

**Rock Koshkonong Lake District
Annual Meeting Minutes
Rock Koshkonong Lake District Board of Commissioners**

DRAFT UNTIL APPROVED BY 2017 ANNUAL MEETING

Date: July 30, 2016 - 9 AM
Location: Fort Atkinson High School Auditorium, Fort Atkinson, WI
Present: Brian Christianson, Ray Lunder, Steve Proud, Joan Heudepohl, Jim Bowers, Andy Walton, Al Sweeney
Guests: DNR Secretary Cathy Stepp
Russ Rassmussen - DNR Natural Resource Manager
William O'Connor - RKLD Legal Counsel, Wheeler, Van Sickle & Anderson
Arthur Harrington - Attorney, Godfrey & Kahn
Rob Montgomery - Montgomery Associates
Mitch Cagney, CPA - Summit Accounting

1. Call to Order - The meeting was called to order by Chairman Christianson at 9:13 A.M. The Chair apologized for the late start as we were awaiting the arrival of DNR Secretary Stepp. Chairman Christianson then stated that the agenda would be abbreviated so that we could give ample time for the special guests from the DNR. The Chair went on to explain that there would be no vote taken today on the water level issue, however, the RKLD Board would be meeting at the conclusion of the Annual Meeting and digesting the feedback heard from our constituents and then taking a vote. The Chair introduced the elected and appointed officials to the Board and then thanked all the volunteers who help organize and man the check in process. Chairman Christianson also thanked Tallgrass Restoration who provides the space to the Lake District for the quarterly meetings. The Chair also introduced the members of the RKLD Audit Committee as well as Mitch Cagney from Summit Accounting. Christianson also gave notice to Ryan Pederson and Henry Sautin from the Rock River Safety Patrol who were in attendance.
2. Meeting Notice and Agenda - The Chair confirmed that the meeting notice and agenda had been legally posted in the Edgerton and Milton weekly papers, Lake District web site and the town halls in the district as well as the CKSD Administrative building. Posters were also up in businesses around the lake and the meeting was included in the Annual Newsletter. The Chair then described the voting process for the meeting and that all voters had to hold up the yellow ballot card when approaching to speak at a microphone. A motion was made by Barb McGann and seconded by Phil Lennox to approve the agenda. The motion was carried by ballot vote.
3. Approval of 2015 Annual Meeting Minutes - The 2015 Annual Meeting minutes have been posted on the RKLD web site for some time. A motion was made by Tim Fixmer and seconded by Barb McGann to approved the 2015 meeting minutes and waive the reading of the meeting minutes. The motion carried by ballot vote.

4. Treasurers Report - The Chair then reiterated that we would have an abbreviated agenda today so that we could spend more time with DNR Secretary Stepp and he would not be giving his annual report of district activities. He then asked Treasurer Lunder gave his audit and treasurers report. Lunder started by also thanking the members of the Audit Committee and Mitch Cagney from Summit Accounting in Janesville. Lunder explained that Summit provides the District with a compilation report and income statement for the previous year. Summit also assists RKLD with the creation of the budget for the following fiscal year. Mitch then went on to explain the process that Summit. At this time Lunder reviewed the Income Statement that was included in the packet received by registrants.

5. Special presentation from Wisconsin Department of Natural Resources - At this time the Chair introduced Russ Rasmussen from the DNR who has been working on the project. Christianson noted that Rasmussen has been more willing to analyze the facts and data as they have been presented over the many years of litigation and has been a “breath of fresh air” for the Lake District residents. Christianson then introduced attorney’s Bill O’Connor and Art Harrington who have worked with the Lake District on the water level matter. Harrington then went on to give a brief historical view of where we started and where we are today in order to give a context of the important discussion that Co-counsel O’Connor will describe. Harrington went on to give the 13 years of history of the lake level request. Attorney O’Connor then went on to say that bodies of water that are affected by a dam and the law that governs this says the DNR has control and can establish maximum and minimum water levels. After going over the various concerns by the respected parties in this dispute, O’Connor noted that on July 1, 2016 DNR Secretary Stepp called together representatives of the Lake District and representatives of the hunting clubs and wetland association in to a meeting where Secretary Stepp and Russ Rasmussen described a compromised proposal they felt would address all of the interests the DNR is required to address in a way to be fair and reasonable and protect all of the interests. The proposal has 7 steps and includes a plan for the operation of the IndianFord dam. The second part of the proposal was that beginning in the spring of 2017 the DNR would evaluate the conditions of the wetlands around the lake. Step 3 allows the District to raise the summer water level until September 28 by 3 inches. O’Connor noted that the next couple of steps include that this level is from June 15th unless the wetland evaluation is not complete, then it would be July 1, 2017 for the first year. The DNR will continue to conduct evaluations of the wetland areas every 2 years after 2017 for a period of 10 years. After the spring 2019 evaluation by the DNR, the summer water level will be raised by an additional 2 inches. The one exception to the additional 2 inches would be if the wetland areas suffered “dramatic injury” the DNR could suspend the second water level increase. The DNR is also asking the Lake District to develop an agreement whereby the District and DNR develop a comprehensive plan whereby alternative methods would be identified to maintain navigation and protect wetlands against erosion.

