

Rock Koshkonong Lake District
Meeting Minutes
Rock Koshkonong Lake District Board of Commissioners
AMENDED On 6-6-13

Date: May 16, 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: Rob Montgomery - Montgomery Associates

1. The meeting was called to order by Chairman Christianson at 6:03 P.M.
2. Meeting notice and agenda - The Chair confirmed that the meeting notice and agenda had been legally posted on the RKLD web site prior to the meeting along with CKSD, Milton Courier and Edgerton Reporter and the five townships within the Lake District. A motion to approve the notice and agenda was made by Andy Walton, seconded by Jim Bowers and was carried by a voice vote. The Chairman also asked if the Board could move the appointment of the new Commissioner and Board Secretary ahead of the Treasurer's Report. The Board had no problem with this.
3. Appoint/Confirm New Board Commissioner Approval - The Chairman explained that the last RKLD Board meeting was January 10th of this year. State statutes require the Lake District to have quarterly meetings. The Lake District is well within the state statutes. The Chair went on to explain that at the January meeting the Board was charged with finding a new Board member to fill a Board vacancy. The Chairman introduced Joan Huedepohl and asked her to say a few words. Joan and her husband have lived on the lake in the Town of Sumner since 2004 and have owned the property since 2000. At this time the Chairman stepped back from voting to approve Joan as the new Commissioner and directed his attention to the approval of the January 10th Board Meeting Minutes. A motion was made to accept these minutes by Andy Walton and seconded by Jim Bowers. By a voice vote the motion was approved. Back to the appointment of Joan, the chairman explained that Joan will fill the balance of the term for the vacancy and will be required to run for election at the Annual Meeting. The Board had no further questions of her and Ray Lunder made a motion to accept Joan that was seconded by Chairman Christianson. The motion was carried by a voice vote and Joan was welcomed and congratulated by the entire Board.

4. Elect new Board Secretary – Due to the vacancy on the Board, the Secretary’s position needed to be filled. The Chairman made a motion to name Steve Proud to fill the vacancy seconded by Ray Lunder. This was carried by a voice vote and Steve was formally named to the position.

5. Lake District – Indianford Powerhouse Insurance Coverage – Chairman Christianson introduced Mike Zagrodnik from Baer Insurance Services in Madison. The insurance for both the Board and the Powerhouse has come due and our premiums jumped dramatically. This prompted the Board to seek an alternative carrier. Baer has an exclusive contract with the League of Wisconsin Municipalities Insurance Company. The company writes policies for public entities. Mike went on to detail the coverage of the new policy, comparing to the old policy. They write a single policy that combines all the coverage in one policy. The new policy does not have any “aggregate” limits or caps, thereby making the new policy more appealing. Additionally, the new policy was approximately \$1,100 less expensive than the current renewal policy. The board has an independent contractor who does work down at the dam for the Lake District. It was recommended that the Board obtain a copy of his policy. The Chair stated that he has already asked for a copy of the independent contractor’s certificate of coverage. Commissioner Lunder asked Mike about a workers compensation policy. While the Board does not “W-2” any employees it has been advised that we should carry such a policy. This was not in the proposal submitted by Baer and would cost an additional \$900 per year. Mike stated there are rebate possibilities on the workers compensation policy if no claims are made. After further discussion, a motion was made by Jim Bowers, seconded by Ray Lunder to accept the Baer policy with the workers compensation addition for a yearly total of \$3,900. The motion was carried by a voice vote and the new policy was approved.

