

ANNUAL MEETING MINUTES
WHITEWATER-RICE LAKES MANAGEMENT DISTRICT
AUGUST 24, 2002

Chairman Bernie Tangney called the Budget Hearing/Annual Meeting to order at 9:05 a.m. at Lakeview Elementary School on August 24, 2002. He began by listing the handouts that were available at the time members entered the room, they included: Agenda of meeting, copy of the financial statements, harvesting report, sign up sheet to receive email from the Wisconsin Association of Lakes and ballot slips. Board members introduced were: Gary Marvin, secretary and Chemical Treatment, Art Schmitz, Harvesting and Equipment; Norm Prusener, township representative; Gordon Philip, treasurer and Bog chairman. Also present was Rose Marie Berg, clerk. Absent: Jerry Grant, new county representative. He replaced Toby Shroble who had represented the county for many years. Mike Plier recently resigned from the Board due to other commitments. Tangney also introduced John Brunner, president of the Property Owners Association, Tom Ganfield, a very active volunteer and former board member. Tom and Mark Muschinski do the secchi readings on the lakes to verify the clarity of the water. Jim Mulcahy, Kathy and Mike Hoar were present from the Bog committee. Tom Ponyicsanyi, Fish Stocking chairman, was unable to attend. Tangney also introduced his wife, Linda, who is a big help assisting with his duties.

BOG
COMMITTEE

In order to comply with State laws, the present meeting is now termed Budget Hearing/Annual Meeting. Gordon Philip said this is important and future meetings will be titled accordingly. Philip stated the budget has been \$80,000 for a number of years. In terms of the mil rate, which is how we are taxed, for 2001 it worked out to a mil rate of 58 cents per \$1,000 of assessed valuation. The year 2000 the rate was .65. The mil rate has been going down because the Board is constantly trying to contain costs. The mil rate will go down again this year as property values have gone up in the district and we will be paying less in the mil rate and the lake fees will be unchanged.

Philip went on to present the proposed budget for 2003. He went over the line items and highlighted the following:

- Increase from \$25,800 to \$30,700 in payroll & taxes
- Insurance increase from \$5,000 to \$6,000 - he's been advised premiums will increase by 12%
- Decrease in fuel cost from \$4,500 to \$3,000 4100 x 3000
- Decrease in bog activities from \$15,000 to \$10,000

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Total budget came to \$82,500 with a deficit of \$2,500. Last year we had a contingency fund of \$4,466. After the budget was presented, vote and discussion was deferred until later in the meeting.

Tangney stated the financial books were reviewed during the year and found to be in order by Dave Byrne and Sue Zawislak. ?? Greg said we should state why they are qualified to review the books.

OVER BUDGET
FOR YEARS 2000
2001 to 2001
OVERSPENDING

Treasurer's Report: Philip presented the comparative balance sheet and the comparative income statements. A significant increase was the cost of wages for the harvesting crew - an increase of \$5,114 due to using the crew for maintaining and refurbishing equipment to sell. Obviously payroll taxes increased also. This also resulted in an increase of \$5,057 for repairs and maintenance.

Harvesting Operations was over budget by \$19,822. Weed Spraying costs in 2001 was under budget by \$4,417. Bog removal was also under by \$9,164 as the 2001 season ended earlier due to equipment problems. Total operating expenses for 2001 were \$84,800 resulting in an overage of \$6,375. The deficit for operating expenses was \$10,073 which came out of the contingency fund, leaving a balance of \$4,466 in that fund for future periods such as 2002. A member found an error in the assets of the 2000 balance sheet. **Bernie and Gordon - I could not hear the numbers, so please edit the above statements.** Motion was made to approve the treasurer's report with correction made as noted and a general mailing will be made of the corrected statement. Motion seconded and approved.

Tangney recognized Philip for the great job he is doing on keeping the financial records and doing the payroll gratis. In the past we paid an outside firm \$1,800 for this service. A round of applause followed.

Motion was entertained by Tangney to approve the minutes of the 2001 Annual Meeting which were included in the August newsletter. There being no corrections or additions, motion seconded and approved.

