

**LAUDERDALE LAKES LAKE
MANAGEMENT DISTRICT
ANNUAL MEETING MINUTES
Of 9-3-11**

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 3, 2011, at 10:04 A.M.

Chairman Scott Mason welcomed everyone and thanked Jeff Bluhm the Executive Director of Lutherdale for their continued support. He said that this is our 20th consecutive meeting at the Lutherdale Chapel, it is one of a few venues in the area that can hold the number of people that attend the meeting and a lot of people help behind the scenes to make these meetings happen. 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 said that he assumes many in the crowd are here to discuss the Sterlingworth Drive sewer pipe installation and he asked that we respect those attendees who may have different opinions than the majority and that we all respect the Chapel.

He asked that cell phones be turned off.

Chairman Mason reviewed the accomplishments of the Lake District since 1991. He reviewed the accomplishments over the last 20 years which included the purchase of the Golf Course (and the loan will be paid off in three years), Weed Harvesting program, Water Safety Patrol and a number of environmental projects. Chairman Mason thanked the past leaders of the Lake District, the community supporters and the many volunteers all who have given their time contributing to the success of past and current Lake District endeavors.

Introduction of Board: (done after the commissioner election) Chairman Mason then introduced the Board: He introduced Commissioner Don Sukala the representative of the Town of LaGrange (“Town”), Commissioner Wally Yandel who oversees the septic pumping program, Commissioner Peter Van Kampen who oversees the weed harvesting program as well as many other special projects, Commissioner/Treasurer Nestor Dyhdalo, who oversees the water safety patrol, the treasury, maintains the Lake District’s data base, website and performs many other volunteer functions, Commissioner Dorothy Burwell is the representative from Walworth County (“County”), Commissioner/Secretary Jack Sorenson who oversees the outflow dam and handles the Lake District insurance and finally himself, Chairman Mason who has served on the board for many years and oversees the golf course and other miscellaneous projects.

A. Agenda: Chairman Mason asked for a motion to approve the agenda, with two proposed modifications; first to move the septic report to follow the weed harvesting report; and secondly, to move the Sterlingworth storm sewer discussion and vote, to follow the commissioner election (move it up earlier in the agenda). Walker Johnson moved and Ken Ingle seconded a motion to accept the Agenda with the mentioned amendments for the Lake District Annual Meeting of September 3, 2011. David Griffin

asked for discussion, he made a motion (not seconded) to remove agenda item 11, he cited a previous Lake District case pertaining to such budget items, Lake District Attorney Russ Davit explained the meaning of the case that the legislature had changed the law as a result of the case, Mr. Griffin withdrew his motion. The motion to approve the amended agenda 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 Earl Paddock and seconded by Rick Paul, to dispense with the reading of the minutes and to approve the minutes of the 2010 Lake District Annual Meeting as posted on the web site, held on September 4, 2010. The motion passed by majority voice vote, with no opposition.

C. Commissioner Election: Chairman Mason stated that two of the Commissioners are up for election this year they are Wally Yandel and Nester Dyhdalo. He asked that the vote start using the ballots distributed earlier to qualified voters. Chairman Mason stated that final results would be announced later in the meeting.

D. Sterlingworth Storm Sewer Discussion: Jack reviewed the format for the presentation, questions, discussions and vote, and then asked that the Utility District Representatives come forward to present their request.

Joanne Young began by thanking the attendees for their participation and the Lake District board for the opportunity to present their alternate view point and the hours spent by the Lake District board to protect and preserve the lake and its surrounding area. She explained they (the SSA group) were there because of the Special Service District area and she stated it (the storm sewer cost) is a Lake District issue. She stated that all residents of the lake should share in the cost of the sewer replacement. She stated that they (the SSA group) think the lake leak and the storm sewer is a single issue, and that the District represents it to be two issues, she stated that it is one issue. She stated that the Town temporarily repaired the leak in the lake (the cost of) which might be shared between the Town and the Lake District 50/50. The Town then rerouted the storm sewer and created the Special Service Area (SSA) with 62 homes to pay for it verses the entire Lake District or the Town of LaGrange paying for it.

