Session. Motion carried.

2.1 Legal

2.2 Personnel

2.3 Leases-Contracts

2.4 Appeal—Gabe McKee

Open Session - At 9:07 am Bob Ballenger motioned to go to open session. Seconded by Mark Kosco, motion carried unanimously.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following Directors in attendance: Nolan Mullen (via Zoom), Mike Harris, Henry Doden (via Zoom), Steve Borst, Bill Becker, Mark Kosco, Bob Ballenger (via Zoom), John Anderson and Laura Pratt. General Manager Jen Callaghan was also present.

4.0 Approval/Adopt Minutes

4.1 January 21, 2023 Executive Session and Regular Meeting - Mike Harris motioned to approve/adopt minutes from the January 21, 2023 Executive Session and Regular Meeting, seconded by Bob Ballenger, motion carried unanimously.

5.0 Special Guest – Jo Daviess County – Jay Solomon of the U of I Extension presented updates to the *Jo Daviess County Water Resource Management Plan*.

6.0 Treasurer's Report – Treasurer's Report from December 2022 was presented.

7.0 Committee/Commission Reports

Nominating Committee - Mike Yorke reported they are right on track with applications. Date to apply has now passed, we had ten candidates, we now have eight candidates. Questionnaires have been completed and will be published in *The Apple Core*. Videotaping is taking place now—that will be posted on the website. Meet the Candidates is scheduled for April 8.

Board Policy – Mike Harris reported they are starting back up next Monday.

Sports Complex – Mike Harris reported that it is on the agenda today.

Zebra Mussel – Bill Becker reported there is a motion in new business today. We worked on a spreadsheet to track data for the lake to tell what the effectiveness of the treatment is. Growth or decline of the mussels, several specific things we will track.

Memorial Pavilion – Laura Pratt reported they are still waiting for bids to come in, we only have one for the whole project. We do need to meet to raise more money. Plans for fund raising for the walkway (brick) are being worked on.

Conservation – Paula Wiener reported that as a group, they wanted to remind the Board that the Conservation Commission shall advise the Board of Directors. Mike Yorke – In our trials, we have only been able to hold the necessary ppm for four hours. Are we expecting a reduction in zebra mussels? Lacking clarity on what we are trying to do on Zebra Mussels. One female can produce one million other zebra mussels. Do we want to throw \$50,000 away every year (or more), just to hold down the population. Instead of treating the entire shoreline – take a quiet bay where no dredging is scheduled,

and treat. Then measure the success. Respect the work that has been done. We want to do something, just need to agree on what that is. Steve Borst – like the idea of taking one cove, but how is that different? Mike Yorke – gather data on success of treating that certain bay. Paula Wiener - cannot hold the copper level that is required. To do one bay is a fraction of \$50,000. What can we expect from an application of a chemical? 50% reduction? Do we have data on that?

Strategic Planning – Steve Borst reported they met on February 20th. Went through the Plan on a Page. We aligned it with the goals that the Board has set for the GM what we want to do. Also started talking about 2024. Next meeting is March 24 at 4:00.

Recreation – We have the Nice Skate Rink but it will not be put up due to the weather we have been having. There are other upcoming events in the planning stages.

8.0 General Manager's Report - See Report in *The Apple Core*

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

10.0 Property Owners Comments

George Drogosz, 8-48 Constitution – all excited about the progress with The Cove. What are we doing with the dredging problem in Washington Cove? Brought this up for the last five years. Will we get that taken care of this year?

Paula Wiener – let everyone know jig saw puzzles are free and available by the door. Would like to see the lending library return.

Henry Doden, 13A129 – people think the BOD's job is easy, might be if better cooperation from management. Approved money to do a Bathymetric study, survey dredge ponds – get back information with no conclusions. Dredging – we were not consulted on the proposal for doing the dredging. Proposal is to dredge to a point of 7 feet, our own dredge can go to 15 feet. Serious questions about the dredge proposals. Was for four bays – original dredging in 1998 was 12 bays and coves. Now only removing 35000 cubic yards. Why only down to 7 feet?

11.0 Any Additions to the Agenda – no additions

12.0 Consent Agenda

Committee Member Resignations – Mike Harris motioned *“to approve the resignation of six members; Tom Ohms from Conservation and The Cove Ad Hoc Commissions; Jody Ware from the Policy Ad Hoc Commission and Long Range Strategic Planning Commission; Al Hendren from Deer Management; Gary Hannon from The Cove Ad Hoc Commission; Mark Kosco from the ACL Legal Commission; and Mike Ward from The Cove Ad Hoc Commission.”* Seconded by Bill Becker. Motion carried unanimously.

