

**FRIENDSHIP LAKE DISTRICT**  
**COMMISSIONERS BOARD MEETING**  
**April 9, 2018**  
**ADAMS COUNTY COMMUNITY CENTER**  
**569 N. Cedar Street**  
**Adams, WI 53910**

1. **Call Meeting to Order:** The meeting was called to order by Bob Berry at 5:35pm. In attendance were commissioners Tina Meinen, via skype, Karen Pokorny, Ron Johnson from the Town of Adams, Lee Parlow from the Village of Friendship, and Debra Parr, from Adams County. Debra shared that this is her last meeting as the Adams County Board Representative. There were approximately 20 district members present. Also present was Peter Haug from Ayres Engineering.
  
2. **Review and Approval of the Minutes from the March 6, 2018 Commissioners Board Meeting:** The Minutes from the meeting of March 6, 2018 were reviewed. A motion was made by Karen Pokorny to approve the minutes and seconded by Lee Parlow. The motion carried unanimously.
  
3. **Review and Approval of the Treasurer's Report:** Tina Meinen reported for the month of March 2018, the Money Market account balance is \$82, 904.17. The Now Checking balance is \$1170.12, Grand Marsh CD is \$16,575.81, and the Friends of Friendship Lake Fundraising Account is \$2397.19. A total balance in our accounts is \$103,047.29. Tina reported a check received from the Town of Adams for special charges in the amount of \$22,241.58. A deposit in the amount of \$1590.00 was made into the fundraising account from the sale of raffle tickets. Legal fees were paid to Axley Brynelson in the amount of \$2,815.00. Our monthly loan repayment of \$811.02 was made along with some other small miscellaneous payments for office supplies, bank fees, and IT monthly services. Ron Johnson made a motion to approve the treasurers report and seconded by Karen Pokorny. The motion carried unanimously.

4. **Friendship Lake Dam Update including Financial Advisory Committee Report:** Bob stated that there is no report from the Financial Advisory Committee as they have not met recently. Bob stated that most of the dam updates will be included in the presentation by Peter Haug from Ayres Engineering. Karen shared that she is still working with Carol at G2Insurance and their underwriting for liability insurance coverage for the dam.

Karen had an update from Attorney Mike Hahn that he has been in contact with the DNR in Madison, specifically Meg Galloway. Mike said that Meg is aware of the Dam Failure Analysis Draft Report completed by Ayres and indicated that they have been in contact with Peter Haug discussing revisions they would like to see to his analysis. Mike stated that the DNR has received a resolution from the Village of Friendship transferring the permit to operate Friendship Lake Dam to the Friendship Lake District.

5. **Peter Haug Ayres Engineering Inspection Report of Friendship Lake Dam:** Bob introduced Peter Haug from Ayres Engineering. Peter began his power point presentation with a description of Ayres Engineering, how they provide services in the form of inspections of dams, work with the DNR municipal grant program application, and provide dam failure analysis, as well as many other engineering services. Peter explained that as part of the State of Wisconsin Municipal Dam Grant Program, a dam classification needs to be submitted, for example, low hazard, significant hazard, or high hazard dam. A low hazard dam needs to pass a 100-year flood study, a significant hazard dam needs to pass a 500-year flood study along with zoning downstream, and a high hazard dam requires the zoning downstream, flood plain with and without the dam in place and pass a 1000-year flood study. Based on his findings Ayres is proposing that we apply with a significant hazard classification. The dam capacity is currently at the 1500 to 1600 cubic feet per second. A 500-year flood is at 1730 cubic feet per second and we are very close to meeting that by raising the embankment six to nine inches. Peter reported that it is very important that we achieve the significant hazard which is the lowest classification this dam could pass based upon his findings. Peter described the recommended list repairs he shared with the board last month including raising the embankment, Tainter gate replacement, deicing equipment etc. A complete list of the recommended repairs is available on the website.

Peter submitted his draft dam failure analysis report to the DNR in March. The DNR reported back to him that they would like him to remodel his analysis to their recommendations. Peter explained if the decision by the DNR is to raise this dam to a high hazard dam it would create a huge cost to this district, specifically requiring a spillway under Highway 13, with costs that could reach as much as \$500,000.00. Peter explained Friendship Dam is in a rural area, so engineering can stop the model whenever the dam failure or floodways released get to within one foot of the flood plain profile without the dam itself, comparing the dam if it fails vs. no dam with a flood. Once the study is within a foot, the DNR says that model within a foot is good enough.

The DNR dam grant programs pays up to 50% of the first \$200,000.00 and then 25% of any amount above that. Peter summarized that of the estimated \$200,000.00 recommended repairs by Ayres, roughly \$100,000.00 is eligible for the DNR grant, meaning they would grant around \$50,000.00. Peter suggested that when we bid this project we can bid all the line items with a general contractor. The district could also divide out the work not covered in the grant that could be completed by local contractors.