At this time, Chairman Christianson described that discussions had escalated with the DNR around the conclusion of the 2015 Annual Meeting and as a result the District formed a Dam Sub-committee that was to act as a sounding board between the DNR and RKLD Board. The Dam Committee was comprised of the 3 officers of the RKLD, Chairman Christianson, Treasurer Lunder and Secretary Proud. Meetings were frequent and typically took place at O’Connor’s office in Madison. Christianson went on to say that since the process had taken a long time we wanted to hear from the electors and get their thoughts on the 5 inch water level increase that would take place in two phases. At this time, Chairman Christianson asked Secretary Proud to describe the process that the Dam Committee took to evaluate the proposed settlement. Proud reiterated that the Dam Committee had met several times in recent months to discuss the status of the DNR’s reconsideration of the District’s Water Level Proposal. Proud went on to say that on July 8th the Dam Committee voted **unanimously** to accept Secretary Stepp’s proposal. Proud then provided several factors leading to the Committee’s decision to accept the DNR Settlement Proposal.

Chairman Christianson then asked Russ Rasmussen to comment. Russ started out by thanking Chairman Christianson and commenting that while not all discussions have been rosy between him and Christianson that Christianson had been a staunch advocate of the District’s position during the process. Russ indicated that his research found that the first water level issue litigation was raised in 1917, almost 100 years ago and surfaced on a regular basis every 10-15 years. His and the department’s approach were to find a common ground and that was how the proposed settlement was crafted. Russ then described several thoughts of what can be accomplished in the plan. The plan will have to be re-visited and adapted with change.

Chairman Christianson then introduced DNR Secretary Cathy Stepp. She was greeted with a warm welcome from the audience. Secretary Stepp stated that she wanted to show her support to all that have been through so much on this matter. She went on to say that wouldn't it be great if we could use all the money that has been directed to the attorney's and put it toward a wonderful resource for all of Wisconsin. She then stated that she felt the proposed settlement was the best idea to move forward. Secretary Stepp indicated that she had a meeting in the next week with the other side and that she was going to be as firm with them as she is with the Lake District. She said she felt this was the best deal that the DNR could put together. She asked for the District's support.

At this time the floor was open to comments. Initial comments from the floor included concern about the credibility of government and the DNR...concern continued about the initial study and whether this was going to be a "benchmark study." Would this study be a way for DNR to "stop this in its tracks?" DNR Policy Advisor Rasmussen answered that this was going to be a benchmark where the DNR obtained a baseline that they could evaluate from that point. Rasmussen continued that current wetland law would be used for the evaluation. Law that has been in place since the 1990's. Rasmussen acknowledged that he understood that government and DNR were not trusted but what they are trying to do is set up a self-directed comprehensive lake management plan. Questioning continued to Rasmussen with the question of whether objective standards would be used and how would the DNR determine dramatic injury. Rasmussen answered that yes, objective standards would be used. Secretary Stepp then added that yes, there will definitely be definitions in place and that she (DNR) will use experts in the science in the field so that this is not emotionally driven but driven by the science and the facts. Secretary Stepp continued that she also realizes that the DNR has to build trust and she is asking RKLD and our constituents to work with her and the DNR.

Further comments from the audience centered if this is an objective study then why is the increase only 5 inches? If the wetlands are good at 3 and 5 inches, why not 7 inches? Rasmussen then explained why the 5 inches were chosen by the DNR. Rasmussen then added "why not try the 5 inches coupled with a comprehensive lake plan?" After a question from the audience if 5 inches was a cap, Rasmussen answered that this was dynamic systems and does not preclude the Lake District from requesting an increase of water levels at some time in the future. As further comments from the floor expressed concern about the comprehensive plan, Rasmussen said that this is not just a one-time plan. It will be a plan that will have to be adapted to changing conditions. It is intended to be a dynamic plan to change the dynamics of the system.

