

Friendship Lake District
Financial Advisory Committee Meeting
December 11, 2017
Adams County Community Center

1. **Call Meeting to Order:** Bob Berry called the meeting to order at 6:30pm. Present were committee members, Karen Pokorny, Fran Schmidt, Larry Swaziek, Chuck Spargo, Carol Berry, and Tina Meinen signed into the meeting via her district laptop computer and skype for business program.
2. **Review Action Plan after acquisition of Dam, Prioritize & Delegate work:** Discussion began with Karen stating our Attorney Mike Hahn was sent a copy of the Adams County MOU for review. Bob clarified that the plan is for Adams County to train and assist operators from our Lake District and that this agreement is for two years. Bob said it is his understanding that initially at least two district members will work with Tom Pierce who will oversee training in the operations of the dam. At this time Bob said that he would be one of the operators and is recommending a few others. Karen had the document for review and noted that the district will be charged an hourly rate of \$61.45 per hour for consulting. Bob recommended that in Spring of 2018 the district should evaluate the creation of the position as a Harvester Coordinator / Dam Operator. Bob sees that position more than a seasonal position, but not quite enough for a full-time position, maybe as an independent contractor.
3. **Dam Inspection recommended by our attorney document any inconsistencies:** Chuck Spargo and Larry recommended that we use the same engineering firm that has inspected the dam in the past, Ayres in 2014. Bob said that the engineering firm needs to be experienced with hydroelectric power generation. Our Bylaws were reviewed questioning the requirement to obtain an inspection and the dam failure analysis and required bid process. The Bylaws state that for the work over \$2500.00. It was the consensus that inspection and dam failure analysis are performed to obtain recommendations for the work, so no bid process until we know what repairs need to be completed. Karen was asked to confirm with our attorney if a bid process is necessary for this inspection. Tina shared 2018 is the next scheduled inspection year per DNR, fitting nicely into our timeline. Bob believes that firm helps us with the public notice needed for the bid process. Larry agreed to be point of contact and coordinator with regard to the engineering firm selected. He will also work with that firm regarding the dam failure analysis that will need to be performed. It was recommended that we also fix up the dam on the outside, possible new coat of paint, repair broken windows, plantings, and upgrade the signage to let all know owned and operated by Friendship Lake District. A question was also raised about a billboard that is on the property along the embankment and how to use that for income purposes. Tina brought up security systems need to be investigated and Bob is recommending the same company that is located in the Rapids as they provide cameras in all of the area parks.

4. **Adams County MOU agreement:** Not everyone on the committee has a copy and Karen will make sure to send it out in an email for their review before our next committee meeting.
5. **Alliant Energy Agreement:** Bob stated he has had a conversation with Alliant and confirmed to contact them when we have the deed to apply for an agreement to sell power. It is noted that some properties on the lake have ACEC and others Alliant. Chuck volunteered to work with the agreements for the committee.

6. **Engineering Study, Bid Process for Repairs by Bylaws:** See above, #3 detailing discussion

7. **DNR Grant Application & DNR Requirements:** Tina shared that she has researched the grant applications. She clarified per the DNR website that grant money is available for repairs and upgrades of dams and it is a 50/50 grant up to \$400,000.00 with an April 2018 deadline to apply. She spoke with Meg at the DNR and was told that if we complete the inspection, the dam failure analysis, and have the emergency action plan in place, we would have a better chance of getting the grant. Tina said we need a letter of intention that has to accompany that application. Bob said he knows of the form and it is on the DNR website and is a single form called intent to apply. Bob will get a copy of that form and get it completed as soon as we have the deed showing date of ownership. Tina said that there is an example of the required emergency action plan on their website and she has loaded it on the share point district website for completion. Tina loaded the DNR website and was available for review. Bob confirmed that after it is completed we will need to have multiple copies, one for sure in the powerhouse, board and committee members, our website, DNR, emergency management for Adams County, and most likely the County Land and Water Division. Karen volunteered to work on this plan. Bob asked Karen to contact Jane Jervis at Adams County for help in creation.

Bob shared that there really are no DNR requirements once we acquire the dam. He shared he had a conversation with Joe Behling at the DNR and was told that once we have the dam we can control our lake water level. Bob said he was told that the only DNR requirement is that we keep a certain flow of water always flowing through the dam and downstream. Larry questioned the order in place from the DNR for the draw down if the repairs are not completed. Bob believes that we will notify the DNR of our progress of inspection, repairs, and then probably upgrades in the future. Larry believes they will need to close that order at some point and Chuck agreed we do not want any DNR order for this dam sitting without completion. Bob also clarified that some benchmarks need to be completed. He said that there is a staff gage that needs to be mounted and Wally Sedlar at the County has it ready to go. Bob said that will be determined by the engineering firm we work with as it has to be mounted in a certain position.

8. **Loan Application:** A loan application with the State of Wisconsin will need to be completed to borrow money for this project. Bob has looked at that and it is an online application and the State will borrow to us at around a 4% rate. Mike Cummings from Grand Marsh Bank has stated he would like to compete with that loan, but to still apply with the state. Carol Berry volunteered to work with Bob to begin the application process needing to obtain the money to

perform the repairs. Tina confirmed that we would look at \$300,000.00 to include the note obtained for initial \$110,000.00 for the dam and then repairs. A question was raised regarding the tax bill received for the property on the lake owned by the Friendship Lake District. Only one tax bill was received and yet Bob confirmed there are two separate properties. Tina confirmed that the district is tax exempt and questioned the tax bill. Carol shared that needs to be clarified, why one property is tax exempt and one not. Carol also said this will be very important moving forward with the acquisition of the dam property. Carol will make an inquiry and let Karen or Tina know who the district should proceed in updating the tax-exempt status with the different municipalities. Tina will review the district financials and research tax payments.

9. **Financial Letter draft approval to include Mission & Vision Statements:** Fran presented her draft letter to be sent out to Adams County and Town of Adams for financial support. Karen shared a copy of thank you letters that have been sent to the Village of Friendship, Township of Preston and Grand Marsh Bank. This committee recommends continuing to send thank you letters as we proceed. Karen also drafted some additional information she thought should be included. Copies were shared so that this committee could edit into a one-page letter. This committee worked together and a final draft was created. Fran will make the changes to the letter and have it for approval at our next meeting.
10. **Grant Applications:** Tina again will work on compiling multiple grant applications she has researched including Alliant, WE Energies, Joyce Foundation.
11. **Adjournment:** It was decided that this committee will meet on January 2, 2018, again following the scheduled board meeting.