Rock Koshkonong Lake District

Meeting Minutes

Rock Koshkonong Lake District Board of Commissioners

Date: December 19, 2013

Location: Tallgrass Restoration – 3129 E County Road N, Milton, WI

Present: Brian Christianson, Ray Lunder, Jim Bowers, Andy Walton, Steve Proud, Joan Huedepohl,

Absent: Mary Mawhinney

Guest: None

1. Call to Order – The meeting was called to order by Chairman Christianson at 6:01 P.M.

2. Meeting Notice and Agenda – The Chair confirmed that the meeting notice and agenda had been legally posted in three weekly newspapers, the Sanitary District and the web site. A motion was made by Steve Proud and seconded by Andy Walton to approve the agenda. The motion carried by a voice vote.

3. Approval of June 24th Special Meeting Minutes – The Chair noted that the June 24th meeting minutes included the Treasurer's Report and this is standard practice going forward. The chair noted an oversight in the agenda in that the Board did meet after the Annual Meeting strictly to elect officers for the coming year. The agenda was amended to include the approval of the meeting minutes/ election of officers from August 10th. A motion was made by Ray Lunder and seconded by Jim Bowers to approve the special meeting minutes from June 24th. The motion carried by a voice vote. A motion was made by Steve Proud and seconded by Jim Bowers to approve the meeting minutes/election of officers from August 10th. The motion was carried by a voice vote.

4. Treasurer's Report – Treasurer Lunder gave the Treasurer's report. A copy of the report is below.

Treasurers Report			
Meeting Date December 19, 2013			
Previous Meeting Date June 6, 2013			
Section I, Operations Checking			
	Deposits	**Charges**	**Total**
Beginning Checking Account, May 31, 2013 (7761)			**$83,489.30**
Monthly Activity			
June	$299.00	$3,059.32	
July	$0.00	$19,650.15	
August	$172.35	$1,859.70	
September	$93,284.40	$38,625.71	
October	$742.30	$62,303.48	
November	$152.40	$873.40	
Totals from statements	**$94,650.45**	**$126,371.76**	**-$31,721.31**
Checking Balance, Nov 30, 2013 (7761)			**$51,767.99**
Section II, Operations Savings			
	Deposits	**Charges**	**Total**
Beginning Interest Savings Acct May 31, 2013 (4680)			**$4,927.04**
June	$0.20	$15.00	
July	$0.21	$15.00	
August	$0.21	$15.00	
September	$25,000.95	$0.00	
October	$1.27	$0.00	
November	$1.23	$0.00	
Totals from statements	**$25,004.07**	**$45.00**	**$24,959.07**
Savings Balance Nov 30, 2013			**$29,886.11**
Total of checking and Savings Nov 30, 2013 (4680)			**$81,654.10**

Section III, Dam Savings Transactional			
	Deposits	**Charges**	**Total**
Dam Savings Account Balance May 31, 2013 held at M&I Bank (2293)			**$70,154.05**
June	$5.77	$0.00	
July	$5.96	$0.00	
August	$5.96	$0.00	
September	$5.77	$0.00	
October	$5.96	$0.00	
November	$5.77	$0.00	
Totals from statements	$35.19	$0.00	$35.19
Total of Segregated Dam Fund Nov 30, 2013 held at M&I Bank (2293)			**$70,189.24**
Section IV, Dam Savings MM M&I Bank			
	Deposits	**Charges**	**Total**
Dam Savings MM1 Account Balance May 31, 2013 held at M&I Bank (2407)			**$354,675.62**
June	$29.15	$0.00	
July	$30.13	$0.00	
August	$30.13	$0.00	
Septermber	$29.16	$0.00	
October	$30.13	$0.00	
November	$29.16	$0.00	
Totals from statements	$177.86	$0.00	$177.86
Total of Segregated Dam Fund Nov 30, 2013 held at M&I Bank (2407)			**$354,853.48**

