

**Minutes of Annual Meeting of the Members of
Pelican Lakeshore Owners Association**

Sunday, July 31, 2011

Pursuant to written notice in accordance with the bylaws of Pelican Lakeshore Owners Association (the "Association") and applicable law, the annual regular meeting of the Members of the Association was held on Sunday, July 31, 2011, at the Orr American Legion Post 480, in Orr, Minnesota. A quorum of Members was present in person and by proxy. Tom Pelach, President of the Association, acted as chairman for the meeting. Keith Baker, Assistant Secretary of the Association, acted as secretary for the meeting.

The meeting was called to order by Mr. Pelach at 1:05 p.m.

Mr. Pelach welcomed those Members in attendance for the third annual meeting of the Association's Members. He introduced the Directors of the Association that were present. He also thanked Mr. Lance Donovan, a Member, for helping with the Association's website. The first portion of the meeting will consist of a presentation and question/answer session by Mr. Jeff Forester, Executive Director of the Minnesota Seasonal and Recreational Property Owners Association ("MSRPO"), a nonprofit organization. Later in the meeting, there will be updates on the Association's activities and the Treasurer's report will be reviewed. The Members will also cast votes for Directors.

MSRPO Presentation

Mr. Forester presented information on the background, past, and present operations of MSRPO. Initially, MSRPO focused on the taxation system but has since expanded into other areas, including environmentally related matters that impact land and lakes. He described in detail MSRPO's efforts concerning aquatic invasive species (often referred to by the acronym "AIS"). MSRPO can act at a grass roots level, with members in every legislative district in the state, to spur on activities like education, prevention, and eradication of AIS. Over two years ago, MSRPO testified at the hearing for the "Pull the Plug" bill mandating the drainage of boats to prevent the spread of AIS. MSRPO was the only group testifying in support of the legislation, but several other groups were present to testify against the legislation. So, Mr. Forester noted, the need for organized advocacy is great. Prior to the recent law that passed about boat drainage, there was no "teeth" for enforcement activities. While MSRPO was not able to successfully persuade legislators to pass a surcharge for funding, other measures for increased AIS enforcement were passed. The DNR has also introduced some inspection and decontamination units. Mr. Forester believes local lake associations and sportsmen's clubs will continue to play a vital role in the fight against AIS, but MSRPO provides a state wide perspective on issues like this. Mr. Forester also described other issues being addressed by MSRPO, including conservation easements and forestry issues. He emphasized that the legislature can have a great deal of impact on lakes and water quality issues. Besides legislation, a Member asked what other lake associations are doing to protect against AIS. Mr. Forester related an example where a lake association built a "war chest" of funds. Next, the DNR showed the association's members what milfoil looked like and then the association looked for and documented areas of infestation. The areas were treated for 3 years with any growth pulled by hand. As a result, that particular association is not presently finding any milfoil. Mr. Forester also discussed the use of conservation easements. Mr. Len Zabrocki, a Director, said he does not believe there is enough education for the general public about AIS – and even for "Pull the Plug." Mr. Forester advised the Minnesota Waters group is also involved in AIS related education. Ms. Terri Bonoff, a Member who is also a state senator, noted the new law requires stickers for boats. At first, the stickers will be free and, initially, there will be no fine for a sticker violation. Over time, Mr. Forester suggested the stickers will help change attitudes. The presentation concluded and Mr. Pelach thanked Mr. Forester for coming to the meeting. Mr. Pelach advised the Members present that the Directors will be discussing what the Association can do to protect Pelican Lake in the months prior to next summer.

Treasurer's Report

Next, Treasurer Len Zabrocki presented the annual Treasurer's Report. Copies of the Report were distributed prior to the meeting. Sixty – seven Members had paid 2011 dues prior to today's meeting, a substantial decrease from the past high number of 137. Mr. Zabrocki reviewed the Report, including revenues and expenses. The Association's present account balance stands at \$2,701.52. Some floating "key chains" with a watertight compartment have been ordered but have not yet arrived. They will contain the Association's address and website details and will be distributed to the Members in the future. Mr. Zabrocki concluded by noting that the Association was in acceptable financial condition. There were no questions for Mr. Zabrocki or the Directors concerning the Treasurer's Report at this time.

