

FRIENDSHIP LAKE DISTRICT
COMMISSIONERS BOARD MEETING
FEBRUARY 6, 2018
ADAMS COUNTY COMMUNITY CENTER
569 CEDAR STREET
ADAMS, WI 53910

- 1. Call Meeting to Order:** The meeting was called to order by Bob Berry at 5:35pm at the Adams County Community Center. In Attendance were Commissioners Karen Pokorny, Tina Meinen, Ron Johnson from the Town of Adams, Steve Van Etten from the Town of Preston, and Debra Parr from Adams County. There were approximately 17 district members present.

- 2. Review and Approval of the Minutes from the January 2, 2018 Commissioners Board Meeting:** The minutes from the meeting of January 2, 2018 were reviewed. A motion was made by Ron Johnson to approve the minutes and seconded by Karen Pokorny. The motion carrier unanimously.

- 3. Review and Approval of the Treasurer's Report:** Tina Meinen reported that as of today's date our Money Market Balance is \$40,773.37, the Now Checking Account balance is \$978.20, and the Grand Marsh CD is \$16,614.62, giving a grant total of \$58,366.19.

During the past month we received a check from the Village of Friendship for collection of special charges in the amount of \$6,073.31 deposited into the money market account. \$1,745.38 was paid to Axley Brynelson for legal fees. There were a few small payments for postage and office supplies. Two \$25 Adams County Chamber of Commerce gift certificates were purchased and donated to the Bass Masters for their annual Fisheree and raffle on Friendship Lake February 17, 2018.

A withdrawal of \$110,000.00 from our money market was made to cover payment to Chuck Pheiffer with the Award of Damages and the acquisition of the Friendship Lake Dam. Of that amount, \$491.67 was withheld from Chuck and paid to the Village of Friendship for the 2017 property taxes due. As a side note \$380 of that was special charges and came back to the district.

Tina shared that she has been in contact with Proctor Insurance Agency working on obtaining insurance coverage on the dam. Tina also suggested that as we move forward with ownership of the dam including hiring individuals for dam operations and weed harvesting she wonders if it would be more beneficial to hire through temporary services vs. our own employees, payroll, and reporting requirements. This suggestion will be discussed with the Financial Advisory Committee scheduled to meet immediately after this meeting.

Debra Parr had a question regarding the check received from the Village of Friendship and if it was for 2017 taxes or if it also included payment for past due taxes from previous years. Karen stated that when she received and deposited the check there was no explanation with it. Tina stated that she will message Kathy Pierce at the Village for an exact reporting and will share that at our next board meeting. Karen Pokorny made a motion to accept the treasurers report and was seconded by Ron Johnson, the motion carried unanimously.

- 4. Friendship Lake Dam Update:** Bob confirmed that the Award of Damages was completed and as of January 31, 2018, the title of the Friendship Lake Dam was transferred to the Friendship Lake District. It will take a few weeks for Adams County to complete the final copy of the deed. Bob explained that Chuck Pheiffer received the \$110,000.00, less \$491.67 paid to the Village of Friendship for property taxes, via service by an Adams County Sheriff.

Debra Parr had concerns now that we own and operate the dam how does not having insurance play into our situation. Debra shared her concerns as owners and the risk of the lake district regarding any claims. Debra wonders of any possible fines or penalties by state or local governments if we do not carry insurance. Karen shared that she spoke with our Attorney Mike Hahn this past week. He is reaching out to contacts in the insurance industry to try and understand why we have been unable to obtain coverage. Karen shared that since we now have proof of ownership we are revisiting with the insurance agents that information with underwriting the possibility of coverage on the dam.

Karen shared that it is the advice of our attorney that we do not perform any operations of the dam until the permit to operate has been transferred to the Friendship Lake District. Our attorney has been in contact with Mike Scott at the DNR in Madison and that was told they are figuring it out. Bob also shared that he has contacted Joe Behlen at the DNR in Adams County and he confirmed he is also working with his boss, Mike Scott, towards transferring the permit to operate from the Village of Friendship.

