

**WHITEWATER/RICE LAKES MANAGEMENT DISTRICT
MINUTES OF ANNUAL MEETING
AUGUST 23, 2003**

Chairman Bernie Tangney called the Budget Hearing/Annual Meeting to order at 9:15 a.m. at Lakeview Elementary School on August 23, 2003. He began by stating that Bill Norris had passed away last Sunday and he asked Gary Marvin to say a few words. Marvin said Bill had been a good friend, neighbor and one of the founders of the Lake Management District. He also was town chairman for nine years. He did a lot to bring this organization to where it is today. The service at St. Patrick's was being held at 10:30 a.m. today and several members mentioned they would like to attend. People that intended to attend the service may fill out the voting ballots and place in the box before they leave.

Tangney continued by listing the handouts that were available at the registration table. They included: Agenda of meeting, copy of the financial statements and ballot slips. He then introduced the current board members: Gary Marvin, secretary, chemical treatment chairman and Walworth County Lake Assoc. representative; Gordon Philip, treasurer and bog chairman; Doug Goodrich, harvesting— he will not be running for candidate this election; and Jerry Grant, county representative. Absent was Art Schmitz, equipment and Norm Prusener, Whitewater township representative. Also introduced were Rose Marie Berg, clerk and Tangney's wife Linda. He continued by introducing John Brunner, president of the Property Owners Association, Tom Ganfield a very active volunteer and former board member. Tom and Mark Muschinski (introduced also) do the secchi readings on the lakes to verify the clarity of the water. Tom does the readings on Whitewater Lake and Mark on Rice Lake. Tom Ponyicsanyi, Fish Stocking chairman, was introduced.

Tangney said State Law indicates we must introduce the budget first. Last year we presented the budget, tabled it and went into committee discussion. By the time we got back to discuss the budget, a lot of people had left the meeting. This year we are going to go into the budget, category by category, and will probably take care of a lot of the committee reporting during this time. It will be opened up to discussion that way and we hope to get the most important things done before the meeting gets too long.

The first item of the budget is harvesting. The bottom line for harvesting is a proposed \$56,800 which is 60% of the budget. Jim Bartlett wanted to know why we were going down in the budget from previous years when the weeds were bad and we didn't do a good job of harvesting. Goodrich replied in 2001 the budget was \$67,517. The big variance there was parts and repair for \$12,000 and we're budgeting \$7,000 this year. There was some deferred maintenance from the previous year. We compare the budget in 2004 with projected 2003 wages of \$34,000 and we are projecting \$28,000 in 2004. The main reason for the difference is we had an extra employee in the budget for 2003 who was going to operate the weed/rake to help the floater situation. The rake did not work out and we never had that situation.

Ponyicsanyi asked Goodrich if he could give the tonnage we had removed according to the dollar. He said in the past we've spent a lot less and had taken out a lot more tonnage. Philip said he has reports through July 19th, but they were not in terms of tonnage, but in terms of total machine hours on lake harvesting and how many loads were taken off. He cited an example through the week ending July 19th 462 machine hours on water and took out 214 loads. We're averaging about 2 loads per hour. Tom wondered how that compared to previous years. Dave Cleven had information on the previous years: 1998 - 1,005 tons; 1999 - 1,526 tons; 2000 - 1,204 tons; 2001 - 441 tons; 2002 - 889 tons. Philip said he would get the information for the last six years and publish it in the next newsletter.

A member asked if we are considering purchasing an additional machine that might have the capability of going into the shoreline. Why is there no consideration in the budget? Philip replied we are looking at the formation of a committee for the purpose of evaluating how to properly deal with the floaters along the shoreline. Last year we thought we had a solution and had a line item of \$12,000 for the purchase of the weed/rake. Unfortunately our solution did not work out. Right now, speaking for the board, we do not have a definitive solution that can do it. We found out the equipment mentioned in the newsletter was not being used for our purpose. We took the cutter blade off the rake we had returned to the vendor and had it mounted on our 7-ft. harvester to simulate what the \$58,000 machine could do. We tested it and it failed. We do not have a solution at this time and that's why we don't have a line item in the proposed budget. The member said we should be looking at getting a much higher tonnage removal as experienced in the earlier years, rather than what we did in the last two years. Philip said that is the goal. He thinks with a new harvesting member on the board and more importantly a new crew chief. He feels the success of a good harvesting operation is really dependent on a good crew chief. Another member said he felt the board has failed to get competent people for the harvesting and we've been on at least a two-year bad run.

