

**LAUDERDALE LAKES LAKE
MANAGEMENT DISTRICT
ANNUAL MEETING MINUTES
Of 9-4-10**

The Annual Meeting of the Lauderdale Lakes Lake Management District (“Lake District”) was called to order, by Chairman Mason, at the Lutherdale Camp Grounds Chapel, on September 4, 2010, at 10:12 A.M.

Chairman Scott Mason welcomed everyone and thanked Jeff Bluhm the Executive Director of Lutherdale for their continued support; he explained that we are here to protect and manage our Lake resource. He pointed out where the facilities and the exits were located within the building and he thanked Lutherdale for allowing us the use of the Chapel for our meetings since 1991. Chairman Mason asked that we respect those attendees who may have different opinions than the majority and that we all respect the Chapel. He also requested that anyone speaking should clearly identify themselves for the record before speaking.

Chairman Mason summarized that the Lake District Board has five elected Commissioners and two appointed Commissioners as representatives from Walworth County (“County”) and the Town of LaGrange (“Town”). Chairman Mason then introduced the Board: He introduced himself first, stating that he oversees the golf course and other miscellaneous projects. Commissioner Peter Van Kampen oversees the weed harvesting and many other special projects, Commissioner/Secretary Jack Sorenson oversees the outflow dam and handles the Lake District insurance, Commissioner Wally Yandel oversees the septic pumping program, Commissioner/Treasurer Nestor Dyhdalo, oversees the water safety patrol, maintains the Lake District’s data base, website and performs other volunteer functions, Commissioner Dorothy Burwell is the representative from the County and Commissioner Rick Callaway, the representative of the Town, was absent.

Chairman Mason stated that a minor change will take place from the published agenda in the order of the topics in that the environmental report will precede the Golf Course report.

A. Agenda: Chairman Mason asked for a motion to approve the agenda. Ron Secord moved and Don Henderson seconded a motion to accept the Agenda for the Lake District Annual Meeting of September 4, 2010. The Motion passed with a majority voice vote, with no opposition.

B. Minutes: Chairman Mason asked for a motion to dispense with the reading of the minutes of last year’s Annual Meeting and noted that they have been posted on our website. A motion was made by Jerry Petersen and seconded by Walker Johnson, to dispense with the reading of the minutes and to approve the minutes of the 2009 Lake District Annual Meeting, held on September 5, 2009. The motion passed by majority voice vote, with no opposition. (The Minutes were actually approved before the Agenda)

C. Commissioner Election: Chairman Mason stated that five of the Commissioners are elected, normally two per year. This year is the odd year with only one election and that is for his position. He asked that the vote start using the ballots distributed earlier to qualified voters.

D. Treasurer's Report: Nestor Dyhdalo began the Treasurers report by showing a slide of the Lake District property valuations annually since 1992. It showed an increase in 2009 of 4.94% over 2008. A second chart showed graphically the change in Lake District valuations since 1992. In 2009 the Lake Districts' assessed property valuations were \$701 million.

Nestor showed the pie chart of the breakdown in the Tax Levy paid in 2010. Nestor stated that the majority of the property taxes go to the Elkhorn schools, Walworth County and Gateway Technical School; these entities account for over 90% of our property taxes. The chart showed the Lake District with 2.8% and the Town with 3.4% of the levy. Therefore, the Lake District receives \$44.35 from each \$100,000 of assessed value. Nestor showed a slide which recapped the cash positions held by the Lake District. There is \$76,158 in a Money Market account and \$5,277 in a checking account at the First Citizens Bank of Whitewater. There are various reserve accounts held in the Wisconsin Investment Pool (for Municipalities only) totaling \$57,015, these are funds primarily used to replace and/or repair aging equipment. The Golf Course cash is held at F& M Bank of Elkhorn and totals \$53,458; for a total of \$191,910.17.

Nestor stated that we prefer to keep cash in local Wisconsin Banks in support of local businesses.

Nestor showed two slides comparing the outstanding loans between 8/31/07 and 8/31/10. On 8/31/07 the Lake District had a total outstanding loan balance of \$1,111,557 as compared to \$584,153 on 8/31/10. Nestor stated that we are on track to pay the remaining loans off in approximately five years.

Nestor reported that Chamberlain & Henningfield, a local accounting firm, has completed the 2009 Audit of the Lake District and that the report is available for review. If you wish to see the report please see Nestor after the meeting, the report will also be posted on the District website.