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The two candidates for election to the Board, Gordon Philip and Doug Goodrich, were introduced to the membership. Each made a brief presentation as to why they felt they were qualified to serve on the Board. The person who gets the most votes will get the 3-yr. term and the other will get the 1-yr. term. Ballots were passed out and election results will be announced later in the meeting.

Tangney requested all homeowners post their house numbers on the lakeside. It will make identifying property easier and help if assistance is needed in an emergency situation.

Committee Reports

Chemical Treatment: Marvin stated he is not at all happy with the weed situation. The District has spent more time and money this year than either of the last two years. He went out again yesterday and is dismayed at the amount of weeds. Many places have been treated three and four times. The prolific amount of weeds is due to the mild winter and the heat this summer. Next year they will begin treatment earlier, but they do have to wait until the water temperature is at least 60 degrees. In August they used a dry chemical which is supposed to last longer. He mentioned the DNR has to approve the areas to be treated prior to the first chemical treatment of the year.

He also advised property owners they should not water their lawns or gardens from the lakes for two weeks after the weeds have been treated or they may be damaged. It is safe to drink the water, swim, etc. right after treatment.

Harvesting and Equipment: Schmitz said he and Marvin work together to try and control the weeds. Marvin's job is to kill all the weeds from the shoreline to the piers. Schmitz's job is to keep weeds down from the end of the piers to the buoy lines and keep traffic lanes open and weeds down below the boat props, which creates the floaters. He thanked Philips for keeping him in line with the budget and Tangney pitches in wherever needed. He went onto explain why they are over budget. One of the reasons is due to the hours spent on Saturday mornings picking up weeds from the ends of piers. This cost approximately \$2,400. He feels this is a service required by the homeowners. They also continue to use the transport on the lake for efficiency. They harvest weeds on one side of the lake and unload them onto the transport; the transport goes over to shore where they unload them onto the trailer. His goal is to eliminate the transport. Working with the Town of Richmond in obtaining an access point that is owned by the Town could do this. The transport unit is only used approximately 20 min. of every hour and we pay an employee for all this time. This would eliminate approximately \$5,000 in expenses.

Another increase in labor expenses was due to starting a little earlier. This year we began one week early to get the lake ready for the holiday weekend. Last year we did not start till the first week in June. This year they are just finishing up harvesting now. Tonnage presently being reviewed is about half of what it was 3 weeks ago. Schmitz is not happy with the floaters this year. They have been making as high as 61 piers on Saturday mornings. Last weekend there were so many stops, they filled the transporter with about 8 tons of weeds. This is a problem for homeowners and the crew. One way to get around this could be the purchase of a piece of equipment, which is not a weed harvester, but a weed cutter. A weed harvester cannot go close to shore; it could become damaged due to shallow water or objects in the water. This machine is a cutter only, a cutter-rake combination or a rake only. It would cost approximately \$12,500 and it appears we could get half of this back from DNR grant money. It would cost about \$5,000 a year for an employee to operate and approximately \$400-500 for fuel bringing the cost for purchase and operation (for one year) to about \$12,000. The rake would go in and pick up the weeds at the shoreline and drag them out into the lake. It would work in conjunction with the harvester. The harvester would come by and pick up the weeds. This machine can sit in as little as 10 inches of water because nothing is loaded onto the machine. **The lift area is 10 ft. wide. (Is this the correct term)**

A question from the floor was why more of Rice Lake is not harvested. The reply was that this specific area is State land and the goal is to remove weeds adjacent to residential property. Rice Lake was only harvested once this year. It was scheduled another time, but conflicted with the chemical treatment. Since Tangney lives on Rice Lake, Schmitz relies on him to advise when harvesting is required. Schmitz said homeowners also can contact him if they feel harvesting is needed.

Schmitz reviewed the harvest log, which showed this year they have harvested 889 tons YTD. In the year 2001 only 441 tons were harvested. Weeds this year are growing to a depth of 8 to 10 ft. deep. Harvesting is not done in these areas. Boats also create many floaters.