13.0 Unfinished Business

13.1 Rules & Regulations: Paddleboard Sticker and ID Number Placement – Tabled

13.2 Rules & Regulations: Indoor & Outdoor Storage – Tabled

13.3 Operational Programs and Procedures: Terms of Long-Term Slip Assignment - Tabled

13.4 Memo – 2023-012 Concessionaires Agreements – Laura Pratt motioned *“to approve the proposed Concessionaire Agreements with Rapped with Smoke BBQ; Birds Fried Chicken; JJ & Freddie's, and Chomps to operate at the 2023 Recreation Department Events alongside The Cove.”* Seconded by Steve Borst. Discussion: JJ Freddie's or Chomps? Father and son – one or the other will come.

Recreation will decide which one they will use at that time. Motion carried unanimously.

14.0 New Business

14.1 Memo 2023-009 Safe Haven Golf Outing – Mike Harris motioned *“to approve the Safe Haven Golf Outing, benefitting the Safe Haven Humane Society in Jo Daviess County in 2023, with green fees being donated to that organization after the event.”* Seconded by John Anderson. Discussion: is Recreation coming up with more outings? We reached out to them. Date for the outing is May 20. We will still make money, plus exposure for ACL. All food and beverage will go through us. Motion carried unanimously.

14.2 Memo 2023-010 Sport Court Proposal – Mike Harris motioned “to ask the BOD for additional money of \$91,600 for the completion of the multisport complex proposal based on the bid from Civil/Helm of \$319,600.” Seconded by Mark Kosco. Discussion: Mike Harris - we have a five-year warranty on what was done four years ago. Should get these people to stand behind the warranty and see what they can do for us before we spend \$319,600. We only have one more year left of the warranty. Steve Borst - contractor we had four years ago said he could redo the whole thing at a cost of \$245,000 or could just do the top for \$80-\$90,000. Probably won't warranty that – told us four years ago wouldn't hold up, soft spots. Get rid of tennis courts and put grass there or invest the money in pickleball. Let's do it right. Laura Pratt – What have we done to secure that second bid from McConnell? Mike Harris – still some dead spots, but make it work for a couple of years, then maybe go back to budget to get the \$91,000. Get the warranty work done now. Bill Becker—This is 30% higher. I have concerns as to where the money will come from. Our Capital Fund is going to run out of money. It is a good amenity, but where does it fall in our priorities. Henry Doden – looking at the plans, appears they have a slight slope for drainage. Nothing in the plans on where the drainage will go. Need to look for three bids on every project. Is there any effort to save any money? The old fencing could be taken down and put back up again. Steve -- Maybe we can bring it to Budget and see if we can budget extra money this year, for next year. Jen – This should be in Reserves Study as replacement. That's where it comes from. Roll call: Henry Doden – nay; Bob Ballenger – nay; Mike Harris – nay; Mark Kosco – nay; Laura Pratt – nay; Steve Borst – nay, Bill Becker – nay; John Anderson - nay. Motion unanimously failed.

14.3 Memo 2023-011 Zebra Mussel Proposal – Steve Borst motioned “To have a professional contractor complete a shoreline treatment with EarthTec QZ after the fish spawning period is over and zebra mussel veligers are detected. Monitor the results of applications with tools such as monitoring plates, live cages, measured copper, oxygen levels, lake temps, weather, etc. Document all data collected and maintain that database. Spot treat areas by ACL staff, as needed after initial treatment. A second application is recommended when the lake is lowered for the spillway project.” Seconded by Laura Pratt. Discussion: Henry Doden – We could have lowered the lake and eliminated a couple hundred thousand zebra mussels or more. Mark Kosco – Has the irrigation system at the golf course been impacted? Jen – no, they have been treating that area. Bill Becker – Lake Carroll lowers their lake to allow homeowners to do maintenance. But there is that side benefit that any zebra mussels exposed to the cold temperatures are killed. We can do is control the numbers, to lessen the impact. Laura Pratt – I don't know of any literature that documents the concentration needs to be held 7-10 days. If that is the case, how was what we did treat effective? Bill Becker – Different techniques for different areas. They will use drop hoses to get the product below the surface wave action. Some were effective. Steve Borst – according to the Conservation Commission we are speculating with this – heard them say let's pick an area, apply properly on a smaller scale. Don't feel confident doing a whole shoreline. Henry Doden – If we do not vote for this, will we continue to treat Nixon Beach and Marina? Jen – Tyler was always planning on doing the spot treatment. Henry Doden – If you do not do a shoreline treatment, more people will trailer boat in and out. Then you'll have a major problem at the marina. Nolan Mullen – cost would be \$47,850. Roll call: Henry Doden – yes; Bob Ballenger – yes; Mark Kosco – nay; Bill Becker – yes; Laura Pratt – yes; Mike Harris - nay; Steve Borst – nay; John Anderson – nay. Nolan Mullen breaks the tie by voting yes, motion carries.