Fishery Activities

Last year, after meeting with the Association at the July 25, 2010 meeting, and based upon interest from Members, Mr. Kevin Peterson, DNR Area Fisheries Manager, moved up the DNR's next scheduled fish survey to 2011. Mr. Pelach reported that the DNR conducted one of two planned surveying efforts on Pelican Lake in May 2011. Preliminary reports indicated good numbers of smallmouth bass, largemouth bass, and crappies. Some walleyes were also recorded. The other round of sampling – scheduled for July – did not take place, most likely due to the State government shutdown. Mr. Peterson advised a Director that, if a limited number of bags of walleye fry remain available (presumably at end of this season), the DNR may place them in Pelican Lake. The postponed fish survey will likely take place next year. A Member noted that *Outdoor News* reported walleye stocking on many small southern Minnesota lakes. Mr. Pelach advised that the Association's website (www.pelicanlakeshoreowners.org) has a significant amount of information about discussions among Mr. Peterson, the Directors, and last year's presentation concerning the pros and cons of walleye stocking on Pelican Lake, the relative costs and benefits, the potential effects (good and bad) on various species, the results of prior stocking efforts, and the potential for future stocking. The Directors will follow up from time to time with Mr. Peterson. Mr. Pelach suggested that a sportsman's club may be a better vehicle to push walleye stocking. Another Member, Mr. John Metsa, related that the Pelican Lake Resort Association has been involved with the DNR concerning stocking in the past and that the DNR may, in the future, try walleye fry again in Pelican Lake. This would be consistent with Mr. Peterson's comments last year after the meeting had concluded.

Hazard Buoys

Next, Mr. Pelach briefed the Members concerning the buoys on Pelican Lake. The Resort Association is the permit holder for the buoys. The County initially provided 26 buoys and related equipment. The Resort Association has purchased an additional 31 buoys. Presently, there are 51 buoys on the lake. The Resort Association and a few other volunteers monitor the buoys throughout the year and deploy and remove them. Mr. Pelach reported there are "casualties" that occur during the year. For example, in 2010, 5 buoys were missing at times, but 3 were later recovered. Subsequently, a fourth buoy was located by a Member, so only one is still missing. This year, the buoys were all numbered in an effort to facilitate monitoring and identification efforts. The buoys and their rigging (cables and weights) do suffer damage from time to time. Consequently, there are ongoing expenses for replacement cables, chains, weights and buoys themselves. Earlier this year, the Association's Directors approved a \$200 donation to the Resort Association to help defray expenses it had incurred. A Director noted that the resorts' lodging tax receipts can be used only for advertising expenses. While the disbursement and expenditure of the Association's funds generally is within the Board of Directors area of responsibility, Mr. Pelach solicited opinions from the Members in attendance concerning donations from time to time. A Member suggested he had no issue with a donation, but wondered about the general size of any such donation. For general purposes, Mr. Pelach suggested \$250 at the high end. Another Director pointed out that the idea behind any donation is not to cover all of the expenses, but just part of the expenses. Several Members expressed their support for such a donation. Mr. Zabrocki, a Director, voiced the lone opposition. He feels the resort could chip in

\$100 each per resort per year to cover the expenses. While not a matter strictly for Member approval, Mr. Pelach asked for an informal vote from those in attendance about the potential donation of funds from time to time to help defray expenses. All present approved, with one dissenting vote.

July 3, 2011 Information Booth

Mr. Pelach recapped the results of an information booth hosted by the Association on July 3, 2011 in Orr as part of the Fourth of July festivities. Several existing and potential Members stopped by, a few new Members joined, and others paid their dues. There was information present at the booth about the Association in general and aquatic invasive species in particular. Directors were present to answer questions. They also distributed informational literature and educational tools on aquatic invasive species (AIS). Mr. Pelach noted that the DNR (eagerly) provided the Association with these materials. In the upcoming year, the Association will work on getting the word out concerning AIS. He said the Association will likely host a booth again next year.

Email Communications Reminder

Mr. Pelach noted that the Directors elected to mail the annual meeting materials to all Members, even to Members that had signed the email communication consent form. Email is the easiest and cheapest method of communication for those Members with email. Mr. Pelach reminded the Members, however, that they need to advise the Association of any changes to email addresses. In addition, all Members with email should make appropriate adjustments with their “spam” filters so that emails from the Association are not “blocked” or filtered as spam. The Association’s address is info@pelicanlakeshoreowners.org.