Jim Young then showed an aerial of Sterlingworth Bay area. He showed the area around the Bay and the old storm sewer, boat launch, public parking, townhomes etc. He showed the old storm sewer route from (Hanson) 1994 in green. He indicated where the vortex or leak occurred, and that the Town did a temporarily repair to the leak and determined that the old storm line needed to be capped, as the leak could have caused a 2 to 6 foot drop in the water elevation of the lake. He stated the Town hired Crispal-Snyder engineering to draw a new storm sewer plan (red line) and the Town of LaGrange then created the SSA to pay for it. He showed the route of the new storm sewer and explained that it serves the public road, public boat launch and public parking. Jim asked why 62 people are paying for it as it serves a public benefit, he stated it is not a private road or launch or private property.

Joanne stated the LD board does not support the payment for the storm sewer. She stated that they believe the Lake District benefits from the Sterlingworth Bay public launch which is also accessed by the public and she stated the storm sewer is used by everyone in the SSA, as well as the public using the roads, parking and boat launch in the area. She stated that the boat launch is the most convenient location with access off of route 12 to the launch. Sterlingworth Bay is an integral part of our lakes. Summer uses include the launch, parking and street therefore cost should be shared by whole community LD the summer uses include use for weed harvesting, water patrol, fire department, public boat launching and contractor staging of shore stations, sea walls and pier installations. In the August Shorelines there is an article that draining your boat before leaving the launch is required by law. Winter uses include, snow mobiles, fishing shacks, vehicles, ATV's and skiers all using the public road and the public boat launch. She stated the 62 people are not the only users of the street or storm sewer. She stated they do not believe that such a precedent should be set, whereby 62 households pay the cost for a Lake District issue. She stated that the SSA (62) people will harbor the cost of \$3,486 per each parcel, if the Lake District shares in this cost it will be approximately \$125 each. She stated that this is a one-time charge for the Lake District of approximately \$125 in the year 2012 for this project only; and this information is from the Town of LaGrange and the Lake District Board. She stated they have shown the community uses of the area and feel this will set a precedent that will impact all households; they do not want the Lake District to set a precedent where by the SSA shares the burden of cost on a Lake District issue. She stated that if it happens to them, it can happen to you.

Paul Schofield lives in Sterlingworth Condos he stated the ballot makes this look like a Sterlingworth Condominium Building issue but he stated it does not have anything to do with Sterlingworth Condominium, he stated that it has to do with the Sterlingworth Drive and Court which are public roads. He thanked the Lauderdale Lake Management district for the time to speak. He recited the purpose of the Lake District stating that its purpose is to undertake projects to protect the lake environment, lake protection and lake management, all related to the lake, including enhancement of recreational use of the lake and environmental projects within the watershed area of the lake. He stated that the cost per property one time \$125 one fill up at gas dock or one diner. He stated that the cost will not double your taxes as has been stated by e-mails sent out. He stated this started with a leak in the lake which he thinks is a Lake District issue, involving the drain in road at or below lake level. He stated the drain was installed 80 years ago, therefore it precedes us today and it is a situation that was inherited, he explained where drain goes and his opinion is that it is a Lake District issue. He stated that the drain goes from the boat launch into the creek, below the dam. The sewer is to deal with overflow water and drain water lake overflow and drain the road. He explained the multiple uses of the boat launch by multiple parties including weed harvesting equipment, marine services and other lake owners. Boats have to empty their bilges, therefore it is a lake issue. In his view it is a bad precedent to split residents over a \$125 issue which he believes is clearly a Lake District issue.

Joanne thanked everyone for attending.

Jack stated that in 2009 a large vortex occurred at the south end of the Sterlingworth Bay and drained a significant amount of stone from underground into the Honey Creek. He stated that the water elevation of the lake is approximately 8 feet higher than the creek water elevation; therefore, it is feasible that the lake elevation could drain down significantly if a similar leak were to reoccur.

