

**PELICAN LAKESHORE OWNERS ASSOCIATION
BOARD OF DIRECTORS' MEETING
OCTOBER 17, 2009
MINUTES**

The Board of Directors of Pelican Lakeshore Owners Association, a Minnesota nonprofit corporation (the "Association"), met at 5:15 p.m., Saturday, October 17, 2009, at Leiding Township's meeting hall, in Orr, Minnesota. Directors Dan Donovan, Len Zabrocki, John Poczekaj, Tom Pelach, and Grover Gillespie attended the meeting. Directors John Matthews and Ray Ingebretsen were unable to attend the meeting. Keith W. Baker, Assistant Secretary, also attended the meeting.

Mr. Donovan, President of the Association, brought the meeting to order at 5:15 p.m., noting that a quorum of Directors was present as required by the Bylaws. He acted as chairman for the meeting. Mr. Baker, the Assistant Secretary of the Association, acted as secretary for the meeting.

PELICAN LAKE OUTLET DAM DISCUSSION

Mr. Donovan began the meeting with a recap of the Association's July 27, 2009, email communication to DNR Hydrologist Amy Loiselle, Commissioner Holsten, Assistant Commissioner Meier, and Rep. David Dill. That email set forth several concerns. (The text of the email appears at the end of these minutes for reference.) After further inquiries to DNR, the Association received a response from Amy Loiselle and Mike Peloquin on September 16, 2009, which was distributed by Mr. Donovan to all Directors. The response was disappointing and basically posited that potential damage to the lake's wild rice crop was a main reason for the DNR's recommendation not to increase the height of the dam beyond the 2" of settling. The DNR's response also dismissed concerns about construction issues and leakage. Recognizing the Members' continued concerns with water levels on the lake, the Directors agreed that efforts will continue concerning the dam, notwithstanding the DNR's most recent response. After discussion, the Directors agreed to proceed as follows. First, a subset of Directors (perhaps 2 to 4) will meet with Rep. Dill within the next two weeks to brief him on the DNR's response and seek his insight concerning the dam, the DNR, and potential courses of action. Mr. Gillespie was asked to try to set up the meeting. While Sen. Bakk has never responded to prior communication, the Directors also agreed that he will be contacted again and asked for a meeting, too, within the next two weeks. The Directors also discussed an in person meeting with the DNR, including the Commissioner and Assistant Commissioner, after meeting with elected officials. A few of the Directors have been involved in "pre-Association" meetings and discussions about the dam with the DNR and County officials over the last several years and have a good working history of some events, questions, and responses that need to be re-presented to DNR in an effort to get a different result. During the period of time that the Directors are trying to meet with Rep. Dill and perhaps Sen. Bakk, Mr. Baker suggested that the Directors come up with a list of historical bullet points/issues to present to the DNR at a meeting. A Director also suggested that St. Louis County Commissioner Forsman be contacted and updated. Finally, Mr. Pelach asked whether and how often lake level readings are being made (e.g., by the owners of Grey Wolf resort), and how are the readings memorialized. The Directors agreed to look into this.

OTHER MATTERS

The Directors next discussed walleye stocking and the interest expressed at the meeting by several Members. Mr. Poczekaj will contact Mr. Kevin Peterson (DNR – International Falls) to get information on permit requirements and/or restrictions, costs, and timing.

Next, a number of Directors advised that they had received comments that the website needs to be updated with the minutes of the annual meeting, election results, and other news (buoys, the dam, stocking, etc.). Mr. Donovan will work on having new information added to the website and sending an email/letter to Members.

After the September 6, 2009 meeting, Mr. Donovan contacted Mr. Ingebretsen in his capacity as president of the Pelican Lake Resort Association, concerning the resort owners' decisions on the purchase of additional buoys. Mr. Ingebretsen advised that the resort owners will be meeting in November to make a decision. Mr. Donovan will report back after the meeting and then the Directors will have a better idea of any remaining needs. They

agreed that having a handful of replacement buoys available to replace damaged and/or lost buoys also made sense.

Next, Mr. Donovan noted that Mr. Matthews has indicated that, due to additional commitments to other nonprofit organizations, Mr. Matthews may resign as a Director. Mr. Donovan asked the other Directors to consider additional candidates.

As a final matter, upon motion made, duly seconded, and unanimously approved, the minutes of the September 6, 2009 meeting were approved.

There being no further business, upon motion made, duly seconded, and unanimously approved, the meeting was adjourned at 6:10 p.m.

/s/ Keith W. Baker

Keith W. Baker, Secretary for the Meeting

Text of July 27, 2009 Email - To: Amy Loiselle; Cc: Mark Holsten, Bob Meier, Rep. Dill, and Mike Peloquin

Amy:

Thanks for your inquiry about our Association's meeting on Sunday, July 19, 2009. We had an excellent turnout, with approximately half of the 120+ members represented in person and by proxies. We had lots of good questions and interest about several topics, including the Dam. You can also look at the website we have put together for more information- www.pelicanlakeshoreowners.org.

While people were encouraged to know the hole in the Dam would be closed, there was disappointment expressed by our directors and the membership at large with the remaining details of the recent letter/press release regarding remedies for the Dam. Based upon our previous meetings, we had hoped that there would be more movement on the part of the DNR regarding our questions/requests. More specifically, we would appreciate you addressing the following issues:

- 1) What happened to the DNR's original alternatives A & B which were proposed at the August 2007 meeting and reiterated at our February 12, 2009 meeting? These alternatives/suggestions seemed reasonable and provided some relief, albeit temporary. Have they been dismissed? Why?
- 2) We repeatedly raised the issue of water leaking through and/or under the Dam at the February 12, 2009 meeting with you. What are the plans to address this issue? Perhaps there is a cost efficient, reasonable method to determine whether there is leakage under and through the structure.
- 3) What ever happened to the suggestion by Mike Peloquin to temporarily raise the Dam as an experiment at the August 2007 meeting in Orr? Our membership was highly interested in this avenue being pursued and that was reiterated at our Association's meeting on July 19.
- 4) How can we be certain that the old dam was at the authorized level, as suggested in the recent release? Based upon our members' experience and observations (which we acknowledge are not scientific in an "engineering" sense), it seems the dam was generally at a significantly higher runout level prior to reconstruction - not just for a few years, but for decades. Shouldn't that be factored into any of the analysis?
- 5) Following up on items 3 and 4, is there a regulatory or legislative mechanism to temporarily grant a "variance" - on an experimental basis in light of our members' experience and observations - to raise the runout level say 6" and then monitor conditions for a year or two? One of our members stated this has been done in recent years with at least one other dam. If the current proposed fix is going to utilize plates to achieve the corrective height, can those be made adjustable so that the County and/or DNR can easily make changes during an experimental period?

We feel these issues are reasonable; in fact, many of these points were made by the DNR. Given the near term nature of the construction remedies, we wanted to pass along our concerns quickly and would like a response from you as soon as possible. Once again, thank you for your assistance and we look forward to your reply.

Sincerely,
Dan Donovan, President, Pelican Lakeshore Owners Association