

MINUTES OF THE LAKE ARROWHEAD PROPERTY OWNERS' ASSOCIATION
MEMBERSHIP MEETING JULY 6, 2013
Approved as amended July 5, 2014

- I. The July 6, 2013 membership meeting of the Lake Arrowhead Property Owners' Association was called to order at 10:25 a.m. by President Dick Miller, in the pavilion, with the Pledge of Allegiance.
 - A. A quorum was met with 225 members.
 - B. Board members present were: Dick Miller, Ron Race, Sue Fuller, Gary Fuller, Anita Wheaton, Dave Cunningham, Scott Bicknell, Gordie Wearsch, Chris Frey, Kyle Stubli, Tim Devine, Ron Race Jr., Chris Speen and Dave Ligget.
 - C. Approval of minutes of July 7, 2012 meeting: Ron Race moved that the minutes of the July 7, 2012 annual membership meeting be approved as presented. The motion was seconded by Scott Bicknell and passed unanimously.
 - D. Approval of minutes of September 1, 2012 meeting: Anita Wheaton moved that the minutes of the September 1, 2012 special membership meeting be approved as written. The motion was seconded by Tim Devine and passed unanimously.
 - E. Treasurer's report: Gary Fuller
 - 1. Year ended with \$156,420.14 total income taken in. \$17,665 was spent on the lake improvement project. The forestry funds were used for this. The year ended with \$24,000 in fund equity and \$45,486.47 in the truck replacement fund. Total funds on hand at the end of the year \$70,333.92.
 - 2. The campground ended the year with \$3,156.08 in savings.
 - 3. At the end of June, \$122,484.78 has been taken in to date. Only \$18,000 has been budgeted to be received from the gas wells this year. All expenses are within their budgeted amounts.
 - 4. The campground has taken in \$19,097.20 to date.
 - 5. Chris Speen moved that the treasurer's report be accepted as presented. The motion was seconded by Ron Race and passed unanimously.
- II. Comments and/or concerns from members
 - A. Mary Grindol announced that the dates for the community-wide rummage sale will be July 26-27th. Let Mary know by July 15th if you wish to be a part of it. Mary and her husband will make out the maps for the sale.
 - B. Mark Davis informed us about the salt water system for pools. He stated that before he used the system it cost him \$1300 to maintain his pool. After purchasing the system for \$900 plus \$250 for salt to start the process, it now costs him \$100 a year to maintain it. It took him 45 minutes to install the system. Ron Race asked to talk to him after the meeting for further information.
 - C. Sharon Morris stated that the campground committee is selling tickets for a 30 year old neon sign that says cocktails on it. The proceeds will be used to purchase new playground equipment for the campground.
- III. Unfinished business
 - A. There were no questions on the written reports from chairpersons.
 - B. Recap of lake improvement project: Dave Cunningham
 - 1. This is the third option that we have looked into to improve the lake.
 - 2. In 2004 at the annual meeting the members requested that we look into dredging the lake.
 - 3. At the 2005 meeting the board reported that it would cost between one million and one point three million to do the dredging. This was more than the association could afford.

4. Two years later Lakes of the North placed a deep well to augment Lake Herald. The members at the meeting requested that the board look into doing the same in Lake Arrowhead.
 5. A test well was drilled and it was not successful since there is not a clay base present to hold the water.
 6. A geological company was hired to tell us why there is no water coming into the lake. The predominate springs in our lake are on the east side approximately from the boat launch to just past the pavilion area. This area is filled with silt up to twelve feet deep. Test wells were placed around the lake and it was found that the ground water level is higher than the lake level.
 7. This is the last option available to improve the lake level.
 8. A permit has been obtained from the DEQ to do the dredging of the lake. The work can be started as soon as the dredging company can start.
- C. Questions on the project:
1. Mark Davis asked if the dredging was only going to be done on the north side of the lake. Dave answered yes; these are the springs that are closest to the major route of the water to the lake.
 2. Sharon Morris asked where the silt came from. Jeff Anagnostrou, from Applied Geotechnical Services Inc., answered that the silt came from decaying leaves and vegetation.
 3. James Morris stated that he felt that since the jet skis go counter clockwise around the lake they push the silt to the leeward side of the lake, not the wind. Dave answered that the silt has accumulated over the years.
- D. Jeff Anagnostrou went through the hand-out that was given to the members.
1. The water has fluctuated over the years due to the precipitation over the years.
 2. The water should be flowing into the lake from the east but the silt has built up to prevent this. The silt on the west side of the lake is shallower and is allowing the water to flow out of the lake at a higher rate.
 3. The ground level in the test wells has come up a foot higher than at this time last year. The lake level is up six inches or less.
 4. The ground water in the test well near the bell tower is three feet higher than the lake level. There should be very little difference in this short distance.
 5. Mike Melenczynko asked if there were dangerous elements found in the silt. Jeff answered no. Dick Miller stated that we would not have been given the permit from the DEQ if there had been.
 6. Al Sanom stated we know great lakes are down, so until they rise, is it true that ours won't raise either. Dick Miller stated that we are not tapping into an aquifer but the allowing the ground water to flow into the lake by the removal of the silt.
 7. Dave Maddix stated that all the tons of sand placed on the shoreline have contributed to the problem. Chris Speen stated that after the dredging is done a representative of the DEQ will come out and help us to learn how to take care of the lake. Jeff stated that the shallower the lake is the more vegetation will grow.
 8. Brian Holter stated that the sand is where the water has gone down. All the sand on his beach was once under water. He stated that spring-fed lakes are usually cold. Since the lake has become shallower it has warmed due to the decaying matter in the silt. There are fewer fish, due to it being so shallow. If nothing is done then we will see rapid evaporation in this lake.

