



BALSAM LAKE PROTECTION & REHABILITATION DISTRICT

Monthly Meeting Minutes June 18, 2022 8:30 AM

Call in phone number 612-508-0879

1) CALL TO ORDER:

- Commissioner Kelly called the meeting to order at 8:30 AM

2) COMMISSIONERS PRESENT:

- Tom Kelly, Gary Schneider, Dale Ulbrich, Andy Wilhoit (teleconference), Bill Mork, Dave Mariani (teleconference), Jack Weix

3) OTHERS PRESENT:

- Patty Kabus (recorder)

4) APPROVE AGENDA:

- Commissioner Mork motioned to approve the agenda, Commissioner Ulbrich seconded, all approved. Motion carried.

5) APPROVE MINUTES: May 2022

- Review May Minutes. Commissioner Mariani motioned to approve the May Meeting Minutes, Commissioner Ulbrich seconded, all approved. Motion carried.

6) PUBLIC COMMENTS:

- None

7) TREASURER REPORT:

- Financials / Schneider
 - Financials / Schneider - Commissioner Schneider presented the May Treasurer's report. Commissioner Mork motioned to approve the May Financial Reports, Commissioner Weix seconded, all approved. Motion carried.

8) Water Quality

- East Balsam EBWQ / Wilhoit
 - 2022 Alum treatment

- Ready for application next week
- Resolution for Alum Loan Resolution was read by Commissioner Dave Mariani, Secretary:

BALSAM LAKE PROTECTION & REHABILITATION DISTRICT

RESOLUTION TO BORROW

A Special Meeting of the electors and property owners, was duly called and held on June 18, 2022, at which a quorum was present; and at which the electors and property owners approved the following:

WHEREAS, the Balsam Lake Protection & Rehabilitation District (“District”) is presently in need of funds in the amount of Three Hundred Eighty-Five Thousand and no/100 Dollars (\$385,000.00) for purposes of treating Balsam Lake with Alum;

WHEREAS, the District deems it necessary and in the best interests of the District that, pursuant to the provisions of Section 33.31, Wisconsin Statutes, the sum of Three Hundred Eight-Five Thousand and no/100 Dollars (\$385,000.00) be borrowed for such purposes upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED, that for the purposes hereinabove set forth in the District, pursuant to Section 33.31, Wisconsin Statutes, may borrow from Hiawatha National Bank (“Lender”) the sum of Three Hundred Eight-Five Thousand and no/100 Dollars (\$385,000.00); and, to evidence such indebtedness, the District shall make, execute and deliver in said principal amount with interest at the rate of 3.125% per annum and payable as follows:

The term will be twenty-six (26) months and principal and interest shall be due and payable February 28th and August 31st of each year with the first payment due February 28, 2023, and the final payment due August 31, 2024. The interest rate shall be fixed at 3.125%. The loan will be fully amortizing and shall not have a prepayment penalty. Grant proceeds are expected in mid-August of 2022 in the amount of \$200,000.00 and if received, said grant shall be paid to Lender toward the amount borrowed.

BE IT FURTHER RESOLVED, that the District shall, and is hereby authorized to adopt such taxes and levys as necessary and appropriate to ensure that payment the loan is repaid pursuant to the terms of the Promissory Note (“Note”).

If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Note when due, the requisite amount shall be paid from other funds of the District then available, which sums shall be replaced upon the collection of the taxes herein levied.

In the event that the District exercises its prepayment privilege, if any, then no such direct annual tax shall be included on the tax rolls for the prepayments made and the amount of direct annual tax hereinabove levied shall be reduced accordingly for the year or years with respect to which said Note was prepaid.

In each of said levy years, the direct annual tax so levied shall be carried into the tax rolls each year and shall be collected in the same manner and at the same time as other taxes of the District for

such years are collected; provided, that the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service account for the Note. So long as any part of the principal of, or interest on, said Note remains unpaid, the proceeds of said tax shall be segregated in a special fund used solely for the payment of the principal of, and interest on, said Note.

BE IT FURTHER RESOLVED, that the proceeds of the Loan shall be used for the purpose of paying for the cost of treating Balsam Lake with Alum.

BE IT FURTHER RESOLVED, that there be and there hereby is established in the treasury of the District, if one has not already been established, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Sinking funds established for obligations previously issued by the District may be considered as separate and distinct accounts within the debt service fund. Within the debt service fund, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for Promissory Note dated June 20,2022" which account shall be used solely for the purpose of paying principal of and interest on said Note. There shall be deposited in said account any accrued interest paid on said Note at the time it is delivered to the Lender, all money raised by taxation or appropriated pursuant hereto, and such other sums as may be necessary to pay principal and interest on said Note when the same shall become due.

BE IT FURTHER RESOLVED, that the proceeds of said Note shall be used solely for the purposes for which it is issued, but may be temporarily invested until needed in legal investments.

BE IT FURTHER RESOLVED, that the projects financed by the Note and their ownership, management and use will not cause the Note to be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, and that the District shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Note.

BE IT FURTHER RESOLVED, that the Secretary shall keep records for the registration and for the transfer of the Note. The person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on the Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid. The Note may be transferred by the registered owner thereof by presentation of the Note at the office of the Secretary, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his legal representative duly authorized in writing. Upon such presentation the Note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the Secretary, shall be made on such Note.

