

**PELICAN LAKESHORE OWNERS ASSOCIATION
BOARD OF DIRECTORS' MEETING
SEPTEMBER 5, 2008
MINUTES**

The Board of Directors of Pelican Lakeshore Owners Association, a Minnesota nonprofit corporation (the "Association"), met at 10:00 A.M. , September 5, 2008, at Leiding Township's meeting hall, in Orr, Minnesota. All Directors attended the meeting in person, to wit: Len Zabrocki, Dan Donovan, John Matthews, Grover Gillespie, Jim Gray, Jim Saranpaa, and Ray Ingebretsen. Keith W. Baker also attended the meeting.

Mr. Donovan, President of the Association, brought the meeting to order at 10:00 A.M. He acted as chairman for the meeting. Mr. Baker, the Assistant Secretary of the Association, acted as secretary for the meeting.

APPROVAL OF MINUTES

The first item of business related to the minutes of the July 25, 2008, meeting of the Board of Directors. Upon motion made by Mr. Saranpaa and seconded by Mr. Matthews, the minutes of the July 25, 2008 meeting were unanimously approved.

TREASURER'S REPORT

Next, Mr. Saranpaa, Treasurer of the Association, provided a report concerning the revenues and expenses for the Association to date. Approximately \$1,435 had been received in the form of dues from Members. So far, the Association had incurred or reimbursed expenses in the amount of \$476.02, leaving a net balance of \$958.98. Mr. Saranpaa itemized several of the expenditures, a significant portion of which related to original "start – up" expenses for the Association including mailing expenses, State incorporation fees, office supplies, a post office box, and bank account related items. The Directors discussed the number of Members (94) that have responded to the original list of potential Members (approximately 200 to 215). Upon motion made by Mr. Gillespie and seconded by Mr. Ingebretsen, the Treasurer's report was unanimously approved.

MISSION STATEMENT

Mr. Donovan turned the Directors' attention to a draft "Mission Statement" circulated among the Directors for comment prior to the meeting and highlighted its content. As previously discussed by the Directors, the Mission Statement may serve a handful of purposes, including use on a future website and inclusion as part of communications by the Association, all in an effort to convey the main objectives for the Association in summary fashion. The Directors discussed the most recent draft's "deletion" of a reference emphasizing local businesses. They cited prior occasions where a more inclusive approach among the community's stakeholders would have been more preferable. At the conclusion of the discussion, based upon the consensus of the Directors, Mr. Donovan will revise the Mission Statement one more time and circulate a final draft for the Directors' review.

DAM AND WATER LEVEL DISCUSSION

Next, Mr. Donovan asked the Directors to consider the continuing issues relating to the Pelican Lake outlet dam and water levels. He emphasized that it was important for the Association to move this matter forward, whether by way of letter or otherwise. Mr. Gillespie advised that he had been in recent contact with Ms. Amy Loiselle, Minnesota DNR Area Hydrologist. He updated her concerning the formation of the Association and asked about the status of the DNR's study of the dam and lake levels. He then circulated an email from Ms. Loiselle for the Directors' review. The email set forth a list of items to be completed (by DNR and, in some instances, St. Louis County) prior to raising the dam to any elevation above the authorized elevation. These items included: finalizing a "structure risk analysis," anticipated by October 15, 2008; determining whether flowage easements are needed, in part based upon the risk analysis; obtaining comments from appropriate agencies, anticipated by November 1, 2008; estimating final costs for design, materials, and labor for raising the elevation; determining funding and who will construct and complete design of the project in coordination with the County, which owns the dam;

keeping concerned landowners informed; and obtaining public water permits, if needed. Ms. Loiselle's email update also noted that summer 2008 area lake levels dropped "as expected," with Pelican Lake dropping about 9 inches from May 30 to August 30.

Mr. Gillespie reminded the Directors that any responses to contacts he makes with the DNR, including Commissioner Mark Holsten, his deputy or assistant, and others, seem to come back through Ms. Loiselle – as Area Hydrologist and therefore the DNR employee handling matters "up to the high water mark." Mr. Gillespie reminded the Directors that five (5) years ago, Mr. Holsten had advised concerned lakeshore owners that, if help was needed, the DNR will help. He suggested that the Association may want to consider communicating by letter directly to Mr. Holsten. The letter could outline the formation of the Association, the number of Members, their concerns with the lake's level and the dam, our lack of success with contacting his Deputy Commissioner, and requesting more definitive communication with the Association and some action. The Directors also discussed a 2007 meeting with Ms. Loiselle in which the opportunity for an additional meeting and feedback would follow within thirty days. The Directors concurred with the idea of communication with the Mr. Holsten and also discussed enlisting the assistance of Representative David Dill and Senator Tom Bakk. While not eligible for Association membership, the Directors agreed that Pelican River landowners should continue to be included and involved in future discussions. Mr. Matthews volunteered to prepare an initial draft communication to the DNR for the Directors to consider. They will provide comments and suggestions for enlisting Messrs. Dill and Bakk's assistance.

NAVIGATIONAL HAZARD MARKING DISCUSSION

The Directors then discussed how to get St. Louis County and its Sheriff Department to move forward towards a program for marking navigational hazards on Pelican Lake. They discussed in general the need for a written communication to the County, possibly submitted not only on behalf of the Association but joined in by the City of Orr, Leiding Township, the resort association, and the Convention and Visitors Bureau. The communication would document the need for the marking, the significant support from the local community, and the size of the lake. Mr. Gillespie advised that, recently, a contact with the Sheriff's Department had informally advised that the County may now not have any funds its budget to commit to this project for two years. The Directors discussed whether the Association should undertake most of the required labor for the project, with the guidance and approval ("protection") of the County, versus waiting two or more years. A Director noted, however, that if the Association undertook the project initially on its own, the project may thereafter be "overlooked" and funding at the County level may never be established. The Directors felt the funding issue should probably be addressed in the communication to the County. The County may be concerned that if it undertakes this project for Pelican Lake, it may be inundated with requests relating to other lakes. On the other hand, two Directors noted that there are established guidelines for lake hazard marking and Pelican Lake seems to meet the requirements. Several of the Directors also agreed that Rep. Dill and Sen. Bakk, as well as the County Commissioner Mike Forsman (the chair of the board and the 4th district representative), should be notified, too, about the request for navigational marking and for possible assistance. The Directors agreed, too, that these elected officials should be invited to meet with a few of the Association's Directors to solicit suggestions on how to best proceed.

Mr. Gillespie volunteered to draft the letter to the County for the other Directors' review and comment. Mr. Donovan volunteered to handle invitations for Messrs. Dill, Bakk, and Forsman. Messrs. Saranpaa and Zabrocki also offered to attend a Leiding Township Board of Supervisors meeting and provide an update concerning the formation of the Association and current activities.

MEMBERSHIP

Mr. Zabrocki, Secretary of the Association, then summarized the status of Membership in the Association (94 Members, most of whom are joint members – such as a husband and wife) and responded to questions from the Directors. A significant percentage of the Members (perhaps as high as 90%) have supplied email addresses for communication. Later this year, Mr. Zabrocki and Assistant Secretary Baker will review the official Membership list and documentation submitted by Members to determine who has fully complied with the statutory requirements for email communication of important legal notices. The Directors confirmed that importance that