Philip said in his mind he feels that we had not acted quickly enough in finding a replacement for the crew chief that was not doing his job. Tangney responded that tonnage is a very easy thing to measure and we agree that we have not done the job well. He said tonnage is not the best measure. It is the quality we've done along the shoreline. He also said we had good people working, but unfortunately we feel the direction they received from the person leading them was inadequate and we did change crew chiefs about 2 weeks ago. Normal cutting hours is Mon. through Thurs. starting at 7:30 a.m. until 4:30 p.m. On Friday they came in for four hours of maintenance and Sat. pick up was supposedly filling up extra time.

Another member wanted to comment on the low lake level the past two years. We've been in a drought. Some people have lost trees. Three years ago we had a lot of water, a hard winter, the ice was very thick and we didn't have weeds. She thinks the criticism for the last two years is rather severe. We have to bear in mind what Mother Nature does and we have no way to control her. When the lake level is low, the weeds are going to be high. When the ice is very thick, we don't get a lot of weeds because during the winter they don't grow. She was not invalidating what had been said, but she thinks it is a valuable point that the weather has an effect on how many weeds are created.

Chuck Chamberlain said we used to use the transporter and now we use the big harvester to haul the weeds to shore, which is down time on the harvester. Tangney agreed that is one of the areas where we were inefficient. Goodrich said we were insisting on using the transporter more. However we lost an employee due to illness, so we were short an employee. Joan Wittenberg asked why we can't start harvesting earlier on Rice Lake. Tangney said he is part of that problem. He thought the harvester was needed more on Whitewater Lake.

Tom Potrykus suggested we increase the budget to do the job on Rice Lake and wherever needed. He thought we should attack the problem rather than save a few dollars now. He received a round of applause and Tangney said you're the people who can do it. Vic Potocki said he would not take his grandchildren to swim due to the condition of Rice Lake. He asked if we are doing any type of benchmarking against other lakes with similar depths, weeds, tonnage removed and cost. Maybe they have some ideas that we are not seeing. Our situation with personnel and equipment is pretty much normal in every day operations no matter what we do. However, the people here are dissatisfied with the service. Maybe we're closed in our parameters as to what we're trying.

Tangney said he is not the only one making decisions in regard to Rice Lake. He brought in two other board members to observe the conditions and they agreed the harvesting operation would be better used elsewhere. He also said they have been attending the WI Association of Lakes convention the last two years and they have been receiving a wealth of information from this. We also have talked to several lake districts about their harvesting and also the equipment to use.

Tangney also hopes that when we leave the meeting today, we have a list of people willing to investigate possible solutions to the floating weeds and shoreline weeds. A member said the committees meet during the week when it is not feasible for the weekend people to attend meetings. Tangney said we would meet when convenient.

Another member suggested we extend the harvesting to after Labor Day. Tangney said the board will discuss this and if the manpower situation is available we will be working on it.

Hal Beebe suggested we raise income to accommodate the expense. Ponyicsanyi disagrees with spending more money if we are not getting the efficiency out of what we are doing now. Another member said he would like to summarize what he is hearing that the weed situation is getting worse and we're all concerned. Cutting the budget is not the answer and we need to increase efficiency. We need to compensate for the weather.

Ken Johnson suggested we raise the budget a little so that we have extra money and if we need it because of bad weather conditions or buying new equipment. If efficiency is increased and we do not have the need for the money, we will have a surplus. Tangney said good point. Daniel Durn made a motion to keep the budget as it stands.

Jerry Millin said he came to a board meeting in July and offered names of five people and use of a dump truck to help remove weeds. The board told him we would not let them use our machines. Tangney said we would not let them use our machines and pointed out that this last week our 7-ft. harvester was rolled upside down in the lake. Tangney said it could be very dangerous to have volunteers run the equipment.

