

**FRIENDSHIP LAKE DISTRICT**

**ANNUAL MEETING AND BUDGET HEARING**

**ADAMS COUNTY COMMUNITY CENTER**

**569 N. CEDAR STREET**

**SEPTEMBER 1, 2018**

**9:00am**

- 1. Call Meeting to Order:** The annual meeting and budget hearing of the Friendship Lake District was called to order at 9:00 am, on Saturday September 1, 2018, by Commissioner Chairman Bob Berry. Commissioners Karen Pokorny, Secretary and Tina Meinen, Treasurer, were present along with Lee Parlow from the Village of Friendship, Ron Johnson from the Town of Adams. Rick Pease from Adams County and Steve Van Etten from the Town of Preston were unavailable. Peter Haug from Ayres Engineering was also present to give a presentation on the proposed repairs of the Friendship Lake Dam. There were approximately 25 attendees compared to 64 in 2017, and 104 in 2016.
- 2. Review and approval minutes from previous Annual Meeting, September 2, 2017:** The minutes from the annual meeting and budget hearing of September 2, 2017 were reviewed. A motion was made by Tina Meinen to approve the minutes and seconded by Lee Parlow. The motion carried unanimously.
- 3. Review and approval of Treasurers report fiscal year 2017-2018:** Tina began her report by sharing copies of the balance sheets with the board. The balances as of August 31, 2018 were Now Checking \$4,713.24; Money Market \$59,200.57; Fundraising Account \$12,914.75 with \$1,569.98 the Friends of Friendship Lake balance and the Investment CD was \$16,682.29 giving us a total of \$93,510.85. The current balance of the note used to acquire the dam is \$106,374.48. Donations were received from the Village of Friendship, Grand Marsh Bank, and the Friends of Friendship Lake. There was a profit of \$16,404.85 for the ATV raffle, kayak's, t-shirts, and the other events hosted by the Friends of Friendship Lake. The district earned \$148.27 in interest on its accounts. \$55,911.05 was collected from special charges from the property owners within the Friendship Lake District. We also repaid the district for \$9,800.00 that was used the pay Ayres Engineering from the line of credit with Grand Marsh Bank.

Expenses for the fiscal year are noted with a total expense report of \$185,374.96, and a net operating income of \$14,226.21 for the year. Karen Pokorny made a motion to approve the annual treasurer's report for fiscal year 2017 – 2018 and was seconded by Bill Graf. The motion carried unanimously.

4. **Budget Hearing Friendship Lake District fiscal year 2018-2019:** Tina presented the proposed budget for fiscal year 2018-2019. Copy of this proposed budget was sent by US post office main and included in the newsletter. Larry Swaziek had a question about the "Go Fund Me" fundraising through Facebook. Tina explained that fundraising is closed, but it could be reopened if the group would like to start up another fundraiser. Tom Steiskal made a motion to approve the proposed budget for fiscal year 2018-2019 and seconded by Bill Graf. The motion carried unanimously.
5. **Resolution #662018 Amendment of FLD By-laws Section 8(7) to include IOM (Inspection, Operations, and Maintenance Plan) for Friendship Lake Dam:** Bob explained that the commissioners approved to present Resolution #662018 Amendment of Friendship Lake District By-Laws Section 8(7). Linda Moonan made a motion to approve Resolution #662018 and was seconded by Chuck Spargo. Larry Swaziek reminded everyone that this was included in the district newsletter for review. The motion carried unanimously.
6. **Resolution #672018 Amendment of FLD By-laws Article VIII, Section 4 to allow proposed By-law changes at an annual meeting or called special meeting of membership:** Bob stated that the board of commissioners also approved to present Resolution #672018 Amendment of the Friendship Lake District By-laws Article VIII, Section 4 to allow proposed By-law changes at an annual meeting or called special meeting of the membership. This information was also included in the newsletter for review. Larry Swaziek made a motion to approve Resolution #672018 and was seconded by Chuck Spargo. The motion carried unanimously.
7. **Friendship Lake Dam Update:** At this time Bob directed the members to a presentation by Peter Haug from Ayres Engineering sharing the report for the Friendship Dam repairs. Peter presented a detailed power point presentation.

Peter summarized that the FLD was awarded the 50/50 municipal dam grant through the DNR up to \$400,000.00 to be completed in by December 31, 2019. Peter explained in detail what repairs were included in this project and what is not covered.