Bob said he contacted Alliant Energy with notice that we now hold the deed. They are working on preparing the contract needed to sell power back to Alliant once the dam is operational. Bob is working with Alliant to get power turned back on in the dam power house, the problem is that it is not just a simple turn on the power as the dam is tied into the power grid.

Bob said that the proposal for engineering services was signed and Ayres is scheduled to begin the inspection process on February 13, 2018. Ayres does not employ engineers experienced with the power generation piece and they have recommended a few to contact so that we can get that inspection also completed.

Bob received word that Chuck Pheiffer dropped off the keys to the dam at the Courthouse. Bob could get inside of the dam, took pictures and video, and immediately changed the locks. Bob said that he plans to get copies on the website for everyone in the next week or so. Bob did state that he and Steve Pokorny did look things over inside and outside of the dam. It is very messy, but no sign of any damage or vandalism. Steve noticed that the site glass on the equipment was dry. There was some 30w oil containers inside the dam but not sure if it was specific to that equipment. Bob did state that once they did fill that site glass with oil everything quieted down. Bob stated that he has kept an eye on that and has continued to add oil as needed. Bob said that the generator is old, no cover on it, bare wires are everywhere. The electrical panel has fuses and will need replacing as soon as possible.

Bob said he contacted the State of Wisconsin Trust Fund regarding borrowing money to cover this project. It is not an easy process and would require a special meeting of our lake district to vote on a resolution by the membership to proceed with borrowing through the state. Karen stated at the annual meeting we did have the membership vote by ballot to increase the special charges, increase the mil rate, and authorize the board to borrow up to \$300,000.00 toward the acquisition of the dam. Bob did state that he believes we would still need a special meeting to adopt an additional resolution for the State of Wisconsin loan requirements.

The other option would be to borrow the money through Grand Marsh Bank, keep the investment local, and that they probably would not require signed resolution. Bob and Karen will contact Mike Cummings at Grand Marsh Bank and set up a meeting to discuss possibility of a loan or line of credit. That would save the board from calling a special meeting and having the membership vote again on something they thought they had already approved at the annual meeting last September.

Debra Parr had questions about plans to draw down the lake and perform repairs. Other members had more questions regarding DNR approval on any of the repairs, as well as when we could predict we will have the water levels returned and the lake would be playable again.

Bob explained that again this is all tied into the inspection report and that work is scheduled to begin on February 13, 2018. We should have those projected costs in the next month or so and have an idea of the work and then begin the bid process.

5. **Friendship Lake Dam Celebration August 4, 2018:** Tina Meinen, chair of the Dam Party Committee shared the date has been set for August 4, 2018 at the Friendship Lake Beach. Tina presented the event plans to the Village of Friendship Board last evening and they approved. Tina and her committee are working on the details and can confirm that Vertical Illusions will provide kayak's, possibly canoes, and offer 50% off any zip line tours for that day on Friendship Mound. Tina is waiting to hear back from Bass Masters about providing fishing demonstrations during the event. The Adams County Historical Society and the Adams County Chamber of Commerce will have booths on site that day. The Friends of Friendship Lake will have a booth with basket raffles, as well as the 50/50 raffle on site that day.

The plan is for one big raffle with a first prize of an ATV, second prizes pair of kayak's, or a \$1000 and then smaller Kwik Trip gift cards. Tina is recommending we sell about 1000 tickets at \$20 we could potentially raise about \$12,000 with that raffle fundraiser. This event is a work in progress and will have more to report next month regarding food and beverage sales, shuttle service, as well as many other ideas. Tina extended an invitation for help. Many members offered ideas and concerns. Bob did have a concern regarding raising the money for payment of these raffle tickets. Bob said that he feels that \$20 is a lot and he would suggest \$10 or then three for \$20. Bob's biggest fear is that we do not raise enough funds to cover the large raffle items.

Suggestions were made to begin by selling t-shirts, hats, bumper stickers etc. Board member, Steve Van Etten said he will work with Tina, he has a connection with ATV shop in the area and he will contact them regarding how we go ahead with this project. Tina will report her progress next month.