Nestor asked for questions. There was a question about the average market value of a home within our community. Nestor only has valuations given to us by the County, he stated he will try to find the answer and put it up on the web site.

E. Water Safety Report: Nestor gave a brief history of the Safety Patrol and its philosophy of focusing on education and providing services rather than issuing citations. He showed a chart showing the hours of patrol per year since the year 1990 and explained the joint efforts of the Town and the Lake District to operate the Water Patrol. He stated that the Patrols success factors include the following:

- The Water Patrol is focused upon service and education, not citations.
- The Water Patrol employs fully trained and certified law enforcement officers
- The Water Patrol strives for professionalism at all times
- The Water Patrol will follow-up on all inquiries

Nestor explained the basic joint operation of the Water Patrol; it was put into place in spring of 2006 with an agreement between the Town and the Lake District. The arrangement continues to work very well and saves the tax payers' money. The current roster includes 16 officers; 4 women and 12 men; all of whom are certified law enforcement officers in the State of Wisconsin. The Water Patrol patrols both the waters of Lauderdale Lake and Pleasant Lake as well as Pleasant Lake Park and the public launch ramps.

Nestor stated that five patrol boats for coverage for the Fourth of July weekend to increase the Patrol presence on the lake, as that weekend is one of the busiest in terms of boat traffic.

Nestor summarized the public launch ramp rules. He stated that parking is only for those launching a boat. There is no provision for public parking at any of the launch sites. There is a three dollar daily launch fee or a twenty dollar annual launch fee for transient boats. Lake property owners who dock their boat at their property should pay only at the time their boat is launched and not at removal.

Nestor stated that the patrol received a lot of calls during busy holiday weekends resulting from issues at the launch ramps. Therefore, we experimented with a new program to proactively station officers at the launch ramps on holiday weekends. This program was very successful and will be expanded. This allowed the patrol boat to continue patrolling on the lake waters without having to deal with issues at the launch ramps.

Nestor reviewed the citations for 2009, there were 1716 patrol hours, 608 contacts, 114 citations of which 33 citations were dismissed. He explained that some citations are "compliance citations" which can be corrected and then dismissed. There were three OWI's which resulted in eight citations. The net non-OWI citations were 73, Nestor stated that the Lake District patrol met the DNR citation metric in 2009 with the exact number of 114.

Nestor stated that the patrol is on duty seven days a week. They look out for renegade boats and will notify owners. Upon request they will tow inoperative boats. They will do PWC orientation training at the request of a Lake Resident or guest. The Water Patrol provides three DNR Water Safety Boating Classes.

For information, questions or concerns please contact the Water Patrol at 742-4300 or e-mail to info@lllmd.org Nestor then asked for any questions.

Floyd Pochowski commented that he had spent time on the lake with DNR officers over the fourth of July weekend and they were more concerned about young PWC drivers exceeding 60 miles per hour and driving within 200 feet of the shoreline, than they were the fishing licenses. Floyd stated that their feed back to him was that they feel this is a dangerous situation. We do have a speed limit ordinance. Nestor stated that those breaking laws are cited when the Patrol sees them. Nestor stated that if you see a boat breaking the law or being carelessly driven, please get the numbers from the boat and lodge a complaint.

Jerry Petersen complimented Nestor, Ken Blanke and the water patrol officers on the high quality of the Safety Courses which are taught at the lake. Jerry stated that his grandchildren have taken the course and he feels it was very well done compared to other classes he is aware of.

Roger Beck complimented the Lake District board's immediate reaction to his call about the bogs. He stated that he was concerned however, about the reaction by the Water Patrol of not marking them earlier, Nestor stated that they were not sure who to contact when the bogs first appeared and that we now have a process in place. We have prepared a presentation about the Bogs that will come under the environmental report.

Ken Ingle asked about the legality of private fireworks, Nestor stated that they are illegal in the Town. Ken stated that private fireworks shot from private piers late at night have been objectionable. Nestor said the water patrol can be called and a complaint lodged.

F. Golf Course Report: Chairman Mason stated that we did have a slight increase in our Greens Fees for the first time since 2004. He stated that it has resulted in a better financial position for the Golf Course and has not created any adverse effects. We are also working toward becoming certified in the Audubon Sanctuary Program for golf courses, which is an environmentally driven certification program. It includes mapping, procedures for managing manicured turf and non chemical management processes. Chairman Mason mentioned that it takes several years to achieve this certification and we are well on our way toward the goal.

