



**LAUDERDALE LAKES LAKE
MANAGEMENT DISTRICT
MINUTES of 8-13-16**

Meeting called to order by Chairman Mason, at 7:30 A.M.

A. Attendance:

Present: Chairman Scott Mason, Debbie Ferrari, Jack Sorenson, Don Sukala, Greg Wisniewski, Peter Van Kampen, and Rick Callaway were present.

B. Agenda:

The agenda was approved, on a Van Kampen / Sorenson motion and passed unanimously.

C. Minutes:

The minutes of July 9, 2016 were unanimously approved on a Callaway / Van Kampen motion.

D. Consider Allocation of Excess Cash to Offset 2017 Tax Levy and Fund Equipment Reserves:

Ferrari provided some background: after the budget planning meeting last month, she examined previous budgets and account balances. The District performed below budget for 2015, and projected to be below budget again in 2016. Two major items are the reason for the excess cash, and now the board should consider how to handle this. The leak in the lake last year was under budget (since no one knew what was going to be involved or how much it might cost at the time the budget was prepared). The WSP agreement with the Town has also changed. In the past, the WSP and the Town of LaGrange had a yearly agreement, therefore budgeting was always conservative in case the Town funding (or DNR funding) didn't come through. Now the WSP has an ongoing agreement with the Town, so the board can be more certain of that funding source.

The excess cash equals \$165,000, reflecting performance below budget in 2015 and in prior years.

Chamberlain and Henningfield has recommended that the district have operating reserves of about \$189,000 – the projected operating reserve balance for the end of the year is \$129,511. The district could add \$50,000 to the operating reserves to bring the account more in line with the accountants' recommendation.

In addition, the Aquatic Plant Management Capital Equipment Reserve could be increased by \$20,000. The current balance is \$39,189 with an addition budgeted for 2016

of \$4,300. The equipment is getting old, and is very expensive to fix. Replacing the diesel engine is about \$12,000. The pick-up truck is also aging, and has been in need of repairs in recent years. Budgeting for smaller increases to that reserve fund each year has paid off, since they have had the funds to repair the equipment. Given the age of the equipment, it would be good practice to increase that reserve fund for the eventuality that some of that equipment will need to be replaced or have significant repairs.

The Water Patrol similarly has a Capital Equipment Reserve, but this reserve has a current balance of only \$5,135 with an addition for 2016 budgeted at \$5,000. The district could increase that reserve to \$65,000 to have funds on hand for the repair of that equipment as well.

The final recommendation for use of the excess cash would be to reduce the tax levy for 2017 by \$40,000. The budget for 2017 is \$254,200, using the excess cash to reduce the tax levy would bring the levy down to \$214,200, resulting in about a 33% decrease in the 2017 from 2016.

Discussion:

Sorenson explained that a lot of that excess is from the leak in the lake fix that wasn't nearly as expensive as had been thought at the outset. He also noted that the dam failure analysis and inspection requirement is mandated by the DNR and will be ongoing. This analysis and inspection goes beyond our skill set and engineers have to be hired.

Ferrari noted that the WSP budget for 2017 has decreased as well since the District now has a long range agreement with the Town instead of an annual agreement. If the DNR funding dried up, we have an operating reserve that can cover that.

The operating reserve can cover expenses like dam engineering or WSP funding, the Capital Equipment Reserve funds can only be used for equipment.

The proposed use of \$165,000 excess cash passed unanimously on a Van Kampen / Wisniewski motion:

- \$50,000 to Operating Reserves
- \$20,000 to Aquatic Plant Management Equipment Reserves
- \$55,000 to Water Patrol Equipment Reserves
- \$40,000 to reduce the 2017 Tax Levy

E. Project Reports

Aquatic Plant Management: Wisniewski reported that we have passed 200 tons of plants harvested. We have had some equipment issues, but nothing too major. Mike is leaving for August, and Joe, the assistant crew chief, is going to fill in while Mike is gone.

A week or so ago, and again on Friday we had some bogs float up. They have tried to break them up / push them out of the way as much as possible. This is hard on the equipment. The WSP flagged them.