He explained that the Town of LaGrange took immediate action, which the Lake District was very appreciative of, in finding a contractor to install a sheet pile to stop the water drainage. The Town then conducted exploration by digging along the shore where the leak occurred to determine what had caused the leak, but didn't find much of a route or explanation. After not being able to clean or televise the whole storm sewer they did determine that the storm sewer in the road easement was in need of repair or replacement. The sewer line lies within Town easements and the Town of LaGrange went about replacing the storm line. The Town employed Crispel Snyder to design and plan the replacement of the storm line; and the pipe has now been installed. Ultimately, the Town's engineer Crispel-Snyder recommended the use of a Utility District to apportion the cost.

The District has been concerned and monitoring the situation since it occurred, at last year's annual meeting of the Lake District, a motion was passed directing the District to take action which would minimize the potential reoccurrence of such a leak so it would not reoccur. Jack then stated that the Lake District has been working cooperatively with the Town and monitoring the water flow out of the storm pipe. The Town has taken the primary lead on the investigation and the pipe replacement as it falls within their jurisdiction. He stated that the Lake District has been monitoring the water flow out of the pipe since the leak occurrence. The Lake District has maintained a dialog with its engineering firm about the potential for future leakage and they state that due to the dredging and nature of the soils conditions and the Bay water elevation relative to the creek water elevation the concern is warranted.

Jack stated, the first problem we see it just what has happened, a lake leak. We feel the problem still exists, the water leaked once and it ran underground from the lake to the Honey Creek and picked up foreign stone along the way. The Lake District feels that the conditions that lead to the original leak could lead to more leaks. The soils are organic and have been breached by animal channels, rotting roots, bedding around pipes etc. Water will find its way thru poor soils particularly to lower elevations like Honey Creek. Since the installation of the new storm sewer pipe we now know that the water table in the area is very high, the water could be migrating out of the Bay.

Jack stated that the Lake District does not know exactly how or why the leak occurred but the Lake District is interested in protecting the entire lake area from an event that could lower all of our property values. Therefore he stated that, the Lake District has pending contracts for soil borings and engineering studies in the area, to investigate soil conditions and aid in determining what action should be taken. Jack stated that we will also use the observations of what was found while recently installing the new storm line. We will come to the electorate for approval upon discovery of a solution to the problem; it could be a large cost in next year's budget. The Lake District has \$12,000 in the 2012 budget for engineering and soils exploration; there is also \$20,000 in the 2012 budget for sharing the initial cost of stopping the leak, which the Town of LaGrange took the lead on and paid for initially, Jack stated that the total initial cost of stopping the leak was

approximately \$42,000 which the Lake District has agreed to share with the Town. The Lake District feels the conditions which lead to the original leak likely still exist even though a new storm pipe has been installed. We feel we should still be suspicious of the area.

There is a second problem. The second problem is the old storm line. The leak led to the discovery that the storm line in the area was in disrepair. Jack stated that the storm line may have contributed to the leak but wasn't the sole cause of the leak. We just don't know how the water got from the lake to the pipe. No obvious source of the leak has been found while installing the new line and ends of old pipes were cemented shut if they were exposed. Jack stated that the Town has the jurisdiction as the pipes fall within its easement areas. The Town has taken action within its responsibility to repair the line. The Lake District has no ownership or easements of roadways within the area of that storm sewer. We were formed in 1991 improvements were done long before our time. This would set a bad precedent of the whole lake community by picking up repair costs associated with limited areas out of Lake District ownership and community wide focus. Projects such as the dredging of areas like Baywood pier areas or the Landings could be argued that it benefits the whole lake and therefore the Lake District should pay for it or the Lauderdale Shores sewer leak, could be argued that the sewer leak adversely affects the whole lake and there for should be paid by the lake District. Many other potential projects could exist around the lake.

Utility districts are a commonly used method of funding such projects. We feel the Town has taken action within its power and territory.