BE IT FURTHER RESOLVED, that the District officials are hereby authorized and directed, so long as said Note is outstanding, to deliver to the Lender any audit statement or other financial information the Lender may reasonably request and to discuss its affairs and finances with the Lender.

BE IT FURTHER RESOLVED, that said Note shall be delivered to the Lender on or after the date of said Note, upon receipt of the total principal amount of the loan evidenced thereby, plus accrued interest, if any, to date of delivery, provided that, if this is a refinancing, the refunding Note shall be immediately exchanged for the Note being refinanced.

IN WITNESS WHEREOF, the parties below have set their hand to this Resolution on the date set forth above and affirm that this Resolution was adopted by the required number of votes at a meeting of the District which was duly called, and at which, a quorum was present.

- **Commissioner Wilhoit motioned to approve the resolution, Commissioner Ulbrich seconded. For-7, against-0, motion carried. The Alum Loan Resolution has passed.**
- Commissioner Kelly informed the board that there will be a Docusign certificate sent to the executive committee that they will each need to sign. The bank incurred attorney fees in the amount of \$2500.00, and this will need to be repaid to the bank. The amount will be debited from our account. The bank discounted its interest rate on our loan to more than compensate for the \$2,500 legal expense.

9) Aquatic Plant Management and Invasive species

- CBCW / Mork
 - No change. Everything is going well.
- Purple Loosestrife and Yellow Iris eradication / Mork
 - Beetles are set to be released in 2 locations
 - Yellow iris was pulled by hand and will be monitored
- Harvesting CLP & Navigation / Kelly
 - The team is scheduled to begin this next week. They have a full crew
 - The spraying done two weeks ago appears to be very successful

10) Water Patrol / Schneider

- We started over Memorial Day. We got a new computer and a new radio in the boat

11) OLD BUSINESS:

- Commissioner No Wake Zone Marina vote / Schneider / Mariani
 - We are waiting for an adjustment on one document and then it will be ready to sign. Sunnyside has ordered the no wake zone buoys
 - Commissioner Mork noted that one buoy is missing from the narrows
- 2022 budget
 - The new budget is ready to go
- Summer Dockside
 - Waiting for the final proof, and it will be going to the printer this week
- Polk County AIS decontamination ordinance / All AIS Transportation Amendment - BOAT CLEANING STATIONS CD3 / Ulbrich
 - Commissioner Ulbrich has put together a few slides to show what the stations would look like. He discussed what will be discussed at the annual meeting. Total cost to do all launches, including Sunnyside, is about \$125,000.00. Without

Sunnyside, it would be about \$100,000.00. This includes the purchase, installation, and 24-hour monitoring. We can get about 40% covered by the DNR. The price also includes signage, yellow stripes. It also includes free wifi so we could push out information, lake maps, or other information if we wanted to

- Commissioner Weix suggested we see if CD3 can bring one and have it outside on a truck at the annual meeting so people can see it
- There is also an annual software license and ongoing maintenance
- Commissioner Mork asked how this will impact CBCW. Commissioner Ulbrich explained that this empowers people to clean their own boats. It is more effective when someone is also monitoring. With no one watching, there us about a 70% usage rate
- Commissioner Kelly noted that we should not make a change to the CBCW programs and will monitor cleaning station usage going forward.
- Commissioner Mork mentioned that we need to inform CBCW personnel before the meeting, that this will not affect their jobs
- Discussion around how to present this in light of the budget being presented and voted on at the meeting. We could do it using a voice vote
- Large wave boats
 - An article has been put out in the Dockside about wake boat etiquette
- Website / Mariani
 - All is set on the website, they are working on it

12) NEW BUSINESS

- Nano bubbles technology
 - Commissioner Wilhoit has already looked into this. Commissioner Ulbrich explained what this aeration process does and how it is different from a regular aerator
 - Effects on plant growth is that it reduces the muck but will not resolve the phosphorous problems that we still have in the bays
 - The system can be moved around as it is needed
 - Commissioner Kelly suggested we get Chad Wilson, who is in the business and lives on the lake, to come to a future meeting
 - The difference between this system and typical aerators, is that this system introduces air which helps break down the muck, where traditional aerators simply move it around
 - This is an alternative to dredging the lake to remove muck, which is not financially feasible on a large scale
 - Some of the beds that in the past were used for spawning, aren't really used for spawning anymore because of the depth of the sediment on the bottom

13) OTHER REPORTS:

- Village / Schneider
 - The village is going to do some testing on the water for PFA contamination
 - They are going to buy some land next to the café for parking

- Kathy Poirait is going to head up the review committee
- County / Mariani
 - No update
- Other – Annual Meeting Discussion
 - Commissioner Mork noted that we should recognize Rod at the annual meeting and introduce new Commissioner Weix
 - Commissioner Kelly requested PowerPoint presentations by July 1st. Discussion about setting up a box site to collect documents, and then Commissioner Kelly can copy them to a flash drive before the meeting
 - Commissioner Ulbrich suggested we use an icon on each presentation page to indicate which long-range goal each item pertains to
 - Coffee is handled by the school district
 - Commissioner Mork will handle donuts
 - Election and registration judges will be needed. Mary Kelly has volunteered. Commissioner Kelly asked that people let him know who else is willing to volunteer

14) FUTURE AGENDA ITEMS:

- None

15) ADJOURN:

- Commissioner Ulbrich motioned to adjourn, Commissioner Mork seconded, all approved, motion carried. Meeting adjourned at 9:59 AM