6. Public Participation – In order to accommodate Bryan Meyer, the Town of Milton board chair, Chairman Christianson asked if we could move the public participation portion of the meeting to be next on the agenda. Bryan stated that he elected to attend the meeting because of the Town of Albion being placed on the agenda. Chairman Christianson stated that he emailed the Town of Albion telling them that there had been a portion of the agenda devoted to their request. Mr. Meyer indicated that he checked with the Town of Albion and was told that no one would attend for which he stated he was disappointed. Mr. Meyer went on to say that he was at the meeting to get a better understanding of the financials of the Lake District. Mr. Meyer said there had been some discussion among towns in general about understanding more about the Lake District and its financials. Mr. Meyer said that all he had seen was a treasurer’s report that he thought was a very good treasurer’s report but it was not an audit and doesn’t explain or help explain in greater detail on how the Lake District functions. **The Chair indicated to Bryan that the way the Lake District financials are reported fulfills all state statutes** on how they need to be reported. State Statutes describe how the financials are to be reported and the financials are reported in the yearly newsletter that is mailed the all district residents. The Chairman also stated that financials are reported at every board

meeting. Chairman Christianson went on to say that back in 2004/2005 a motion was made and carried at the annual meeting that any transactions over \$10,000 had to have its own category on the budget. The Board has done that every year since that motion was carried. Chairman Christianson went on to say that expenses are gone into detail at the annual meeting as that is the only place to do so where electors can make comments and a motion to amend the budget or the special charge. Mr. Meyer then stated that he had read the annual reports and minutes as well as the annual newsletter and was impressed. He then asked if we do an audit. The Chair stated that Summit Accounting in Janesville does an annual audit that conforms to state statutes. State Statutes do not require a "deep dive audit." Mr. Meyer then stated that the audits look like a treasurer's report and the Chairman said that is what it is. Mr. Meyer then went on to say that the Lake District does not appear to be transparent to which the Chair took great issue. The Lake District takes all of the information to the Annual Meeting and goes over it as much as people want to listen. It is presented in a Power Point and the residents are asked if they want to support the projects. The Chair went on to say that that District had been asked about a "deep-dive" audit in the past, but with the other costs of the district, the electors did not want a special charge to pay for a "deep dive" audit. Chairman Christianson went on to say that since 04-05 there have not been any alarms that would justify the expense of a major audit. The Chair went on to say that with the conclusion of the water level hearings that monies would be freed up for such an audit if the electors wished us to do so. Mr. Meyer stated that he had not asked the Lake District for an official audit but what he had seen on the Lake District web-site did not comprise an audit. The Chair then explained to Mr. Meyer that what he sees on the web site is an audit as is defined for Lake Districts in the state statutes. Further discussion was made regarding the letter sent from a legal firm representing the Town of Albion and specifically Bob Venske, the same law firm that has fought the Lake District tooth and nail over the water level dispute. Both Mr. Meyer and the Chairman expressed their displeasure that Mr. Venske could not attend this meeting. Due to other obligations, Mr. Meyer had to leave the meeting. He was thanked by Chairman Christianson for attending the meeting and the Chairman also offered to attend any Town of Milton meetings to further explain the Lake District. After Mr. Meyer's departure, Andy Walton, the Town of Fulton appointee to the board and Frank Micale, a representative from the Town of Sumner spoke that their respective Boards have not taken any action regarding questions of the Lake District financials as was reported in the May 15th Edgerton Reporter.

7. Approve WI DNR Dam Inspection – The District has an obligation with the State DNR regarding low hazard dams that they be inspected every 10 years. The last inspection was made by the DNR after the work was done as a requirement of transferring ownership of the dam to RKLK in 2003. The guts of the inspection are to determine whether or not there is a safety issue at the dam. The main issue being structure defects. The clogging of the trash racks is an obligational issue we can add on to the dam inspection even though this is more of a safety issue. A proposal from Montgomery Associates to inspect the dam in July or August or when water level issues permit such an inspection was presented to

the Board. The idea is to have a report to the state by the end of the year. Montgomery would like to present the state with the report and any action plan that needs to be considered. The Chairman noted that residents comment on the low water flow through the trash racks and how that needs to be corrected. A motion was made by Ray Lunder, seconded by Steve Proud to go forward with the dam inspection. The motion was carried by a voice vote and the contract was signed with Montgomery Associates.