Ayres will assist the district with the dam grant application, and can help with the bid process. Peter presented the completed application ready to be signed by Bob Berry. Peter explained that it is also necessary for the district to proceed with a resolution tonight by the board to participate in the DNR Municipal Grant Program. The DNR usually takes up to six weeks to review the grant application. The program requires the local municipalities and Adams County be informed of this application. The municipalities notified are from the dam area and west following the Little Roche-a-Cri River from County Road J to County Road Z.

Peter said that compiling the data for the Dam Failure modeling is a process that is the science of taking the floodway, or a 100-year flood into the dam. He has submitted this data to the DNR who have reviewed it and are placing some conditions on his analysis. He said that their request is based on facts that this dam had an incident in July of 2017 when the dam operator did not respond to the incident for 11 hours to open the gates. Peter believes this dispute can be resolved with the DNR if in the prepared inspection, operation, and maintenance plans it is defined that there will always be two operators available, and that they are within 10 minutes of the dam to respond to the operation of the gates if heavy rains occur. Additionally, he recommends that the gates are in good working order as well as the equipment within the dam. Finally, an operator needs to be on call 24 hours a day, 7 days a week.

Peter said that the DNR is using 1990 data which is old and course. He explained that the flood plain near Castle Rock Lake is zoned very conservatively being a foot and a half to three feet deeper than it should be. The condition from the DNR is that they are requesting that we put that same condition on our dam failure analysis. The reason is that if you look at the map they do not want to have the properties on one side of County Road J being told that they can't build a foot deeper than the properties on the upstream side. They feel this report causes a discrepancy, and DNR needs these two reports to match. The argument that Ayres has with the DNR is that the current modeling is much more accurate than the 1990 data that the DNR is requesting us to use. We are not zoning a flood plain, our purpose of the analysis is to determine if this dam is a low, significant, or high hazard. Dam failure is completely different, the rules of the modeling are different and supports our argument against using the 1990 report.

Peter said he has submitted the Dam Failure Analysis to the DNR and they responded with a list of questions and demands. Peter said that we have enough data to proceed with the DNR Municipal Dam Grant Application. It is his experience working with the DNR they rarely ever change or back down from their demands. He agreed to rework his modeling to their requests and will get that submitted within the next week or so.

Peter said that notifying the DNR that the remodeling of the dam failure analysis is in process does not prevent us from the application and getting that submitted by the April 30, 2018 deadline.

Peter opened the floor to questions and answers. Members asked about high hazard vs. significant and if the DNR is demanding these conditions would they pay for it. A question was asked about the DOT, State Highway 13 and how does that affect the rating. Peter believes the DOT would have to grant the right of passage through their structure at the expense of this lake district if it is declared high hazard. A retired realtor questions how the DNR is using old data and how realtors, appraisers, assessors, etc., use more current data to determine flood plain properties. He also said that is probably why properties are not selling in that area. Another member asked how Mr. Chuck Pheiffer basically got away with these demands by the DNR and was never fined for his non-compliance. Peter did share some pictures of small structures found during his study downstream, probably placed on lands without permit, stating it is that type of structure that the DNR states would flood in an event. A property owner suggested it would be cheaper for the district to contact those owners, pay to move or remove those small buildings, than what the DNR is proposing a \$500,000.00 price if this dam is declared high hazard. Numerous additional questions were asked and discussed regarding inspections, liability, repairs, water levels, hazard rating, litigation, etc. These discussions were shared by the engineer, board, and members present for about an hour.

Karen asked Peter to go over the options he outlined to the board in a recent email. Peter said that the least expensive option would cost an additional \$3500 for him to revise his report to the DNR with an extra three feet errant model included at the downstream end. Peter believes this is the most reasonable way to approach the DNR. If this is not acceptable to the DNR then the district would be looking at litigation and additional costs to the district. It is his suggestion that he complete the new study, add the water on, redo the maps, redo the Dam Failure Analysis and share that with the district before we submit it to the DNR. If this new model reports that the dam is a significant hazard dam then we will turn it into the DNR. If this new model comes back reporting the dam as high hazard then the board and the district will need to make an economic decision and seek the advice of their attorney.

Karen shared the email she received from our Attorney Mike Hahn who has been informed of the DNR's demands. Mike stated that he contacted Meg Galloway at the DNR who told him that the DNR has requested Ayres Engineering to update their model. Our attorney stated from what he was told by Meg, from a technical standpoint the DNR is right and Ayres needs to complete the remodel. The big question is what we will have to do with those results. Mike stated on the bright side, Ayres is very good and has a great reputation with the DNR with creative solutions. Peter said that all the DNR needs is to know we are working on this for the grant application purposes. Peter said it is important to remember that when the DNR orders repairs they give you a timeline of up to 10 years to complete.

Karen made a motion to approve Ayres to update their model per the DNR requests at an additional cost of \$3500 seconded by Ron Johnson, the motion carried unanimously.

6. **Resolution Vote to Proceed with DNR Grant Application Repairs Friendship Dam:** Bob Berry presented resolution #42018 authorizing Friendship Lake District to participate in the DNR Municipal Dam Grant Program. Karen made the motion to except resolution #42018 and was seconded by Ron Johnson, the motion carried unanimously.