Christie Culven then seconded the motion to keep the budget at \$56,800. Another member urged members to feel that a greater budget will allow the board to do more in the future years than has been done in the past couple years. A new motion can be brought forward to give them more flexibility and some contingency that will enable them to do more in future years if it is determined that other avenues can be solved with a higher budget. Round of applause. Tangney reviewed the motion to reduce it to \$56,800 from \$58,100 last year. A vote was taken - 55 voted to keep it the same and 79 were opposed. Motion does not pass.

Gerry McCarthy presented another motion to give the board a 20% contingency in the proposed budget for next year in the event that they and their committee find an alternative use for these funds that will result in a better harvesting program than the ones we have experienced in the past couple years. This would be an increase of \$11,500 in the proposed budget. Gene Migli seconded the motion. Ron Fero asked why on earth would you give another 20% when you had 27% last year and it didn't work. A vote was taken with 57 voting yes to increase the budget 20% and 84 against. This motion did not carry.

Rich Gunter made a motion to change the harvesting budget to \$58,100 – the same amount as 2003 budget. Vic Pitocki seconded the motion. Laura Sullivan said the problem is not money but efficiency and schedules. Goodrich agreed that more money with the same amount of crew and the same machines is not going to have a very big impact on the amount of weeds taken out of the lake. A little more efficiency and solving the problem with floaters is needed. A bigger crew with pitchforks and barges would work with a bigger budget. He is again asking for a committee to form to solve this problem. Raising hands took a vote, majority ruled, **motion carried**.

A member asked whether the board had ever considered out-sourcing the management of the weed cutting. Tangney answered yes, and it is one of the items on the table right now.

Weed Treatment: Budget proposed \$17,700 – 19% of the budget. Marvin said the only thing different next year is that they will try to just chemical treat in 3 areas rather than harvest. The far north lobe up past the State Park – would not be cut at all. Woodchuck Alley and Isabel Bay are the two other areas that will only be chemically treated. Marvin said he was very happy with the treatment on June 4th until about the end of July when all of a sudden the floaters that came up from the boat props became rooted and came up again. We had treated about 350 plus homes and now they're back. The DNR goes out and approves the areas cited for spraying.

A question was raised regarding the use of phosphorous in lawn fertilizers. Marvin responded he thinks responsible lake owners know not to use phosphorous near the lake. The only problem is to keep the professional lawn maintenance companies from using phosphorous and we need to work on them. Tom Ganfield was asked what type of fertilizers we should use. He said there are a couple of different products but they're hard to find. He asked the member to see him after the meeting and he would refer the products to him. Basically, they encourage no phosphorous be used. It will say on the bag if phosphorous is contained.

A woman asked if we ever thought of reclaiming the northeast portion of Rice Lake. We haven't in the past, but Marvin said we would the State to get involved in that area.

A question was asked if we are doing as much treating as we could. He replied we could probably do more if we wanted. Marvin said we did treat the Chapel area up to and including the marina early in spring. Some weeds have come back now.

James Bronson made a motion to approve the weed budget proposed of \$17,700. Lyle Wilson would like to see more money put into spraying rather harvesting. Motion seconded to approve as presented. Vote was 46 opposed and 79 in favor. **Motion passed.**

Mike Keaton moved that a harvesting employee be allowed to speak. The employee had passed out a flyer to members as they came in. Tangney said this board of directors will stand by the decision that there is nothing to be gained by this. Keaton replied the board is putting the lid on fair disclosure and open discourse and he thought Tangney should resign over this. Tangney asked if he wants his job and would he step up here and do it. Keaton asked for two minutes and Tangney again said the board will stand by their decision. Keaton said there was a motion made and seconded and we need to call a vote. A member said the chairman has the authority to opt or not. Tangney opted to not.