Jack showed a slide of the cost estimates indicating that \$216,134 would be the amount the Town would allocate over ten years to the 62 properties and the splitting of the initial \$40,000 spent by the Town.

Jack concluded by stating that the Lake District board has voted not to support funding of the storm sewer problem; for the following reasons, it would set an untenable precedent, the Lake District has no ownership or easements in the area, the sewer doesn't affect the whole lake, the Town has already handled the problem, the Lake District was not formed to share costs of other municipalities and the Lake District has been advised that a potential still exists for a leak to reoccur. The Lake District feels it is not the cost of the project but the precedent of small issue driven groups trying to gain funding for ad hoc projects that don't benefit the whole lake; if people wish to share costs, there may be other ways to raise funds for their projects as other groups do.

Your Lake District Board recommends a no vote.

Jack further stated that the Lake District replaced the culverts recently as they were nearing the end of its useful life; this storm pipe was reaching the end of its useful life serving the residents living up the hill and within its area. The Town has corrected the condition as it lies within the Town's easements.

Jack asked for questions asking them to state their names and to be succinct and non redundant.

Michael Alagna stated that he understands the Lake District boards vote was not unanimous against funding the sewer, Jack said that is correct.

Terry Wieger (Sterlingworth) stated that Jack gave two reasons why the Lake District should pay for it; first, if it hadn't been fixed the leak would have affected everyone; and

second Jack stated the Lake District will be attempting to fix the potential leaks therefore if the District is willing to pay in the second instance we should be willing to pay in the first instance.

Jack stated first instance was actually a replacement of infrastructure which contributed to the leak but the Lake District feels did not cause the leak.

John Summers stated that Jack keeps mentioned the pipe is at end of useful life. He stated the fire department dumped water and it flowed. He Stated Jack assumed that it is at the end of its useful life. Jack stated that he understood the Town could not get cleaning and televising equipment through the pipe, John stated he agreed. He stated Lake District does not maintain sewer utilities. He stated that Jack is assuming the pipe needed replacement. Jack stated that, what he knows is the Towns engineer has determined the pipe needed to be replaced.

Earl Padock asked what the devisor is for the expense of the \$216,000, is it assessed valuation or number of properties? Jack asked Nestor to answer the question and stated that Nestor is our tax guru. Nestor stated that the \$216,000 divided by the number of properties is a very simplistic approach (because not all properties are worth the same) and the reality, if the Lake District allocates it, is that the value would be added to the assessment of the entire District. He showed a slide of Assessed Value and stated the Lake District would split it by assessed value not simply by the number of parcels.

Dick Sand, of Pebble Beach, asked when the SSA was formed, Joanne stated that it was passed by the Town board at their June 2011 board meeting, 2 months ago. The Town board recommended the SSA at their board meeting in June. He asked if the installation of the storm sewer work was done yet, Joanne stated that it is mostly done. He asked if the Town had given the right to do the work with the understanding that the SSA will pay for it. He stated he has a problem that the Town apportioned it to the 62 properties only. He stated that he thinks the Town did not apportion the whole Town as they determined the improvement has a direct benefit to the 62 owners. He said the SSA should be burdened with the cost and that they should have approached the Town if they did not agree. He stated now that everything is done and they see the bill being higher than estimated they are asking the Lake District to vote to pay for it have not provided adequate documentation, it should have been submitted earlier if they are asking for money. He stated some Lake District residents are not even here.

Jim stated that the estimate of cost is a good estimate and they feel the Lake District should help pay for it. He stated that if spread by the District is will be approximately \$130 per property and if spread by the SSA it will be approximately \$3,400 per property. Jack stated that the \$216,000 should be a good estimate as the project is about done and that if it were to be spread to a larger audience, it should be to the whole Town as would a road repair, because we are a different governmental entity.