Section V, Dam Savings MM M&I FSB			
	Deposits	Charges	Total
Dam Savings MM2 Account Balance May 31, 2013 held at M&I Bank FSB (9826)			**$243,700.70**
June	$20.03	$0.00	
July	$20.70	$0.00	
August	$20.70	$0.00	
September	$20.04	$0.00	
October	$20.71	$0.00	
November	$20.04	$0.00	
Totals from statements	$122.22	$0.00	$122.22
Total of Segregated Dam Fund Nov 30, 2013 held at M&I Bank FSB (9826)			**$243,822.92**
Total all Segregated Dam Fund Nov 30, 2013 from all locations			**$668,865.64**
Section VI, Lake Improvement M&I			
	Deposits	Charges	Total
Segregated Lake Improvement Fund Savings Account Balance May 31, 2013 held at M&I (9295)			**$50,342.15**
June	$4.14	$0.00	
July	$4.28	$0.00	
August	$4.28	$0.00	
September	$4.14	$0.00	
October	$4.28	$0.00	
November	$4.14	$0.00	
Totals from statements	$25.26	$0.00	$25.26
Total of Segregated Lake Improvement Fund Nov 30, 2013 held at M&I			**$50,367.41**
Section VII, Grand Total All Funds			
Total of All Funds, Nov 30, 2013			**$800,887.15**

5. Old Business –

- Status of Dredge Project – Chairman Christianson noted the DNR grant had been received. A copy of the final close out letter from the USACOE was reviewed by the Board. In reviewing the expenditures made by the USACOE and the WI DNR, the Chair noted that the Lake District needs Montgomery Associates to document all of the steps in order for the Lake District to receive the $100,000 check from the WI DNR. A copy of the letter will be posted on the Lake District web site. While there will still be costs incurred regarding the replacement of the carp gate in the spring and possible incidentals from Tallgrass for monitoring that the DNR requires for the re-vegetated native grass. Tallgrass will be monitoring how the grass is growing and potentially more seeding. We are required to monitor this by the WI DNR for 2 years and if we do have a big flood and this washes away the seed, we are required to replant.

- Town of Sumner North Shore Road Dispute – The Town of Sumner sent letters to the Lake District and Badgerland Excavating providing notice of claim. The Town of Sumner is pursuing our contractor Badgerland and they filed a motion with the Jefferson County Circuit Court saying that Badgerland did not reply within a certain time period so they are requesting a default judgment. The Lake District has entered into a joint defense agreement with Badgerland Excavating where we will cover the legal fees to contest the claim against Badgerland. The motion that the Town of Sumner filed was a misinterpretation of the statues and they were already forced to withdraw the motion. According to counsel, it is felt that this will not sit well with Jefferson County. A hearing as scheduled after the New Year. If our legal team prevails in that hearing the Chair felt that if other counsel came to the table to negotiate a settlement the Lake District Board should be open minded to the request in an effort to be good neighbors. Commissioner Bowers asked if Town of Sumner had ever responded to our offer of $2,500 to cover road repair. Town of Sumner never came to RKLD with a counter offer. Town of Fulton Appointee Walton asked if we had any estimate of best case scenario of the legal cost to the District. This is estimated to be between $5,000 & $10,000. Chairman Christianson noted that we can't negotiate with ourselves and the Lake District had offered $2,500 as a good will gesture expecting to get some type of feedback. It was also noted that Town of Koshkonong completely signed off on the project and North Shore road also goes through Town of Koshkonong before it goes to Town of Sumner. Commissioner Bowers also noted the Town of Sumner had marked many areas of the outbound area where the trucks were traveling empty.