Peter presented pictures taken both above and below the water levels detailing the project repairs. Peter went through the entire project detailing the needed repairs. Peter showed pictures of the embankment and the earth work that will need to be completed. Peter said that this project will require a full drawdown of Friendship Lake. It is projected that the drawdown would take about a month to complete and that contractor repairs could take from two to four weeks. After his presentation Peter opened the floor to questions. Many questions and answers were given including, what about the aquatic life, what is the best time to have the repairs completed, etc. Linda Moonan our lake management chairman also shared the importance of a drawdown with the invasive weed plants. Peter said that he does believe that the DNR in the past has had a restocking program in place when a lake is required to have a full drawdown. After a long discussion between property owners it was decided that it would be best if we could have the repairs completed and the drawdown as soon as possible in 2019. Tom Steiskal made a motion to have the draw down for the repairs performed in the fall of 2019. The motion was seconded by Larry Swaziek. Bob opened the floor to additional questions. Karen shared concerns that if we push the project to the fall of 2019 it does cut it close as the grant expires December 31, 2019. Karen also suggested that we need to contact Scott Provost at the DNR to get his take on what is the best scenario for this drawdown and project. After listening to the discussion Tom Steiskal decided to withdraw his motion. Chuck Spargo had a question about the state regulations and the powers of the board in scheduling the work for this project and a decision at the annual meeting or a special meeting, or even if a vote is needed at an annual meeting. Karen read directly from the regulations that the board of commissioners has the specific power to initiate and coordinate research and surveys of the lake, plan lake protection and rehabilitation projects, cooperate with other units of government in enacting ordinances as needed, adopt and carry out lake protection and rehabilitation plans, maintain liaisons with state government officials involved in lake protection and rehabilitation and provide the DNR with names and address of current commissioners, and finally control the fiscal matters of the district subject to the powers and directives of the electors and property owners at the annual meeting. Bob shared he believes it would be better to have the project completed earlier in the year. Peter then went over the timeline stating that the draft specs are sent to the DNR by the end of November 2018. The DNR then reviews and approves the plans issuing a permit to go ahead with bidding the project. Peter would like to open the bids in early January to the contractors. He said that in the process of awarding a contractor we should know by March who the DNR has approved to work with our district.

He recommends that this would enable the lake to undergo its partial drawdown the fall of 2018 with the complete draw down after the spring thaw of 2019 allowing the repairs to the Friendship Lake Dam as soon as possible in 2019. Bob confirmed with Tom Stieskal that he has withdrawn his motion on the floor.

Bob then asked for a raise of hands from the property owners asking who is in favor of having the drawdown after the spring thaw in 2019 and repairs completed as soon as possible after that time, or who is in favor of waiting till the fall of 2019 to have the drawdown and repairs completed. Majority of hands voted that they would like to see the drawdown and repairs done as soon as possible after the spring thaw of the lake in 2019. Bob did say that the board will reach out to the DNR and work with Ayres Engineering on the best way to make that happen. The board will continue to keep the information updated on the website and via email. A big thank you to Peter Haug for his presentation and the work in getting this information to present today in a very short timeline.

8. **Report from the Dam Advisory Committee:** Bob is the chairman of the dam operating committee. It consists of operators, Steve Pokorny, Tom Steiskal, Gregg Weiss, and John Ackerman. A big thank you to his team who have helped with the operations of the dam and lake water levels. Bob explained that we are in the middle of the dry season, not much rain, and the requirement to keep a certain amount of water flowing through the dam. We also know as of today due to the damage below the surface it is impossible to hold any water back completely. This team will continue to operate the gates according to the weather and flow of water. Bob will let the property owners know when he will complete the drawdown for the winter season. Karen also said that this committee will oversee the IOM that became part of our by-laws today. A big thank you to this committee for their work at the dam.
  