Jerry Petersen stated that he thinks the preferred option is for the Town to pay for the entire repair, across the township. Because it is a repair within a Town easement, as they did when they black topped his road. He asked if the Lake District leadership would explore with the Town to reconsider the expense. Jack stated that he thinks the Town has acted positively as they have spent \$40,000 initially.

Apparently, the Sterlingworth has spent a lot in legal fees to make that happen.

An unidentified speaker, stated that back in 1991 or 1992 the town entered into an easement to maintain part of this area and in 1999 when it failed, they abandon the easement, the Town stated they did not want the people of the Town to pay for improvements for the boat launch or people who use the lake.

A statement was made that we are violating a basic premise that we are still at an information gathering position, we don't know about this or that, he stated that he just found out about this yesterday, he doesn't feel like we have enough information to make a decision.

Jack stated that we are going to try to wrap up the questions. Bill Hiemer of Surfwood Dr. He sees issue belonging to the Town of LaGrange. He stated that there are two townships within the Lake District, if it is a benefit to whole Lake District it must be a benefit to both Townships? He stated that if this pet project goes through he will have pet projects to apply for as well and there will be others, he thought Lauderdale shores would like to have sewers. He stated the Town had the opportunity to assess it differently but they didn't and it is not a Lake District issue. He further stated that he doesn't know why we are discussing it. He stated that this just opens the door for a lot of small pet projects. If there is public good he feels it should be shared by the whole Town agenda.

Matt, stated that if this was a similar circumstance at the Girl Scout camp or Mobil home park, would we look at this in a different light?

Town Chairman, Frank Taylor stated that the Town looked at it as two separate issues; first, they stepped in and stopped the initial leak as best they could with a cost of approximately \$42,000; and secondly, they decided to replace the storm pipe. He stated that it was privately installed utility, by Dan Seymore, in late 1959 or 1960; the pipe was installed because spoils from dredging blocked the natural drainage across the area. The spoils were piled up, so he could build a parking lot. Prior to spoils being piled up the natural drainage flowed to the Honey Creek. Chairman Taylor, stated it was a privately installed utility, in the mid 1990's the Town accepted a part of the easement containing a part the pipe, the sole beneficiaries of the easement, is the Sterlingworth Condo Association.

Jack Stated he will take two more questions.

A comment was made that the new drain pipe runs from the boat launch to the creek and doesn't have anything to do with the 1990's.

Mark Haily stated that he believes this comes down to a fairness issue of who uses the area and who is benefited by the improvement. He stated that he did dredging at Landing and absorbed the cost. He stated that what we have here is a public road, he has used launch 3 or 4 times only, he (and his neighbors) don't use it as they have lake front properties, and he stated that the public is the primary beneficiary of the road. He stated that if the cost is spread over 10 years to the Lake District it will be approximately \$12 per year per property and that there is a benefit to each person. He stated that this is the initial problem and the Lake District feels it affects only 62 properties and the Lake District is still pursuing the leak problem, he stated it is the same problem and he sincerely encourages a "yes" vote.

The Town proposed a ten year payment plan, but if the Lake District pays it will likely be absorbed differently.

Jack stated one more question.

Pete VanKampen asked a question about how the Lake District would apportion the cost vs. the SSA. Jack stated the SSA proposed a ten year payment and the District would likely absorb it in one year.

Jack stated that two more speakers: first Pete Spalding and secondly gentleman in the back of the room.

Pete Spalding stated that he feels it is a fairness issue. He stated it's a public problem, that if (a storm like) Irene came through the Lauderdale area, the water would not go thru the culverts, he stated this would be the route for the lake drainage. He stated that he is not in the SSA, but that it is two gas tank fill ups to the whole community.

Last question, Don Henderson stated that he is not in the SSA and asked if the \$125 per year estimate of expense is calculated by home value? Nestor restated that if the Lake District assesses it will not be \$125, he stated it will be based upon assessed value of each Lake District property, he stated that if you "go for the whole enchilada", it will be \$79 per \$100,000 of assessed valuation, he showed a slide which showed home valuation and the assessment with the budgeted \$20,000 and the assessment with the \$236,000 added. Don stated there has been an effort by the Town and Lake District to address the initial leak issue and he thinks there is still a potential for the leak. He stated that the Lake District and Town have worked together and that we have achieved a partial resolution, but he has a problem, if the lake drops significantly, he compliments the Lake District on continuing to pursue the problem, he stated, if the water does go out, we all have a huge problem.