Chairman Mason gave a historical recap of the initial purchase of the Golf Course. He stated that the vote of the Lake District in favor of purchasing the Golf Course was 385 in favor to 80 opposed. The vote also authorized financing for 20 years and supported a tax subsidy while the Golf Course in encumbered with a mortgage loan. The approval also mandated rezoning of all R-4 to Park zoning which blocked zoning for condo buildings on the property. The Golf Course was purchased in 1996 and for the years 1997 – 2004 was subsidized annually in the amount of \$60,000; from 2005 to present the subsidy is \$85,000 per year due to refinancing. He said that when the Golf Course was refinanced the total loan time was shortened to 18 years from 20years. Chairman Mason commented that the Golf Course has an annual loan payment of \$140,052 but the annual subsidy is only \$85,000; therefore the Golf Course is contributing \$55,052 annually from its operations to pay-off the debt. The Golf Course loan will be paid off in 2014. Chairman Mason then showed a chart depicting the annual rounds of play since 2001. It showed our play has generally been holding consistent since 2001 with no real extreme swings. He stated that golf is measured in rounds of play. This year, golf was down approximately 9% in Wisconsin while our rounds of play were down only 4% which is good relative to the industry.

Chairman Mason stated that we are discussing a project to show the history of the Golf Course. He is talking with Larry Meyer whose grandfather was Edward Ravenscroft and instrumental in the design of the course. The project envisions restoration of the water tower with a landmark, landscaping around the water tower. He stated that up lighting on the water tower may part of the plan.

Chairman Mason asked for questions: Floyd Pochowski stated that the Water Tower was a landmark and it is too bad that it is not in better shape. Floyd was happy that it will be restored.

G. Environmental Projects: Chairman Mason and Peter Van Kampen reported on various environmental projects overseen by the Lake District:

1. Wetlands Restoration: Chairman Mason stated that the Lake District has contracted to have the deteriorated bio logs at the Don Jean shore line restored and stabilized. He showed a slide of how the bio logs are placed at the shore line with a rock toe to prevent washout. We will then plant native plants. Over time they grow into the shore line, the plants are native sedges and will ultimately stabilize the shoreline.

2. Wetlands Management: We are working with the Kettle Moraine Land Trust to restore the wetland area south of the fourth fairway with native plants and to remove invasive species. This is part of the five year management plan which was developed by the KMLT. Chairman Mason also showed slides depicting the walk ways that have existed on the wetlands and a proposed board walk systems. The walkways will keep people off of the wetland while allowing ingress and egress over the site. Chairman Mason stated that we are in the variance process now seeking approval of the plan. Chairman Mason asked for questions. A gentleman stated that the first fairway was originally part of Lauderdale Heights and the Golf Course did not originally include the first fairway in its present location. He stated that land is available south of Don Jean Bay now to purchase that could help make it an 18 hole course. He asked if the board would consider an 18 hole course, with a nice clubhouse. Chairman Mason stated that we are currently focused upon paying off the existing loan first, but that he could come to one of our board meetings and we could discuss it.

3. Clean Boats Clean Water: Peter stated that Lauderdale is the second lake in the County to take on this program. Clean Boats Clean Water is a State of Wisconsin sponsored program designed to reduce and prevent the cross contamination and spread of dangerous invasive and destructive species and diseases from lake to lake. Floyd Pochowski became a Certified Educator and is assisted by Bob Wasco Jr. Peter stated they have been very instrumental in the implementation of this program and that we are very fortunate to have lifelong residents on the team. The Clean Boat Clean Water program includes the three public boat launches at Lauderdale Lake and the one at Pleasant Lake. The State Grant program will cover up to approximately 65% of the expenses, the Town covers approximately 15% of the balance from the launch fees and the Lake District budgets the remainder. Peter reported that observations of the spread of invasive species around the Lakes area have indicated a slow to minimal spread recently, which is very positive.

4. Geese Control: Peter stated that geese cannot fly during two to three weeks in June. During this time a collection process was implemented and all but three were captured and caged in a humane method. Some non-resident geese flocks have been visiting; they are not local geese so they leave during the day and are not observed on lawns. The resident geese captured from Lauderdale end up in food pantries for the poor. The goose program will continue in 2011, although oiling will not be implemented do to new state laws. Peter thanked the goose spotters Des Johnson, Pete Spalding and Hank Dovorak.