Outlet Dam Update

The Association’s website has additional updates posted concerning efforts undertaken by the Directors with respect to the outlet dam since the 2010 annual Members meeting. The Directors reached out to the prior and new DNR Commissioners in an effort to bring some resolution to the issues and an increase in the dam’s authorized elevation. The DNR continues to stand by its prior determination not to change the authorized elevation. The DNR did agree to plug the fish hole in the dam’s middle weir. St. Louis County, however, is the owner of the dam and must complete any work. Mr. Pelach advised that St. Louis County has purchased the necessary materials and has been directed by the DNR to restore the authorized height or elevation in each of the 3 weirs and to plug the “fish hole” in the middle weir. Late last year and earlier in 2011, high water hampered the County’s efforts. Water levels have since decreased, but as of the meeting, no physical work has taken place on site. A Director has been in contact with the DNR’s Amy Loiselle, Area Hydrologist. Ms. Loiselle advised that the County was busy with other projects at the time, but she still hoped the work will take place this year. A Member present at the meeting, Senator Terri Bonoff, confirmed that she had contacted the DNR and received similar reports, too. Mr. Pelach asked the Members if there were any other questions or comments concerning the dam. There were none.

[Post meeting note: the County commenced work on the outlet dam in August, starting with the west weir and then completing work on the east weir during the week of September 19, 2011. At that time, the County then suspended work on the outlet dam. In response to an inquiry from the Directors, a County representative advised that the work crew needed to be moved to culvert projects with deadline and working day restraints, but that the County intended to return to complete that work yet this fall. The County work crew returned in October and completed work on the center weir and plugged the “fish hole” in the center weir, with this work concluding on or about October 20, 2011.]

Tentative Annual Meeting Weekend for 2012

Mr. Pelach advised the Members that the Board of Directors discussed moving the annual Members meeting to a Saturday afternoon, rather than a Sunday afternoon, and combining the annual meeting with

a potluck dinner or other social event afterwards. This suggestion met with apparent favorable consensus from those Members present. For now and for planning purposes, Mr. Pelach set a tentative weekend date of July 28 or July 29, 2012 for the annual Members meeting. He asked those present to pass the word along to the other Members.

Election of Directors

As a final agenda matter, Mr. Pelach reviewed the ballot that had been distributed prior to the meeting during check-in. Numerous proxies had also been received in advance of the meeting. The Members then proceeded to vote for Directors. All ballots were then collected and counted. The following persons were elected Directors of the Association for the ensuing year: Tom Pelach, Grover Gillespie, Len Zabrocki, Ray Ingebretsen, Jim Hawkinson, Dan Donovan, and John Poczekaj.

Other Matters

There were a handful of other questions after voting. A Member asked about the balance of funds in the Association's account and their potential use. On several occasions, the Directors have discussed the appropriate level and use of funds. They again elected this year to adopt a \$15 dues structure for 2011, versus carrying over 2010 into a combined "2010 – 2011" year. After debate and consideration, they decided that the balance in the Association's account did not seem excessive. Prior to next spring, given the circumstances and available information at that time, the Directors will again consider whether to set 2012 dues at \$15 (or a higher or lower figure) or to combine 2011 and 2012 into one assessment period – so those Members who paid in 2011 would not be paying again in 2012 to vote. Potential expenditures include costs related to increased communications, annual meeting expenses, aquatic invasive species signs or other educational efforts or materials, buoy related donations, and possible renewal in MSRPO. Another Member asked about the marked drop in the number of dues paying Members. The Directors responded they were not sure there was any specific reason; it may be part of a natural cycle. Touching again upon the use of funds for aquatic invasive species prevention, a Member suggested that the Association could provide materials to each resort on the lake to distribute to their guests. Mr. John Metsa, a Member of both this Association and the Pelican Lake Resort Association, advised that the resorts will be meeting later this year and they could discuss changing signage at their accesses to include information about aquatic invasive species and procedures to prevent their spread.

As a final reminder to all Members, please visit the website (www.pelicanlakeshoreowners.org) and send any questions, suggestions, and other input to the Directors at any time by email (info@pelicanlakeshoreowners.org) or by mail (P.O. Box 52, Orr, MN 55771). Please be sure to update any spam or junk mail lists so that the Association's emails are not blocked.

/s/ Keith W. Baker

Keith W. Baker, Secretary for the Meeting