Jack handed the microphone to Chairman Mason, who called the question; he then stated that we will use the orange ballot. Chairman Mason stated that if you check "yes" on the ballot, we will add approximately \$236,000 to the Lake District budget for next year; if you vote "no" there will be \$20,000 in budget; he stated that the \$236,000 is made up of \$20,000 plus the \$216,000.

E. Treasurer's Report: Nestor Dyhdalo began the Treasurers report by showing a slide of the Lake District property valuations annually since 1992 he stated that for the first time the total valuation has decreased from 701million last year to \$670 million this year. It showed an increase in 2009 of 4.94% over 2008 and a decrease of 4.42% from 2009 to 2010. A second chart showed graphically the change in Lake District valuations since 1992; in 1992 the Lake District Valuations were \$160,000,000 and in 2010 the Lake District Valuations were \$670,000,000. In 2009 the Lake Districts' assessed property valuations were \$701 million.

Nestor next showed a pie chart of the breakdown of the 2011 Tax Levy. Nestor stated that the majority of the property taxes go to the Elkhorn schools 64.4%, Walworth County at 28.9% and Gateway Technical School at 8.4%; these three entities account for over 90% of our property taxes. The chart showed the Lake District with 2.7% and the Town with 3.4% of the levy. Therefore, the Lake District receives \$40.10 from each \$100,000 of assessed value.

Nestor showed a slide which recapped the cash positions held by the Lake District. There is \$63,090.22 in a Money Market account and \$23,644.24 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 \$57,115.89, 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 \$53,458.53; for a total cash position of \$197,308.88. Nestor showed a slide depicting the Lake Districts current loans. The Golf Course loan started in 2004 with a principal balance at \$1,068,000, its principal balance is currently \$415,966. The Operations Building loan started in 2006, loan being paid off entirely by the Golf Course it started with a principal balance of \$85,000 and its principal balance is now \$49,831. The total loan balances are \$465,797 with payoff dates for the Golf Course and Maintenance building 2014 and 2016 respectively.

Nestor reported that Chamberlain & Henningfield, a local accounting firm, has completed the 2010 Audit of the Lake District and that the report will soon be 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 cost of the Lake District annual audit, Nestor stated approximately \$3,000.

F. Water Safety Report: Nestor started with a picture of the patrol boat and stated he hopes you haven't seen it too close, it was purchased in 2001. He showed a chart showing the hours of patrol per year since the year 1990 and explained the joint efforts of the Town (red bar) and the Lake District (blue bar) to operate the Water Patrol, depicted by the red and blue bars on the chart.

Nestor next showed a chart of boat population on Lauderdale Lake based upon a 2008 SEWPRC survey, showing 634 power boats, 518 pontoon boats, 323 PWC's, 82 fishing boats and a total of 485 non motorized boats. He stated that this is a lot of boats for the size of the lake.

He then discussed the Patrols operation, someone thought we were giving too many citations, but Nestor stated they don't do that, but the officers will write them, as they see them, in-fact, he stated, they take an oath of office to up hold the statutes of Wisconsin, therefore, it is their duty to address situations as they see them.

The Safety Patrol's current roster includes 18 officers; 5 women / 13 men; all certified law enforcement officers in the state of Wisconsin. They patrol the waters of Lauderdale and Pleasant Lake as well as the Pleasant Lake Park and the boat ramps.

He stated that the Patrol coverage over Fourth of July weekend was good with five boats on the water. There were two Lauderdale Lakes patrol boats, one pulled from Pleasant Lake, the Town rescue boat and a DNR boat.