8. Old Business – Experimental Dredge – Badgerland did a good job and was successful in moving the dredge materials to the fill site. The dredge area was dredged within a tenth of a foot of the specifications. For the DNR grant to be completed we have to put together a document report. The remaining work is the seeding of the fill section creating a wetland area. Tallgrass has offered to do the work for just under \$5,000 representing what Montgomery Associates estimates would be a third of the cost if the project were let out for bid. Commissioner Walton commented that based on his experience this is a very good price. A formal document outlining the responsibilities for Tallgrass has been created and forwarded to them. Tallgrass has agreed to the installation and the 3 growing season maintenance. Upon approval from Tallgrass the documents would be presented to the Lake District for their signature. A project meeting would be held when the water levels permit.

Regarding the cost for the dredge project, costs have come in significantly lower than expected. Consultant costs were higher. The overall good news is the project is under budget and when the DNR grant is considered, it really looks good. We have a payment request from Badgerland regarding the 5% retainer that Rob recommended we hold until we know the full extent of the fill settlement, which should be by July or August.

The grant reimbursement from the DNR covers both construction and engineering costs. All of the grant documentation has been prepared and were prepared for submission to the DNR upon the signature of the Chairman. Chairman Christianson signed the appropriate documents. **This is a huge moment in the history of the RKLD and the DNR.**

State Supreme Court – No decision has been made.

9. New Business – Town of Sumner bond dispute. Snyder and Associates had prepared a before and after document for the Town of Sumner comparing road conditions. According to Snyder there were 13 potholes and 12 areas of cracking that need to be repaired. Commissioner Bowers toured the area with a representative from the Town of Sumner and asked for further information of the monies to be used for the road repair. That information is expected to be

forthcoming in the next week. The township is asking for \$18,000 for road repairs. Chairman Christianson stated that it is in the best interests of both parties to find common ground on this issue and keep it out of the courts. A motion was made by Jim Bowers and seconded by Steve Proud to pay Town of Sumner \$2,500 in a good faith effort to cover road repair costs. In a vote of the Board, there was one dissenting vote by Commissioner Walton who voiced his objection to the settlement amount of \$2,500 stating that he felt this amount was too low. The motion was carried by the Board.

10. Treasurer's Report - The report was given by Treasurer Ray Lunder. The balances are as follows:

Checking Account Balance as of 4/30/13	\$90,283.36
Savings Account Balance as of 4/30/13	<u>\$ 4,941.83</u>
Total of Checking & Savings as of 4/30/13	\$95,225.19
Total of Segregated Dam Fund accounts 4/30/13	\$668,453.63
Total of Segregated Lake Improvement 4/30/13	<u>\$ 50,337.87</u>
Grand Total of all Accounts	\$814,016.69

A motion to accept the report was made by Steve Proud and seconded by Andy Walton and was carried by a voice vote.

11. Public Participation - The item listed as Future Projects to Pursue/Fund was discussed by the board and Rob Montgomery. Rob felt there are many projects that could be addressed at the conclusion of the water level hearings. Chairman Christianson stated that he added this to the agenda to get the Board thinking about future projects and we could go in to further detail at the June Board meeting. Commissioner Bowers brought up lighted buoys and Commissioner Walton stated that at the recent Town of Fulton meeting that buoys were brought up but not discussed because it was not on the agenda. He did go on to say that the Fulton board members were concerned about the liability of any buoys. Jim Bowers made a motion to create a task force within the Board to further research the issues associated with installing buoys. The motion was seconded by Chairman Christianson for the sake of keeping discussion going on this topic. Frank Micale in the audience suggested that the Board make a grant to the Rock River Safety Patrol and let them deal with the nuances associated with the buoys. The author of the motion agreed to an amendment to the motion to have the Treasurer have a specific line item in the 2014 budget that will be presented to the Board at the June meeting. There were no objections

and it was agreed that the Treasurer would include \$2,000 to be given to the Rock River Safety Patrol for the installation of lighted buoys where they felt the buoys were needed for safety and navigation issues. This motion was carried by a voice vote.

12. Date of Annual Meeting – After discussion, August 10th was tentatively set for the Annual Meeting.

13. Motion to Adjourn – A motion was made by Ray Lunder and seconded by Steve Proud to adjourn the meeting. The motion carried by a voice vote. The meeting was adjourned at 8:14 P.M.