Schmitz went on to explain progress on bog removal. In 2001 the crew worked 93 hrs. and removed almost 510 tons or a total of 866 yards. The harvester holds 10 yards per load at a cost of \$50 a hr. This includes fuel and labor costs. This year they have worked only a piece of bog which had broken off and floated to a homeowner's pier. It took 5 hrs. and 1.5 loads. They plan on starting on bog removal August 26th full time with the large harvester while keeping the small harvester on weed harvesting until harvesting is finished. They have the potential to work on the bog 5 days per week @ 10 hr. days removing 10 loads per day, which will be 11,225 square feet per week. He would like to have two people work overtime - paying them \$12 per hr. as opposed to \$8 per hr. If we were to go to an outside firm, they would charge \$35 hr. for one person. In his opinion we should use our people and stretch the day out.

Schmitz then entertained questions from the floor. One being how would our use of the Richmond lake access affect homeowners property and wouldn't it increase boat traffic by our improving this landing. Schmitz said there is not a lot of parking space near the site, so he didn't think that many outside boats would use it. Schmitz thought that from a legal standpoint we are a municipal entity. He believes we could have the right to use this access as a municipal entity and prevent the public from using it. He also said that right now the land is being used by private citizens who have boats and piers out there. A property owner said he is afraid it will become a much-used public access and will lower neighbors' property values. Schmitz replied does the District want to spend an unnecessary \$15,000 a year or should we pursue the access?

In answer to a question Philip said to proceed with Phase II we have to submit a new permit to the DNR and because we will be removing a lot more material, we have to do an environmental assessment. In the past we have used ~~Arn~~ Associates who formerly were with the DNR and have a good relationship with them. This time Tom Ganfield, Bog Committee member is going to do the application and environmental assessment ~~forms~~ at no charge. He also has quite a bit of experience with the DNR. Philip thinks this application will proceed faster than the Phase I permit approval. In Philips estimation, we do have the DNR's support behind us. A number of people confronted with the bog issue are concerned with property values. He stated a prospective buyer was interested in purchasing property on East Lake Shore Drive. They contacted the DNR and asked what is being done with the bog situation and what will happen in the future. The DNR's response was they are very supportive of what the Lake Management District was doing and felt we are on the right track in removing and dealing with the bog situation. We cannot submit the application until Phase I is complete.

AND WE'VE ~~NOT~~ ^{ALREADY} ~~STARTED~~ ^{BEEN} TO COMPLETE PHASE I ~~WOULD~~ ^{COULD} HAVE BEEN VERY

He does not feel we are a year behind on the removal. Last fall ~~was very ambitious~~ (?) because it was brand new to us ~~and we never really got started~~. If we don't complete Phase I by October of this year, we will be behind. If progress does not proceed satisfactorily, it can always be an option to approve a special assessment to get it done in one year using an outside firm which would be more aggressive. After Phase I is completed and we have the permits for Phase II we will at that point in time determine how Phase II be removed. Are we going to do it with our equipment on a piece meal basis or are we to look for a contractor, which will be more dollars and require an assessment? It would be more practical to address this issue at next year's meeting. Ganfield stated it usually takes 6-9 months to receive DNR approval for permits. If we apply in late fall, we should have the permit by August 2003 and cannot start removal until the bog comes up, which usually is in late August.

A member stated he feels the 7 ft. harvester could come in close to shore (and has in the past) to remove his extensive amount of weeds. Schmitz agreed, but if he does it for one person, he will have to do it for all. He agrees and sympathizes with the homeowner. This is one of the reasons he would like to purchase the weed cutter/rake previously discussed. He said there was an article recently that the weeds are getting worse and this is the worst year in 25 years. The same owner said he doesn't think they run the harvester blades deep enough. Schmitz replied they lower the sickle bar until they churn up mud. When mud is churned up it means they are too deep. The maximum depth is 5 ft. for the sickle bar.

Motions:

1 - Motion was made to modify the budget to allow purchase of the cutter/rake upon approval as proposed. The money would come from equipment reserve. Question asked if Schmitz had looked at other options. He replied he had looked into the purchase of a pontoon boat and fitting it with paddle wheels. Estimates were about \$25,000. He will request a demo for the Board to observe it in operation before purchase. Motion seconded, vote unanimous to approve.