- Town of Albion Financial Audit – Attorney firm Axley Brynelson continues to stir up an issue that does not exist by claiming that the Lake District is in violation of open meeting public records request. They have sent letters to the District Attorney in Rock, Jefferson and

Dane county as well as the state Attorney General. The Lake District has not heard anything from the County DA's. The Chair has spoken with the Attorney General's office and reminded them of the State Statutes Chapter 33.30 Annual Meeting of the District. This is what empowers the Lake District to apply a special charge or a mill rate. While the District could raise more money with a mill rate application, it was decided in 1999 to apply a special charge as opposed to a mill rate. Statue 33.30 outlines not only the power to apply a mill rate or special charge it also outlines how we have to report our budget and expenditures at the Annual Meeting. The Chair reviewed copies of a letter from Town of Fulton Legal Counsel Mark Schroeder to the Town of Fulton Town Chairman Evan Sayre saying that budgets and audits needed to include 6 points that he outlined. The points that Mr. Schroeder outlined are exactly how we report our Treasurer's report and budget at the Annual Meeting. The Chair then noted that our opinion was that the Town of Fulton legal counsel confirmed that the Lake District is in full compliance regarding reporting of the budget. The Chair also thanked Andy Walton and the Town of Fulton for his efforts on the town level and for the recent letter from the Town of Fulton to the Attorney General stating that they were not part of this open records public meeting accusations. Andy then stated the he and others on the Town of Fulton Board took offense to the wording of the original letter from Axley Brynelson that made it sound as if the Town of Fulton was part of the continuing dispute.

6. New Business –

- Appoint RKLD Audit Committee Members – Chairman Christianson then discussed the potential of creating a special audit committee. This was initially brought up at the Annual Meeting. The Lake District feels that going the extra step to form an audit committee of electors that are not members of the board makes good sense. The Chair read the job description of the audit committee members. The Audit Committee will be comprised of 3 members from the general public not serving on the RKLD Board of Commissioners, the RKLD Treasurer and a representative from the accounting firm. Requirements are the 3 public members must be electors of the RKLD and the accounting firm's representative must be a CPA. The 3 members of the public will be chosen by the RKLD Board of Chairman and confirmed by a majority vote of the RKLD Board of Commissioners.

  The Board then discussed the responsibilities as well as the length of term of the audit committee members. The Chair went on to say that the job of the committee is to review the expenditures and with District's Accountant and Treasurer to confirm that the monies are being spent in

the categories where we say they are being spent. We are not looking for them to write a budget but to validate the District's expenditures. It is expected that the committee would meet 2-3 times per year with one of the meeting's to include the Lake District's legal counsel. The Board discussed a couple of potential members. The Board felt that it would ideal if we could get the members to serve 3 year terms starting January 1 of the fiscal year. It was agreed that the length of service would be added to the job description. Commissioner Huedepohl made a motion to approve the draft of the audit committee job description that was seconded by Andy Walton and carried by a voice vote.

- State Supreme Court Decision – As discussed at the Annual Meeting the Water Level hearing was remanded back to Rock County Circuit Court by the State Supreme Court. There was a hearing in Rock County on Tuesday, December 17, 2013 before Judge Dillon. Legal teams representing the RKLD, Wetlands Association and the Wisconsin DNR were present. Judge Dillon announced that he would recuse himself from hearing this case again if any of the parties objected to his participation. The parties involved could not reach an agreement so Judge Dillon said he would schedule a hearing in early January. The Lake District anticipates that Buck Sweeney representing the Wetlands Association will ask Judge Dillon to recuse himself. It is not because anyone has a problem with Judge Dillon. It seems to be the other side's strategy to keep stretching these timelines out longer and longer in the hope that the Lake District will grow fatigued or tired of the financial resources being spent on legal fees. We have submitted our motions that would have Rock County Circuit Court remand the case back to the Department of Natural Resources (DNR).

7. Public Participation – With the exception of the Edgerton Reporter, there were no other attendees.

8. Meeting Adjournment – A motion was made by Andy Walton and seconded by Brian Christianson that was carried by a voice vote. The meeting adjourned at 7:04 P.M.