Bob said that we need an additional motion tonight. He and Karen met with Bank President Mike Cummings at Grand Marsh Bank to discuss a line of credit for the district. It was thought that this would be the most reasonable way to approach these costs only borrowing as needed with a 3.95% interest rate up to \$190,000.00. This was also approved by the membership September 2017 at the annual meeting. This is in addition to our loan for the \$110,000.00 paid Chuck Pheiffer for the dam and totals the \$300,000.00 approved by membership. Ron Johnson made a motion to proceed with the line of credit with Grand Marsh Bank and was seconded by Lee Parlow, the motion carried unanimously.

Karen shared that Tina completed grant applications with WE Energy and Alliant Energy. There is also a possibility that the dam powerhouse may qualify for a historical grant.

7. **Friendship Lake Dam Celebration:** Tina reported that she has heard from many property owners and raffle ticket sales have been progressing. She and her committee are working out the details. She said at this point that she just really needs everyone to continue to get the word out about the August 4, 2018 date and promote the raffle sales. She has distributed 500 tickets so far to members to sell. She has had about 200 tickets sold and returned with \$2900 collected. Tina stressed that what she needs now is volunteers and to please contact her with your availability. Karen shared that she is available to collect any ticket stubs and money collected, as well as hand out extra tickets after the meeting.
8. **Report from Friends of Friendship Lake:** Linda Graf shared the Friends of Friendship Lake meets monthly, the third Wednesday at 11:30am at the café on Highway 13 and 21. Linda stated that everyone is invited to come and share their ideas both men and women.

The annual Spring Fling event is scheduled for May 19, 2018, with Linda Moonan chairing this event, please contact her at 608-339-6502 or mli621@gmail.com to R.S.V.P. This year it is at the Cedar Shack and cocktails begin at 5:00pm for a cost of \$17 per person. There will be raffle baskets, 50/50 and plenty to celebrate. This information is also on the website and has been emailed to members.

Linda thanked Fran Schmidt for attending and representing the Friends at the AF-Market's drawing for the brat fry. Fran reserved Tuesday July 3, 2018 for this event.

Linda is excited with this date falling on the Tuesday before the 4<sup>th</sup> of July a great food shopping day for all in the area. Linda is recommending that we keep this fundraiser going longer than usual, maybe to 5pm. We will need many volunteers and a sign-up sheet available tonight with many jobs available, cooking, serving, selling, condiments, and possibly bake sale. We do know that AF-County Market will not allow us to have a bake sale, but it has been suggested that we could possibly work that out with ACE Hardware.

Linda said recently it has come to her attention a question about the of the Friends of Friendship Lake's bank account at a different bank. Linda shared some history about how Roberta and some of the original ladies in the district formed this group. Linda explained that over 20 years ago when this group was formed it was a very casual group that met monthly for lunch. Roberta opened an account at her bank, M & I, now BMO, in the Friends of Friendship name. The Friends had monthly meetings, minimal notes taken, and Roberta held the checkbook and maintained the money. Fundraising and social events were held, Roberta collected the money, paid the bills and managed this account. The group would then decide how it could help the lake district financially for things not covered in their budget. They would schedule social events like the Spring Fling, and an annual picnic. They would do fundraising, some raffles and the brat fry.

Linda stated that we all know things change over time and at the advice of our attorney and Grand Marsh Bank the account Friends of Friendship Lake was closed at BMO with a balance of about \$800 and moved to a new account The Friends of Friendship Lake Fundraising at Grand Marsh Bank. All the lake district accounts are not located at Grand Marsh Bank under the Lake District's tax ID. Linda believes this was a good move. The Lake District carries the raffle license so any fundraiser falls within that license. Linda continues as the treasurer of this group, and a signer on this account along with Karen Pokorny and Tina Meinen. Tina Meinen is keeping a separate spreadsheet for the Friend's with a monthly reporting to the group. This group will still decide what they will do with their money, what fundraiser's they wish to provide, and continue as we have for 20 years to support this Lake District through these events. This also helps Tina with the big district fundraiser with an account to deposit money for her raffle sales with a separate spreadsheet accounting. Linda said she wasn't comfortable with the account at BMO as it was all tied to her personal identification. Karen and Bob and all members present thanked Linda and the friends who help this district both past and present. Bob said we are all looking forward to a lot of great fundraisers in the future.

9. **Any Unfinished Business:** Noting Reported

10. **Any New Business:** No New Business

11. **Set the next Meeting Date:** May 1, 2018 at the Adams County Community Center 5:30pm.

12. **Adjournment:** Debra Parr made the motion to adjourn and was seconded by Bob Berry, the motion carried unanimously. It was noted that tonight was Deb Parr's last meeting as an Adams County Representative, she did not seek re-election. Deb shared that soon the new committee's will be created and a new representative will be put in place on the lake district board. Thank you to Debb for her participation on this board for the past years.

**Respectfully Submitted by:**

**Karen Pokorny**

**Commissioner Secretary**

**Friendship Lake District**

**April 15, 2018**