The next comment from the floor by Chuck Miller was an endorsement of the proposed settlement so that people can enjoy this lake. This was met by applause from the floor. Tim Fixmer then thanked everyone for the effort to get to this point and also added that this process has gone on far too long. Tim also expressed his concern about the subjective definition of severe adverse conditions. Tim asked when this would be defined and Russ answered that the subjective definition would not be an easy process and the first step is to get through this portion of the settlement. Russ then added that the DNR will draft a plan and submit the plan for comment. A target date would be to have the plan ready by March of 2017 prior to the 2017 growing season.

A Maple Beach resident asked why we were not granted the 7.2 inches. Attorney O'Connor stepped in to clarify the state Supreme Court ruling. The resident told the DNR "we deserve the 7.2 inches." A question was then asked if a wall could be built around the wetlands with a dam to raise and lower the water in the wetlands. Rasmussen answered that anything was possible. A question then came if the dam was capable of supporting an increased water level. District Hydrologist Rob Montgomery explained that yes the dam can support the water and also that the dam cannot make floods that occur from going away.

Another resident then asked why don't we make a plan that gets all of us to a point that make sense so that the Lake District does not have to go back and ask for increases in the water level. Russ Rasmussen answered by saying that this is what the plan is for...it allows for all aspects to be considered. Secretary Stepp then injected that the 10 year evaluation of the wetlands by the DNR allows for the opportunity to raise levels down the road if the study indicates no severe impacts to the wetlands.

At this time the Chair asked if a motion would be made from the floor to direct the Board to approve the proposed settlement. A question was asked from the audience if the taxpayers could review the settlement offer. Attorney O'Connor answered that the settlement proposal is deemed confidential. He added that the Lake District has disclosed the elements of the proposed settlement with the consent

of the DNR. A motion was made by Scott Hawkins and seconded by Frank Boucek to recommend to the Board to approve the proposed settlement by the DNR. Further discussion and support of the proposal then continued with comments from both sides. Secretary Stepp then made the comment that nothing precludes either party from further litigation down the road, however, you can minimize the possibility of litigation if you have a dynamic management plan that all sides are working towards together. The Chair called for a ballot vote and by an overwhelming majority including several wetland owners, the motion was approved to recommend that the RKLD Board approve the proposed settlement. As the Chair thanked Secretary Stepp and Russ Rassmussen for their attendance at the Annual Meeting, Russ added that the way we make this work is through a collaborative effort. The audience showed their appreciation to both with a loud ovation.

6. Presentation of the proposed 2016 Annual Budget - Treasurer Lunder presented the budget for fiscal year 2017. A copy of the budget was included in the annual newsletter and was also included in the packets handed out at the meeting. The budget calls for the special charge of \$45 for 2017. The Board moved to accept the budget for 2017 and was seconded by Steve Proud. A question had come up earlier in the meeting regarding the USGS charge in the budget. Treasurer Lunder explained that this for the gauging station that supplies the data that appears on the USGS web site. A change in the billing system by USGS explained the reason for the budgeting for USGS. Treasurer Lunder was asked why the \$5 increase in the special charge. He answered by saying that this is for other initiatives that may arise over the next year as we anticipate that the water level order will be finalized. Chairman Christianson also added that RKLD wants our experts to walk hand in hand with the DNR when the baseline wetlands evaluations are made and we will incur costs for that. Tim Keller asked a question about the \$5 increase and the Chair indicated that all monies are accounted for in the budget and that we are still going to have legal fees, engineering fees and hydrology costs. Tim also asked if buoys were in the budget and Commissioner Bowers answered that buoys have recently been ordered. Lighted buoys were ordered for the mouth of the river, for the "slow, no wake" area when the river exits the lake and buoys for the railroad bridge further down the river. Ray Oswald indicated his support for even increasing the special charge in future years to help support the special projects that will arise from the development of the comprehensive plan. This was met with applause from the audience. The Chair asked for a ballot vote to approve the 2017 budget. The motion carried by a ballot vote.
7. Election of Commissioners - The Chair indicated that there are 2 seats up for election and that both Joan Heudepohl and Ray Lunder have indicated their desire to run for re-election. Christianson noted that no other nominations had been received and asked if there were any nominations from the floor. A motion was by Susan Shearer and seconded by Bob Johnson to nominate Doug Shearer. The Chair asked Doug to take a microphone and introduce himself. Doug introduced himself and stated that he felt that since the water level issue was hopefully behind us that he would bring an open approach to the Board. The Chair then asked Joan and Ray for their comments which were provided by both. At this time the voting took place and ballots were collected by the Audit Committee. Results of the election: Ray Lunder received 97 votes, Joan Heudepohl received 93 votes, Doug Shearer 15 votes and one vote each for Dave Jackowski and Rick Perrsons. Ray and Joan were elected to a 3 year term.
8. The meeting was adjourned at 11:35 A.M.