14.4 Memo 2023-013 Cove Name & Logo – Bob Ballenger motioned “to adopt the new “The Cove Lakeside Restaurant” Logo and its style guide, to be used on merchandise, signage, ads and any other applications needed.” Seconded by Steve Borst. Jen – The desire was to add that tagline so people know it is a lakeside restaurant. The name is still the same. Legal liquor license is still The Cove. Name is still The Cove. Won't change any of the blue [road] signs. Motion carried unanimously.

14.5 Memo – 2023-014 Collection Policy – Steve Borst motioned “to approve the recommended Collection Policy as presented from ACL's legal counsel.” Seconded by Bill Becker. Discussion: Steve

Borst – met with Ashlee on financials and asked her about this. This will be a huge improvement and should save us some money. Will reduce the cost we have in trying to collect our bad debt. Nolan – People will have the option to turn over their lot to us instead going to foreclosure. Two small grammatical errors were noted: p.2, #6, fifth line, insert the word **association**, to read “...balance on their **association** account...” Also, same #6, last line, insert the word **a**, to read ‘...a mortgage or a federal...” Motion carried unanimously with the two changes per above.

14.6 Memo – 2023-015 Employee Handbook Time Off Amendments – Mike Harris motioned “to approve amendment to section 6 of the Employee Handbook with respect to paid leave sections 6.1-6.4.” Seconded by Mark Kosco. Discussion: Jen – Just splitting this up differently. New law going into effect next January where part-time would get accrue time off—one hour for every forty hours worked. That added benefit, might be more attractive for hiring. Might get more applicants. Hiring part-time over full time would saves us money on benefits. Clear and consistent, felt these policies are geared toward office staff mainly. Inconsistent on how we treat security, maintenance. Will have it reviewed by Legal before 2024. Changing to an accrual basis as opposed to front loading time off. Will be a culture change, but Jen will work the employees. Motion carried unanimously.

14.7 Memo 2023-016 Cove Startup Loan Repayment – Steve Borst motioned “to approve the loan to fund The Cove startup expenses at an interest rate of 3% per the attached amortization schedule.” Seconded by Mark Kosco. Discussion: Henry Doden – What if there are insufficient funds to make the payment – what happens? Jen - would go to the Board to ask for another loan or re-amortize. Steve Borst – propose defer payments until first of next year. Jen – we need to fix on how the R&R is calculated – figure in inflation. Steve Borst amended his motion “to approve the loan to fund The Cove startup expenses at a simple interest rate of 3% per an amortization schedule that begins January 1, 2024, with said payment being a transfer to R&R.” Seconded by John Anderson. Motion carried unanimously.

14.8 – Dredge Proposal – Mike Harris motioned “Per the letter attached from Fehr Graham recommending executing a contract with Frentress Marina for \$545,342.75.” Seconded by Mark Kosco. Discussion: Mike Harris - three bids, Frentress has the lowest bid. Henry Doden – but our dredge is capable of doing this. Why are we having someone else doing this? Why are we doing it? Only doing four bays. Why isn’t this in-house. Laura Pratt – does our dredge work? Henry—It works. Mike Harris – we don’t have a qualified operator for the dredge. Henry Doden – agree, there is a learning curve, but shouldn’t be that hard to learn. Mike Harris – for the last 20 years, our dredge has not been able to keep up. Henry Doden – dredging down 15 feet at times. Only 7 feet in the proposal. Lot of money spent on mobilization. Bill Becker - contract dredging is not something new. Why haven’t we been looking for a full-time employee to operate this dredge full time? Why haven’t we been doing that? Nolan Mullen - original plan was to contract out, then hire an employee to keep this up. Steve Borst – a proponent of contract dredging. Under the impression we were doing contract dredging and then not again for 10 years. Start budgeting in R&R for this expense every 10 years. Jen – this was the direction Fehr-Graham was given – four bays. Nolan Mullen – original number was about \$900,000 – something changed somewhere. Special meeting? Table it? Can we ask them why only four bays? Can we add two more bays? Four bays and 7 feet deep, was expecting more bays and deeper. Laura Pratt—Looking at the bathymetric study, only two sections show a need over seven feet—one at eight feet and another at 7 ½ feet. Henry--No indication on size of machine Frentress has. Too many questions. Bob Ballenger motioned “to table this agenda item.” Seconded by Henry Doden. Motion to table carried with three nays.

Nolan Mullen--Get with Frentress to get everyone’s questions answered, then set the special meeting with 48 hour notice.

Motion to adjourn from Mike Harris at 11:24 am.

Recording Secretary, Rhonda Perry

President, Nolan Mullen

Corporate Secretary, Laura Pratt

Date