9. **Report from the Financial Advisory Committee:** Chuck Spargo committee member shared the members of this committee are our sitting commissioners, Bob, Karen, and Tina, as well as Fran Schmidt, Larry Swaziek, and Carol Berry. This committee over the past year reviewed and approved the modifications to the by-law amendments taken today. This committee updated the tax roll information for Adams County so that we have money to support the loan taken to acquire the dam and a line of credit to pay for repairs not included in the municipal dam grant. This committee has worked overseeing the work from Ayres Engineering for the dam grant. The committee was integral in obtaining the DNR grant for a tentative amount of \$81,850 and reported today by Ayres that amount is 50/50 up to \$400,000.00. This committee has applied for two other grants that were rejected and are welcomed to reapply at a future time. We received financial assistance from the Village of Friendship, Township of Preston, and a promise from the Township of Adams for a donation to be made in 2019.

This committee investigated loan options and tended an agreement with Grand Marsh Bank soon to be Adams Community Bank, for initial purchase of the dam and then a line of credit to cover additional dam repair costs to the district. The Village of Friendship updated their flood plain zoning map which is crucial in getting our hazard rating permanently rated as significant. A presentation was made before Adams County Finance Committee asking for their assistance in maintaining and improvements to the Friendship Lake Dam. We asked Adams County in consideration of the other dams that the own, that our district would be considered for funding annually. Chuck said he is a bit skeptical as a response during the presentation by the County Administrator was that the county has never provided any funding to a dam that they do not own. Finally, Chuck shared that the final plans from Ayres and costs will be reviewed by this committee and looks like it will be in the work slated for 2019. A big thank you was made by Chuck sent to the board of commissioners as well as from the property owners for all that has been accomplished by all.

10. **Report from the Lake Management Advisory Committee:** Linda Moonan reported that with the excessively low water levels during the past several years our advisory group was forced into hiatus until we had ownership of the dam and the ability to regulate water levels; without the ability to harvest or access the lake we have been unable to fulfil our management obligations. This fall we will be reviewing our goals and obligations part of the plan that requires compliance by the district. Several obligations had a 2018 deadline, so those will be the first items to review and advise the board on. Every five years our management plans are updated to remain currant with local and state requirements as well as to survey our property owners on their concerns or desires since they are incorporated in the plans where feasible. In February of 2019 the advisory group will be sending out a survey to all property owners in the district. I have already heard from several property owners about things of interest to them concerning the lake, so the survey is a great way to gauge how our owners want to use the lake, what new needs might need to be considered for inclusion. Once Larry Swaziek and I are in the goals and obligations review stage I will ask Karen to send an email about this. If anyone is interested in having a voice in how our lake management plans are implemented, please contact me. A big thank you was made by Bob Berry to Linda and Larry for their commitment to this committee. Larry Swaziek said that the last survey was about five years ago and should be on the website. Bob Berry also noted a thank you to Adam Resch, and Bill Graf, who maintain and oversee our harvesters for the weed harvesting program. They trained the two gentlemen who performed the harvesting and tractor operations.

Adam and Bill have volunteered for well over 20 years and are so important to our program. The harvester operator Aaron worked well with Adam and Bill had was a great asset especially in dealing with mechanical problems with the small harvester throughout the season.

11. **Report from Friends of Friendship Lake:** Linda Graf began her presentation stating that this group meets at 11:30 am on the 3<sup>rd</sup> Wednesday of the month at the Highway 13 and 21 Café. Our goal is to help support the Lake District and if possible to raise funds to offset any expenses that are not covered in the budget. Everyone is encouraged to join us. We also try to schedule social events, so we can get together with friends and get to know any new neighbors. We have had a busy season this year first with the Spring Fling held at the Cedar Shack on May 19<sup>th</sup>. We celebrated our 20<sup>th</sup> year with a fantastic time. Thanks go out to Linda Moonan for coordinating the entire affair. She is already at work on next year's party! On Memorial Day weekend we set up a table at the north entrance of County Market and sold raffle tickets. Thank you to everyone who helped. On July 3<sup>rd</sup> we held the brat fry at the County Market grocery store. This year we expanded to Ace Hardware where they allowed us to have our bake sale, raffle ticket table, and sell t-shirts. We had a wonderful array of baked goods, thanks to all the talented contributors. Between the bake sale and brat fry we made a profit of \$681.74. This was followed up on the 4<sup>th</sup> of July by having our ATV in the annual parade. Our group supplied the candy (Swedish Fish!) to be thrown out during the parade. No one's tax money or special charges were used to pay for this. We also made a \$100.00 donation towards the fireworks held on Wednesday night. As usual they were outstanding. On August 4<sup>th</sup> at the Big Dam Party we made \$469.00 on the 50/50 drawing (the winner donated his ½ back to the lake district) and \$719.00 on the raffle baskets. This was all donated to the Lake District to help pay down our expenses of owing the dam. Today we provided the coffee, water, and snacks. We are aware that there was a large unexpected expense involving the electric service at the lake lot where we store our equipment. Therefore, we are presenting a check today to the Lake District in the amount of \$500.00 to be used to offset some of that expense. Bob shared a huge thank you to this group. This group is so very important in all the extra's that make this district so successful.
  