6. **Report from the Friends of Friendship Lake:** Linda Graf reported that the Friends of Friendship will have their monthly meeting on the third Wednesday, February 21, 2018, 11:30am, at the Hwy 21 & 13 café. The group will be discussing the scheduling of the Spring Fling. Linda is looking for any suggestions as to the scheduling of the is annual event. In the past we have had it at Carlson's and they seem to always offer great food and facility.

- 7. Report from the Financial Advisory Committee:** The Financial Advisory Committee is scheduled to meet this evening following the board meeting. Karen summarized that most of what she has in her report was shared earlier with the Friendship Dam Update. Bob signed the proposal with Ayres Engineering and the inspection is scheduled for February 13, 2018. Committee member, Larry Swaziek, is our point of contact for Ayres along with Bob Berry.

Messages have been resent to the independent insurance agencies notifying them of our ownership and asking underwriting to review our applications for coverage. We also have the option of self-insuring per our attorney if we cannot obtain coverage.

Bob has left messages with Adams County Land and Water as to the agreement with Adams County for operations of the dam, apparently Wally Sedlar is out on a leave. Debra Parr shared that it is recommended that we work directly with Casey Bradley, Adams County Administrator, in Wally's absence. The agreement with the county does list the exact amount of insurance coverage needed for that agreement to be approved. Bob did state that we should remember that the DNR does not require us to have an Adams County operator work with us, that we can hire our own operator bypassing this agreement.

As stated earlier Bob has been in contact with Alliant Energy and again we cannot legally operate this dam until the permit has been transferred.

Karen and Bob went before the Town of Adams Board asking for financial assistance. We have been placed on the agenda at their annual meeting to present our request formally to the district members. Ron Johnson shared that the Town of Adams has a resolution in place going back many years stating that they do not take tax payer's money and donate to any non-profit organization. Ron did state, however, that resolution can be over ruled at their annual meeting by vote. Ron will confirm the exact date of their annual meeting for district members to attend.

Debra Parr explained that Adams County has a similar resolution. She recommends that we present our request first to Land and Water. That request is then sent onto The Adams County Administrative and Finance Committee for final approval. Debra said that our request needs to be included into the budget. This year's budget is complete and a formal request should begin soon by the district to be reviewed and possibly included in next year's budget, and we would have till October of this year to do so. Larry Swaziek had a suggestion that in our request to Adams County we maybe state that they could wave the charges to our district with the operation agreement in leu of a contribution to our project. Debra Parr stated that could be a possibility that they would consider. Debra suggests that we as a district need to be specific with our request and know that if you are turned down to keep trying.

Elections will be held in April and that does change the 20 supervisors, as well as the committee's they serve on. Debra Parr did state she is not running for re-election, as well as, Jack Allen.

8. Any Unfinished Business: Nothing Shared

- 9. Any New Business:** Bob asked the members in attendance their opinion on posting the position of a harvesting coordinator for the summer season. He would like to begin the process of interviewing for the positions. Bob has been approached by a few interested gentlemen as dam operators. One person also has experience operating the weed harvester. Bob is recommending placing an ad for these position's, go through the interview process and fill those positions come summer. Bob said the board will decide over the next month how to proceed with this.

Another question was asked about where we will dump the weeds after harvesting. The Lake Advisory Committee will need to reconvene and begin following our lake management plan. We also know that the bylaws will need to be changed at the annual meeting, adding our dam ownership into that document.

- 10. Set the next meeting date:** March 6, 2018 at the Adams County Community Center 5:30pm. Karen will be unavailable for the March and April meetings, but will attend via Skype through the district laptop computer. Debra Parr shared that she will also not be in attendance and asked if we would like her to get a replacement to attend. Bob Berry stated he would like an Adams County Representative to attend if possible.

- 11. Adjournment:** Ron Johnson made a motion to adjourn and seconded by Tina Meinen, the motion passed unanimously.

Respectfully Submitted

Karen Pokorny

Commissioner Secretary

February 14, 2018