Bog Removal: Philip said the proposed budget is \$15,000 – 16% of the budget. To date we have spent a total of \$21,403 and those expenses are comprised of payroll, payroll taxes, and repair on the equipment, fuel and consulting fees. We had a permit from the DNR to remove 10,000-sq. ft. of surface area in Phase I. We have probably taken out approximately 14,000-sq. ft. Tonnage is very difficult to estimate because it is very heavy. Cost comes out to about \$1.50 per sq. ft. of removal. Philip has asked for other estimates and no one wants to come out and offer an estimate. We do not include cost of insurance and storage fees in the bog costs. We are also waiting for DNR approval for Phase II to remove another 90,000-surface ft. of the bog. To remove the balance of 86,000-sq. ft. using the figure of \$1.50 sq.ft. would cost about \$265,000.

The line item of \$15,000 is for next year and intended to address the issue over time. Bog removal process begins after Labor Day and once we start this process all hours are charged to bog removal. A good portion of the bog has not come back. Gene Migli made a motion to approve the proposed bug budget. Edna Barber seconded, majority ruled, **motion passed.**

Tangney apologized he skipped step 1 of our agenda. This was to have the members approve the deficit from 2003 budget. Philip said we had a deficit of \$15,001, the majority was due to repairs to equipment – mostly on

the old harvester and conveyor. We also went over budget by about \$1,5000 on bog removal. We had \$5,140 in the contingency fund from previous years, which we used for part of the deficit. Law does not allow us to carry over a deficit in the general fund.

We can do one of several things, which is proposed in the budget. One is to increase the 2004 budget by that amount to cover the deficit today or basically allow a permanent borrowing or approve the transfer of funds from the equipment fund to the general fund to cover the deficit. This is the recommendation of the board to allow the equipment fund to cover the 2002 deficit. Tom Ponyicsanyi made a motion to that effect. Vic Potacki seconded, overwhelming majority voted for, **motion carried.**

General and Administrative: Gerry Millin moved to accept the proposed budget of \$5,500, motion seconded, no discussion, **motion carried.**

Equipment Fund Reserve: Proposed budget is \$10,000. Al Beebee moved to accept, Bill James seconded no discussion, **motion carried.**

Total approved budget is \$106,300.

A member asked the board to bring to the membership in the form of a newsletter a list of options that may improve the quality of life on the lake changing what we are doing. Tangney said we will do the best we can. Tangney again asked if anyone is interested in working with us on a new committee studying options relative to the floater weeds and the shore line weeds. He asked members to give their names and phone numbers to the clerk after the meeting.

Marvin informed the members that the 2003 Walworth County Clean Sweep effort would be collecting hazardous chemicals, etc. that you want to get rid of. These may be taken to Elkhorn on September 27th from 8 to noon.

Election of Commissioners: Tangney said members may vote for one or two of the three people running. Each candidate gave a brief summary of his or her qualifications:

Jim Bartlett: He would like to deal with the weed problem. Process has to be more efficient. Chemicals should be used more and less cutting. He doesn't know the answer, but we definitely have to communicate back. One of the first steps would be to talk to the people who did it in the past and find out why it worked for them. The other issue that's very important – Rice Lake – there is a sense of fairness and we need to take care of it. He toured the lake and thinks we lost a lot of the lake to weeds and something has to be done to address that. Bog removal – it is much better this year, but we have to get a more aggressive policy for that. He doesn't have the answer but he would like to think that for the next meeting, we will have a way to get rid of them in a somewhat timely manner. He thinks ten years is too long.

Tammy Steinke: She had a huge speech written out, but didn't bother with it because she said that obviously everyone feels the same way here. The weeds are a problem, the way the system is being run is a problem and Rice Lake is turning into a swamp. She has talked with people on Whitewater. She doesn't believe that residents should pick up their own weeds. She's done some research on the machines and talked to some of the farmers that run machinery similar to this and they're saying that if you ran these two machines we have in a tandem at about 2-1/2 to 3 miles an hour, it would be slow enough where the weeds would come to the top right away and the elevator could pick up those weeds. There's just no organization that she can see. There should be a schedule and know where they're going every day. She thinks we need a change and both lakes should be taken care of. She hopes we will get that.