Nestor stated that he reviews citations at the end of the year; he showed a slide of the citations issued in 2010 and stated that the Water Patrol did not meet their metric for 2010, which would indicate that they are not overly aggressive. The hours patrolled were 1900 with 628 contacts, which resulted in 109 citations, 32 of which were dismissed (likely small infractions), 3 were OWI arrests which resulted in 8 citations and there were a net non-OWI citations of 69. Therefore, the DNR metric of 119 was not met. .As a side note he said that for 2011 we were up to 6 OWI arrests.

Nestor explained the services and educational opportunities that the Lake Patrol provides:

- Patrol 7 days a week
- They look out for renegade boats and will notify owners, they will also retrieve "floatables"
- Will tow boats for free

- Perform PWC orientation training at your request
- Provide three Water Safety Boating classes

Nestor explained that PWC operators, including your guests, must be 24 years of age to operate a PWC this year (25 next year) unless the operator has taken a sanctioned boating safety class. An operator may be as young as 12 if they have taken the boating safety class and they must carry their certificate. He stated that the classes can be taken on line from the DNR or from the Lake District. He stated that ultimately all PWC operators will be required to pass the PWC class.

Nestor said that parking at the boat launch sites is only for those launching a boat. He explained the boat launch fees must be observed, they are \$3 per launch you don't have to pay upon exit and there is an annual fee of \$20 if you put it in and out frequently. He also stated that officers have been stationed at launch ramps during busy weekends to insure smooth launching.

Nestor stated that he wants to discuss the 2001 boat in the picture; it has 3,400 engine hours and is in need of replacement or repair. The Lake District is planning on refurbishing it, instead of replacing it. He stated that the estimate to replace the old boat exceeds \$40,000. Therefore, as it will be less expensive than a new boat (in excess of \$40,000), he has an amount in the budget \$20,000 for refurbishing the old boat, it will qualify next year for the DNR partial capital reimbursement plan of up to 75% of the boat cost, over a 5 year period.

G. Golf Course Report: Chairman Mason stated that he would shorten his report in favor of the time. He stated that 2010 had a fantastic spring season, weather wise, didn't match it this year. Exciting news is that in three years the golf course debt will be entirely paid off. Now the golf course pays a significant portion of the debt service. That will free up funds for various improvements. In the golf world revenues are everything. We have been able to improve revenue per round. Rounds are fairly flat, as shown in a chart, but revenue is up.

Chairman Mason asked if there were questions. Question: Someone stated that the Golf Course loses money and asked about a marketing study to guide us on expenses. Chairman Mason stated first of all that the Golf Course does not lose money and secondly the study maybe an item worth implementing, as cash flow improves after payoff of the loan.

H. 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 KLMT worked with a consultant on the development of a management plan for our Don Jean Bay wetland. He stated that over the last few years the Lake District has implemented the plan by working on eliminating invasive plants, beefing up the shoreline (so it is less susceptible to erosion) and replanting the area with native plants. Chairman Mason stated the goal is to make the shoreline a model shoreline restoration.

2. **Clean Boats Clean Water:** Peter stated that Clean Boats Clean Water started three years ago, its purpose is to prevent the spread of contamination by invasive species from one lake to another. Floyd Pochowski has become a Certified Educator and Launch Inspector; we inspect the three launches at Lauderdale and the Pleasant lake

launch site. Approximately 65% of the funding is received from a DNR grant, additionally we receive funds from the launch fees and reimbursement from Pleasant Lake, therefore, the Lake District pays about 25% of the expense.

3. **Geese Control:** Peter stated this is the fourth year we have undertaken the geese program. He stated that geese cannot fly during two to three weeks in June, so we can collect the parents and the young ones. This year we collected 58 geese and we will continue it next year. Peter thanked Des Johnson, Mike Bromling and Scott Mason for their on the water help this year.