5. Lake Ordinance Inspector: Peter explained the effort underway is to first focus on new piers to assure compliance to both State and Town ordinances. We have been reviewing files collected by the Town in 2007. These files will be combined with digital copies of photos taken in 1999 and 2009 of the entire shoreline. The Lake

District and the Town are working together at developing and enforcing the pier regulations. This is an evolving program.

6. Bogs: Peter explained that this summer we have seen more “floating” bogs than in recent past years. He dove under water next to one and said that you could see it lifting off of the bottom of the lake. Peter reported that the warm water creates larger bubbles of gasses, which become trapped in the root formation from decades of decaying vegetation and slowly lift the bogs to the surface. The bogs have now been marked. Peter reported that flags are now carried in the Patrol Boats so that if a bog appears it can be marked more quickly. The weed harvesting equipment was used to move bogs out of dangerous locations. Peter stated that if you see an unmarked bog to call the Water Patrol.

H. Weed Harvesting Report: Peter stated that the purpose of the Weed Harvesting Program is to fight the takeover by invasive plants. The program also helps to maintain an environment for the “good” plants and animals. Other benefits include aiding boat navigation and swimming and helping to reduce the build-up of muck. Peter reported that there was a lower volume of weeds this year, less Milfoil in the lakes and a wide variety of good plants keeping the lakes healthy. Pete indicated that a recent report from the DNR and SEWRPAC indicated that we have more varieties of good plants in the lake today than the 23 varieties of good plants identified in the 1963 report. He stated that he has received a number of phone calls about a plant called “Arrowhead” which sticks out about six inches above the water level. It does not grow densely and does not inhibit boating. The weed harvester shallow cuts the plant at approximately 2 feet below the surface, that way it still provides marine functions and improves the look of the lake. Peter stated that the equipment is now 20 years old and being well maintained by the crew, however the motor has many hours and he is considering replacing the diesel engine using weed harvesting reserve funds. Lastly, Peter thanked Mike and the crew - Doug, Floyd, Bob and Jerry.

Jack announced that the ballots collected earlier in the meeting were counted and that Chairman Mason won the single seat up for election.

I. Outflow Dam Report: Jack Sorenson showed several pictures of the old culverts and a few pictures of the equipment, the large bladders used to coffer or dam the lake back and the installation of the new culverts. He thanked WE Energies who reacted very quickly to a conflict which unexpectedly arose from a four inch gas main during the construction of the new culverts. Jack briefly recapped a chart that compared the lake water elevation on one axis and time in days on the other axis. The chart showed that prior to the culvert replacement the time it took to drain the lake back to a reasonably normal water elevation, after a large storm event was approximately 16 to 18 days. There has been one large storm event since the replacement of the culverts, and when the water elevations are plotted on the chart it shows a steeper decline in the chart line than the earlier charted storms. A similar drop in water elevation seems to have been reduced to approximately 6 days. Observations indicate that the new culverts seem to be working well. Jack thanked the Town, Peter, Scott and the Johnsons for their help and cooperation.

J. Septic Pumping Report: Wally Yandel stated that as always, the septic systems are still flowing. Holding tanks are still holding and Otto Jacobs is our pumper. Wally reported that the drivers have had a difficult time finding some of the manholes on some homeowner properties. It takes extra time if they have to dig to access a manhole. He asked that if you get a note indicating a problem on your septic report to please have the problem corrected so that the septic system can be found quickly and properly serviced. Wally stated that Otto Jacobs Co. is completing section two (of three sections) this year. Wally further stated that Otto Jacobs is now handling the postcard inquiries from the County. Wally stated that reports of poor septic systems are forwarded to the County and that there have been no failures this past year.

K. Amendments to the Budget: Nestor stated that the proposed budget for 2011 has been published in the news paper and he would be reviewing them; however, he first asked if there were any adjustments or amendments to the budget, which was posted in the paper. There were no proposed adjustments or changes.

L. Approval of 2011 Budget & Tax Levy: Nestor showed a chart comparing last year's budget to this year's proposed budget. He reviewed the highlights and differences of the two budgets by line item. Nestor stated that the total budget proposed for 2011 is \$268,870 which, he was pleased to report, is a few dollars less than last year's budget. He asked for any questions.

Don Henderson discussed the leak which had occurred in Sterlingworth Bay and the potential devastating effects if it were to become a significant leak. He asked if we should consider a fund be added to the budget to address the potential leak situation. Don stated that in the alternative, we should including the discussion of the leak and addressing it under New Business. Nestor stated that he would not recommend a change in the proposed budget for 2011 as there is no known and quantifiable expense. He stated that and if we should be faced with the need for funds we can arrange for them at the time. Nestor then stated that he agrees with Don about the importance of addressing the issue and creating a plan.