9. Paul Aubry reminded us that American Central had dredged the whole lake in the early 1960's. He stated the water was so cold you could hardly breathe. He asked if when the muck was taken out if the lake level would go down. Jeff stated that when the spoils are placed in the disposal area the water would return to the ground water and return to the lake.
10. Steve Frantz asked if there were some places where this has been done successfully. Scott Bicknell stated that Lake Manuka certainly has come up since they dredged it a few years ago.
11. Darren Scwiesow asked if there were any state grants available. Chuck O'Connell stated that this was checked into three or four years ago and because we are a private association we are not eligible. Chris Speen stated that he had asked the DEQ if any funds were available and he was also told, no since we were private.
12. Jeff explained a page in the hand out that shows that the water is flowing out of the lake faster than it is flowing into it.
13. Cheryl Osantowski asked how the dredging will affect the fish. Bill, from Michigan Hydraulic Dredging, stated that the fish stay away from the dredging operations. Dick Miller stated there are requirements from the DEQ on when it can be done. Cheryl also asked if the size of the boat motors had anything to do with the lake problem. Jeff stated that this was not studied but it made sense that if the muck is churned up by the motors that the wind would push it to this side of the lake.
14. Paul Dellock stated that he has a friend that dredges and he told him that the divers can feel the cold water rushing up while dredging. He also told him that when they do this they are 95% successful on raising the lake level.
15. Jeff Kennedy asked if "French drains" were still going to be placed in the banks by the swim area. Jeff stated that after studying further data it is felt they will not be required.
16. Les Youngs stated that number one, he took Jeff on the lake to measure the muck and that when he pushed his hollow pole through the muck, clear water rushed out of the pole. Number two the large boats cannot get onto this lake. Number three it would be nice to have the use of the whole lake again. He stated that it is worth \$600 to keep his property values up.

IV. New Business

- A. Dave Cunningham stated that bids were received from three companies and Michigan Hydraulic Dredging was accepted. The cost to do the dredging and containment of the spoil came to \$310,000. We need to continue to keep our geological company to manage the entire operation. This takes the cost up to \$330,000. Since this is not an exact science, the board is recommending that we obtain a line of credit not to exceed \$400,000, this number also includes the cost for the loan.
 1. Basing the figures on 80% of the members paying, this will cost each one no more than \$675 payable over three years, \$225 the first year, \$225 the second year and not to exceed \$225 the third year.
 2. The special assessment is for the lake project only.
 3. This assessment is per first lot owner, any lot with a house is a first lot owner.
 4. Tracy Smith stated that we are all owners here and we need to do this no matter how much it cost us if we want to keep our beautiful lake.
 5. Cheryl Franchi stated that if you have cancer you do whatever is necessary to be cured. Our lake has a cancer and we need to do whatever is needed to fix it.

6. Gary Shellenbarger stated that the muck will come back. He believes a bubbler system is needed to keep the lake oxygenated.
 7. Corey Ames thanked the board for all their hard work on the project.
 8. Norm Sinclair stated that he lives on a canal and that he had to raise \$15,000 for his part to dredge it. The houses went up 30% in evaluation afterwards.
 9. Steve Frantz stated that the board has done a lot of investigation on this project. He stated that \$600 is not a lot of money to put into saving our lake. He encouraged everyone to vote yes.
 10. The vote counters today are Patti Burroughs, Shelly James and Paula McKinnon.
 11. The question was called. The vote to cut off discussion and vote passed with 220 yes and 3 no.
 12. There was a vote on the board's recommendation for the members to give approval to the board to obtain a line of credit, not to exceed, the amount of \$400,000, to finance the lake improvement project. There were 190 yes votes and 33 no votes. The recommendation was approved.
 13. Chris Speen moved that the members approve the board's recommendation for a special assessment, the total not to exceed \$675 per first lot owner, payable the first year \$225, the second year \$225 and the third year not to exceed \$225. The motion was seconded by Dick Tomlinson and passed with 191 yes and 25 no votes. This met the 2/3 approval as stated in the by-laws.
- B. Dick Miller stated some reasons why the board feels the maintenance assessments need to be raised.
1. The dumpster costs have gone up \$3,500 per year.
 2. The road brine has increased by \$1,200 per year.
 3. Insurance costs have increased by \$5,000 per year.
 4. We have made budget cuts on maintenance of equipment, road maintenance and parks.
 5. The budget for 2012 was \$166,000 and the budget for 2013 is \$158,000.
 6. Sue Fuller moved we approve the maintenance assessments on all lots paying \$110 to be raised to \$135. The motion was seconded by Tim Devine. The motion passed with 196 yes and 9 no votes. This vote also met the 2/3 requirement.
- C. Nominations for the board of directors:
1. Gary Smith nominated Kyle Stubli.
 2. Gordie Wearsch nominated Mike Gascoyne.
 3. Mary Davignon nominated Dave Ransom.
 4. Anita Wheaton nominated Karl McKinnon.
 5. Mary Davignon, Judy Race and Dana Stubli were nominated by mail.

The meeting recessed at 12:37 p.m. to count the votes.

The meeting was called back to order at 1:57 p.m.

- D. The election results were as follows: Judy Race 143 votes, Mary Davignon 131 votes, Dana Stubli 125 votes, Karl McKinnon 65 votes and Kyle Stubli 63 votes.
- V. Adjournment: Chris Speen moved the meeting be adjourned. The meeting was adjourned at 2:00 p.m.

Respectfully submitted,

Sue Ann Fuller, Secretary Lake Arrowhead Property Owners' Association

Approved as amended July 5, 2014

Mary Davignon LAPOA Secretary, 2014