4. **Lake Ordinance Inspector:** Peter explained the Lake District is now in charge of pier inspections. Peter stated that previously the Town building inspector had handled it. If you need a pier permit, you will now come to a Lake District employee not the Town for such permits. Peter stated that our initial focus will be on new and replacement piers. There was a question pertaining to the pier registration requirements of the DNR. Peter stated that to be in best position go on line at the DNR and follow the instructions, he also stated that the Towns requirement, in some cases, is more restrictive. Jim Young asked about weed harvesting in his bay, Peter stated that the harvesting operation is limited by permit to the area between the SNW bouys and the end of the piers. He stated that weeds will be cut by boat operations and depending upon the wind direction there is nothing the weed harvesting crew can do differently. Jim then asked what he is supposed to do with the weeds, Peter explained that the Lake District just piles them up and the pile never gets bigger as they decay. Peter stated that he could help find names of people who could remove weeds for a fee.

I. Weed Harvesting Report: Peter stated that the purpose of the Weed Harvesting Program is to fight the takeover by invasive plants, maintain an environment for the “good” plants and animals and to 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. He stated he has received calls pertaining to a weed called Arrowhead, which sticks up above the water surface so it looks untidy but it is a good natural weed. It is often seen with Pondweed which can grow denser. Peter noted that these are good weeds that grow later in the season. Peter stated that the equipment is 20 years old; over last winter we replaced the diesel engine on the weed harvester, with the reserves. Peter stated that this winter we plan on sand blasting, patching and painting the bottom of the weed harvester which has never been done

J. Septic Pumping Report: Chairman Mason stated that earlier in the year we had discussed the merits of this program, and that for various reasons we now believe it should be continued, we may discuss it next year.

Chairman Mason announced the results of the Commissioner election and the Sterlingworth Sewer vote: 1) On the Commissioners vote, Commissioners Yandel and Dyhdalo were both reelected, there were 8 various “write in” candidates and 2) on the Sterlingworth sewer question there were 143 votes in favor of the Lake District paying

for the storm sewer and 212 votes opposed to the Lake District paying for the storm sewer.

K. Amendments to the Budget: As the Sterlingworth Sewer vote did not pass, there were no proposed adjustments or changes.

L. Approval of 2012 Budget & Tax Levy: Nestor showed a chart of the line items making up the proposed 2012 Lake District Budget. He is showing the original budget which normally would be \$261,500 representing almost a 3% decrease over the last year; but we have added three new budget items this year which are: 1.) Refurbish the Water Patrol boat an expense of \$20,000; 2.) \$12,000 to help do the; 3.) To help the Town with the initial Storm Sewer repair of \$20,000; with these items the Total budget now is \$313,500 which represents a 16.6 % increase. Nestor did state that we have removed the \$10,000 reserve amount because of the addition of the three new line items which total an additional \$52,000.

Nestor stated that with the proposed 2012 budget of \$313,500 the annual assessment will be \$46.76 per Hundred Thousand dollars of assessed valuation.

There was a question pertaining to the % shown on the “cooperative Dept maintenance” line, Nestor stated he didn’t believe the % looked correct and he would check it. A second question pertaining to a break out of salaries and number of personnel was asked, Nestor stated that that information is in the Audit report and could be found.

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

After brief discussion Earl Paddock moved and Don Henderson seconded a motion to approve the 2011 Budget and Tax levy as presented. The motion passed with one opposition.

Nestor stated the budget is \$313,500 and the annual assessment will be \$46.76 per Hundred Thousand dollars of assessed property value.

M. Other Business for Discussion:

Peter discussed the Lakes Community Center. He stated that it was a property the District had purchased in 2001; the building was paid off in 2010 and rented until 2011 when we have now created the Community Center. The uses now include offices for the KMLT, Safety Patrol and Lauderdale Lakes Improvement Association. Peter stated that it is available for all lake organizations with no charge and available to all Lake District residents for a fee. He showed a series of slides of the buildings improvements and how it will function for group uses.

Peter recognized Katie Ingle for her beautiful mural she painted in the community center.

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

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

Respectfully submitted by,

Jack Sorenson, Secretary

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