Bud Vance asked a question about the 2009 actual expenses which Nestor answered.

Nestor asked again if there were any more questions. There were none.

After brief discussion Don Henderson moved and Jerry Petersen seconded a motion to approve the 2011 Budget and Tax levy as presented. The motion passed unanimously.

M. Other Business for Discussion: Chairman Mason reviewed the leaking water from the lake which had occurred at the south end of Sterlingworth Bay and apparently drained water from the Sterlingworth Bay underground and flowed into Honey Creek through or around an existing storm water pipe. He stated that the Town made some repairs last fall which we believe are temporary. He stated that the Lake District has been working with the Chairman Frank Taylor and the Town Board. Chairman Mason stated that there is an abandoned or partially abandoned pipe which was installed at the direction of Dan Seymour; of the Sterlingworth Motor lodge (before the Condominiums were built) the pipe was installed by Mann Brothers in the 60's when they dredged the Sterlingworth Bay. The pipe was connected to a stand pipe in the Bay that would drain

water to Honey Creek as the water in the Bay rose to the level of the stand pipe. Chairman Mason stated it appears that water maybe migrating around the exterior of the pipe and gaining velocity as it washes through. He went on to state that the Town installed a sheet pile and cemented around it. However, it is not thought to be a permanent fix. The Town has been working at engaging the Sterlingworth Bay Association to take responsibility for the pipes that run under their buildings and property. A second issue involves installing a new storm sewer pipe down the road, which will drain the water from the low areas of Sterlingworth Drive by the boat launch to Honey Creek. Chairman Mason stated this is the current status and the issue is still being actively pursued. He did not think that there is any imminent danger and we are hoping to have some engineering work done and game plan in place by spring. There were questions, by a gentleman who owns the garage the Town dug near, pertaining to what the Town found during the repair. He stated that he didn't think the Town had found the stand pipe that Chairman Mason had mentioned. Chairman Mason stated that the pipe they found goes into a tee that goes over near the drain in Sterlingworth Drive launch ramp. He stated that when the Town excavated by the condos and near his garage they didn't find any pipes. The man stated that he has been concerned and screaming about this for five years and nobody has reacted. He stated that the Town had said it is not their problem.

Chairman Mason stated that the Town came to the forefront right away and has done a lot of work on this issue. The Town has spent considerable time and money at repairing the original leak. They have continued searching records of who installed the pipes and where they are located. He stated there is a lot of work being done behind the scene now and we are working on a long term solution and the Town is involved and concerned. The man said that he was happy to hear it is being worked on. Peter stated that the Town has attended our last two meetings and this has been a very major topic, in fact a good part of a four hour meeting. He said that the Town has asked us not to get directly involved at this point, as they are pursuing working with the Sterlingworth Condominium Association. We are obliging their request. The Town excavated along the rear of the Townhomes looking for a source of the water flow and found none. A question was asked about engineering done to date; Don Sukala stated that the Town has asked their consulting engineer Cryspal-Snyder, to help with the process. Floyd stated that in the late 50's when the Lake was drained down to fix the dam the Lake was very dry in the shallow areas and if the Lake drained down it would be a disaster.

Don Henderson made a motion, which was seconded by Floyd Pochowski to take an active roll in the situation and focus on protection of all of the lake community property with engineering and not to get involved in the Town vs. the Sterlingworth Condominium Association debate. Instead the Lake District, with the Town, should financially support an engineering study to determine what we are going to do, by the end of this year.

Chairman Mason asked for discussion on the motion: Wally stated that since the repair he has personally inspected the flow in the pipe where the wash out had occurred in Honey Creek. He described the process whereby he inserts things into the pipe to check the water flow. Wally stated that it only flows immediately after a rain from the drain off around the boat launch but otherwise he has seen no flow at all. Peter indicated that Wally's inspections were set up after our first meeting with the Town, thinking that it

would be our first indication of a reoccurring issue. Wally was asked to monitor the situation because we are concerned. The motion passed by a voice vote.

Chairman Mason asked if there was any other business, hearing none he asked for a motion to adjourn:

Adjournment: A motion was made by Don Henderson and seconded by Walker Johnson to adjourn the meeting, the motion was approved.

Respectfully submitted by,

Jack Sorenson, Secretary