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2 – Motion presented to modify the budget to increase \$4,000 for operation of above piece of equipment. Seconded, unanimously approved.

3 – Motion made to modify budget to include \$2,500 for Saturday morning pick up. Seconded, unanimously approved.

4 – Motion made to modify budget to include \$10,000 for equipment reserve. We have not been building an equipment reserve. Seconded, unanimously approved.

5 – Motion made to modify budget to increase bog removal budget to \$15,000 (\$5,000 increase). Motion seconded, majority carried, approved.

Tangney read the results of vote tally – Gordon Philip 3-year term, Doug Goodrich 1-year term.

Fish Stocking: Ponyicsanyi has been working with the DNR and we will have fish planted. Survey needs to be taken on Rice Lake to determine amount.

A member questioned whether we could charge user fees for boat launching. Philip replied he has questioned WAL and they are exploring user fees and he will follow up. He agrees user fees would be very useful. Schmitz said some lakes have instituted user fees and found the DNR stepped in and said you have to provide parking etc. If you don't listen to them, they will take away other monies like fish stocking, etc. Schmitz then suggested members could form a committee and take on the responsibility to investigate the possibility of charging fees. The Board is stretched thin with the new and existing assignments. Another member suggested we contact the townships to hear their experience with user fees and their relationship with the DNR

Motion:

6 - Motion presented to approve a Board member working on the harvesting crew, to be compensated for his time. This would be done on a short-term basis only in order to keep the work going. The by-laws will be amended to state accordingly in the future. Motion seconded, unanimously approved.

Boundary Line: Tangney said he was proposing to change the existing boundary lines. The purpose was to expand the District and incorporate the homeowners that enjoy the lake benefits on a regular basis and do not pay any dollars to the Lake District. Agricultural land would be exempt. A member inquired if the purpose was to include more non-waterfront owners. He said this would result in vastly different interests in how we run the lake. Off-water owners could overtake the district and the on-water owners become a minority. For example, off-water owners would not be interested in purchasing the cutter/rake which would benefit only on-lake owners, etc. The Board has to answer to the body and if many off-lake owners came to an annual meeting, on-lake owners could be out voted and we would lose control. This was a good point. Another member stated this was a big issue and membership was not notified this would be discussed. Tangney responded it was published in the May newsletter but not in the August issue. It had been published in the agenda in the local newspaper, which conformed to the by laws. A member then stated that many attendees of this meeting had already left and there were not that many people left to vote on such an important issue.

Another member stated the Board is doing their fiduciary responsibility by trying to hold the budget where it is, but a few more dollars on a tax bill is not such a big issue. Another member said the tax collected for the Lake District is almost lost on the total tax bill.

Motion:

7 – Motion made to table the pursuit of changing the boundary lines. Seconded, vote taken, majority ruled to table.

Old Business:

Dockominium issue – Bernie, I couldn't understand what you said about the Lake Geneva issue.

New Business:

A member inquired about the placement of the buoys. Tangney responded the township did not want to relinquish their responsibility. He suggested concerned members attend the town meeting. John Brunner of the Property Owners Association said he had spoken to Ron Fero and the association would supply reflecting tape to be placed on

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the buoys. Fero is receptive to their help. Marvin said he had called Fero this morning and requested buoys be placed to note the bog as this is a safety issue. Marvin suggested other members also call to state their concerns.

Motion:

7 – Motion made to amend budget from \$80,000 to increase budget to \$101,500 and the four increases are:

- \$4,000 wages and payroll taxes for operating the rake/cutter
- \$2,500 Saturday pick-up
- \$5,000 bog removal from \$10,000 to \$15,000
- \$10,000 added to equipment reserve fund

Motion seconded, approved unanimously.

101,500

The Saturday pick up will continue through the Labor Day weekend.

The 2003 Annual Meeting will be held on Saturday, August 23rd at 9:00 a.m. – same location.
There being no further business the meeting was adjourned at 12:10 p.m.

Respectfully submitted,

Rose Marie Berg
Clerk