Wisniewski is investigating controlled dredging to give homeowners options to get muck and leaves out of lake. Three yards of material can be manually removed each year without a permit. He is hoping to talk to the DNR about the possibility of using mechanical help.

Clean Boats, Clean Water: Wisniewski reported that the program is still going.

Piers / Septic: Van Kampen reported that the pier program is going fine, and that the septic program is working exceptionally well. Last year, we started a program to classify each system on the lake.

One particular septic has been looked at by the County twice. It has a 200-gallon tank for a 2000 square foot house. They have an overflow pipe running onto the lawn, but the County hasn't seen it actively overflowing so they aren't willing to take any action. If we would like to take any action on this or other septic systems in the future, we are going to need more support from the County.

Commissioner Election: Board Secretary Sorenson reported that there have been two nomination forms properly filed for the annual meeting. Scott Mason and Richard Mikulecky will be on the ballot.

Dam: Sorenson reported that the contract for the dam modifications was approved last month. They are still working on an agreement with the Sterlingworth and the DNR. This agreement must be complete before the grant monies can be approved. We are moving in a positive direction, but moving slowly. Property owners on the embankment are willing to sign, but wanted a language change – we are waiting to hear from the DNR. The DNR thought that their request was reasonable, and Mike at the Sterlingworth is expecting to hear back from the DNR this week. The DNR requires that we have permission to walk on the Sterlingworth property that is considered part of the dam embankment, inspect it, and fix it if it breaks. The leadership at Sterlingworth has been great. We are trying to maintain water levels and make sure that we never have a Lake Delton issue here. Lake Beulah has a similar agreement – we have taken that agreement and simplified it immensely trying to appease those at the Sterlingworth who oppose it.

The bid for dam modification is valid until mid-August, Sorenson will look into extending the bid without having to rebid. We will postpone a year rather than lose the grant money if it comes to that.

The DNR had an issue with the rip rap along the Sterlingworth shoreline. LLLMD has agreed to do some minor repairs, but it has been too dry.

The DNR has approved our dam failure analysis and the hydraulic shadow line showing areas that would be impacted if the dam fails. Walworth County will have to impose appropriate zoning on that area.

Town of LaGrange: Sukala reported that the Town is getting a permit to dredge at the boat house, and are hoping to get that done in fall. Wisniewski and Van Kampen noted that they would like to see how they do the dredging.

At the recent Water Safety Committee meeting, Roger DuClos raised the issue discussed at last month's LLLMD Board meeting. The Town is going to tweak the language of the ordinance regarding one-way traffic around the bog on Don Jean Bay. John Macy will write the ordinance to make it clear that traffic in the entire bay is counter clockwise on weekends from the Saturday of Memorial Day weekend through Labor Day. Everyone on the lake should be notified in the February *Shorelines*.

The recommendation about jet propulsion devices will be considered at the Town level.

Grandfathering of properties for long-term rentals was denied. The County will be enforcing the ordinance, and we expect lawsuits.

Golf Course: LLCC is having a good year. We had a poor Spring, but Summer has been better. We are ahead of last year in rounds and revenue. The new fairway mower is working well. Our superintendent, Chris Duoss, left to pursue a job with the Postal Service. He would be welcome back anytime. Chris White has taken over the superintendent job again, and has some kids picking up the workload. Andi is helping him with some of the office work as he does both jobs.

Gravel is going to be added to the cart paths and we will look into the issues on the paths on hole #5.

Annual meeting: The District Dialogue is at the printer.

Water Safety Patrol: Ferrari reported that we have had one additional OWI since our last meeting for a total of 6 so far this year.

F. Treasurer's Report:

Ferrari reported on current account balances. Cash balances total \$268,248.33. Operating Reserves are \$168,843.13. Capital Reserves are \$127,931.13.

G. Other Business:

The next LLLMD Board meeting will be held September 10, 2016 at 8:00 a.m.

The meeting was adjourned at 8:35 a.m. on a Sorenson / Van Kampen motion which passed unanimously.

Respectfully submitted by Andrea White.