12. **Election of Commissioner (term ends) Chairman:** Bob noted that the Friendship Lake District Commissioner Chairman position is up for election as of today's annual meeting. Bob asked for a nomination from the floor for this position. Chuck Spargo nominated Bob Berry for position as the Commissioner Chairman.

No other nominations from the floor for this position were given, and after being asked three times of the membership, the nominations were closed. Ron Polhill made a motion to elect Bob Berry as Commissioner Chairman of the Friendship Lake District for the next three years, seconded by Chuck Spargo. The motion carried unanimously. Bob Berry offered a big thank you and accepted the position. A big round of thanks was given by all members present. Bob said that it has been his pleasure to serve as the chairman for well over the past 10 years. He is very excited to see where this district is today and know how hard we have all worked through a very difficult time and have and know we still have a lot to accomplish and are in such a good place to make it happen.

**13. Any Old Business:** Bob shared a thank you to everyone who made the dam party so successful, especially our chairman Tina Meinen. A big thank you was made by all to Tina. As a board we have discussed other possible fundraising events for the future. Bob said that he was approached a week or so before the dam party with the thought of hosting a monthly summer fundraiser in the form of a water ski show. Bob did some research and quite a few years ago there was a regular water ski show held on Friendship Lake monthly by the Shermalot ski team from Rome, and by local water ski clubs. Bob is researching the availability to host those again in the future along with use of the beach, maybe provide some food and beverages, and provide a fun reasonable entertainment for our local communities. Bob would like to see a big dam party biannually. Karen is looking into hosting a golf outing with the new owner of Moundview Golf in town. We would also like to host a rededication in 2020 after the repairs have been made to the dam, or as Tina suggested a Grand Dam Party.

**14. Any New Business:**

Creation of Harvester Maintenance Committee is needed to oversee the maintenance and operations. Bill Graf and Adam Resch have agreed to be on this committee but need other, youngsters, to help. Adam also said that the smaller older harvester needs to be replaced. Bob said that we have district member Steve La Valle who is well experienced in grant writing with possibility of replacement. Adam also said that we really need the ramp placed on the harvester properties to help with launching the harvesters. Bob will submit the request to the AC land and zoning.

Christina Ackerman shared that they recently needed to update their septic system and could not obtain a loan because they are in a designated flood plain per FEMA. Discussion was shared between other owners and the specific zoning updates in process.

Karen also shared that Mike Hahn and the attorneys at Axley Brynelson are now our retained legal counsel. Moving forward we have an agreement with them. They did not require a retainer and Mike shared happy to work with our district. We know that as dam owners we will be required to keep up with any changes in the laws that govern the dam. It is a comfort to know that we have Mike and his firm available as counsel.

The other problem that Karen has continued to work on is getting insurance coverage on the dam. Mike said that in his capacity as an attorney also works with the insurance commissioner office and recently at a state-wide conference. He shared our situation with underwriters that handle high risk coverage. He was told by them that there is no reason we should not be able to obtain coverage on the dam. He will work with us and our carrier to get this done, hopefully, in the next few months. He believes that we now have all the documentation needed to obtain coverage.

**15. Tentative Future Commissioner Board Meeting Dates:** 11/6/2018; 1/10/2019;  
3/5/2019; 4/2/2019; 5/7/2019; 6/4/2019; 7/2/2019; 8/6/2019; 11/5/2019

**16. Set date for next Annual Meeting, August 31, 2019 (Saturday of Labor Day Weekend):**  
The meeting has been confirmed for August 31, 2019 to be held at the Adams Community Center at 9:00am.

**17. Adjournment:** Karen Pokorny made a motion to adjourn and was seconded by Tina Meinen. The motion carried unanimously.

**Respectfully,**

**Karen Pokorny**

**Commissioner Secretary**