Bernie Tangney: He retired 7 years ago and decided that Lake Management was the organization he would give his time to because of the ??? **Jim I didn't get the end of his e sentence** . When they moved to the lake their children were two to fourteen. Today they have nine grandchildren that come to the lake, ages five to sixteen. He is pleased that the lakes are as good today, or better, for his grandchildren as they were for his kids. He's been on the board for 8 years. Two years as treasurer, second two years as secretary and four years as chairman. This job can be very frustrating and the last couple of weeks especially. He feels his experience can be very beneficial for the future progress of Lake Management.

Treasurer's Report: Tangney entertained a motion to accept as presented in the newsletter. Tom Ponyicsanyi made the motion to approve, Daniel Berg seconded, overwhelming majority voted yes and the **motion passed.**

Chemical: Covered earlier

Harvesting and Equipment: Covered earlier

Brian Morris asked if there was a way of getting a copy of the bylaws. He asked if there was something in the bylaws to allow members to vote in absentia. Tangney said it was not allowed, but bylaws can be changed

He also said anyone wishing a copy of the bylaws should leave their names with the clerk and she would see they receive a copy.

Bog: Don Oker asked if there was still a bog committee. Philip replied it is inactive, but Jim Bartlett had mentioned we should increase activity and it could be resurrected. Oker also asked if we have a crew that is competent to work on the bog at this time. Tangney responded we're working on it with Inland.

Fish Stocking: Ponyicsanyi called Doug Welch, DNR, who schedules the fish for the lakes. He scheduled fish for our lakes for 2002 and in 2003 we found that none had been stocked. This year we're on the agenda for 32,000 walleyes for Whitewater and nothing for Rice. Next year he has not predicted the numbers yet but there is nothing that has been cut from the State so far. We have a budget of \$1,000 for our stocking. Rice Lake does not receive any DNR stocking at all due to it freezing out in the past. He has a running battle with the DNR over this.

Walworth County Lake Association: Marvin said we are a member of this newly formed organization and they were meeting today and he couldn't make it. This organization is to share information and see what works where. Joan Wittenberg asked if it was safe to swim in Whitewater Lake due to the report of algae. The answer was yes. Another member asked if the water in our lakes is tested for safety. Marvin replied it is at Whitewater Beach but he has not ever seen the results. He thought you could check on their website or the rangers would have this information. Someone said there were a lot of weeds at the beach. Tangney said we did pick up weeds there.

New Business: Morris made a motion to solicit both town boards to enact an ordinance to forbid the use of fertilizers containing phosphorous in the Lake Management District, Ponyicsanyi seconded, **overwhelming majority carried.**

Jerry Millin said people living over 200-ft. from the lake level do not have to pay Lake Management taxes. This was per Chicago Title. He said there is a distinction between a man-made lake and a natural lake. Chicago Title told him that he falls into the 200-ft. mark. He said we could be sued in a class action suit for collecting taxes all these years. Tangney said he did not think these statements were correct and Millin should get all the facts and they would be published in the newsletter. Millin also said the DNR "dam guy" told him our Rice Lake dam was leaking. Tangney said that the "dam guy" told him that it was not leaking.

Philip said he heard at the WAL's convention this year that new regulations regarding shorelines are planned for 2004. The DNR is in the process of revising the codes as to what you can and cannot do on your lakeshore. There will be some new rules coming out probably in spring such as 35-50' of your shoreline, under certain conditions, would have to be returned to a natural state. You can learn more on their website: www.dnr.state.wi.us and go to the topic "shoreline management". We will update in the newsletter when we have more information.

The DNR is proposing some changes at the Parkside launch that might happen in 2005. They may increase trailer-parking slots from 15 to 25.

The next Annual Meeting is scheduled for Saturday, August 28, 2004 – before the Labor Day weekend. A member stated that as a member of the association, he wanted to say that though the board was beat up today, the board puts in a lot of time and as one person he wanted to thank Tangney and the board for all their time and effort. Loud applause

Greg Berg and Tom Ganfield counted votes. The final count was 128 for Jim Bartlett, 81 for Tammy Steinke and 69 for Bernie Tangney. Bartlett and Steinke were elected for the two positions – each for 3 years.

Motion to adjourn, seconded and so moved. The board will now meet in executive session for a few minutes. Adjourned at 11:45 a.m.

Respectfully submitted,

Rose Marie Berg, Clerk