



BALSAM LAKE PROTECTION & REHABILITATION DISTRICT

Annual Meeting Minutes July 15, 2023 8:30 AM Unity PAC

1) CALL TO ORDER:

- Commissioner Kelly called the meeting to order at 8:33 AM

2) COMMISSIONERS AND GUESTS PRESENT

- Commissioners Tom Kelly, Bill Mork, Jack Weix, Dave Mariani, Dale Ulbrich, Gary Schneider
- Patty Kabus, Recorder

3) APPROVE AGENDA

- Jan Kreminski motioned to approve the agenda, Jean O'Connell seconded, all approved, motion carried

4) APPROVE MINUTES OF July 16, 2022 ANNUAL MEETING

- Jan Kreminski motioned to approve the July 16, 2022 meeting minutes, Jean O'Connell seconded, all approved, motion carried

5) REPORTS

• **Opening Comments – Tom Kelly**

- Commissioner Kelly acknowledged the Board and thanked Unity School for hosting us again this year
- Thanks to the hard work of the Board and those who volunteer and support the district and different initiatives
- Highlights: Second Alum treatment was completed last year and the results have been very good. We have 2 more applications coming. This should help both East Balsam as well as the entire lake
- We have heard about Zebra Mussels in the lake, more information will be coming later
- CBCW is in progress and going well

- Harvesting and Herbicide has been successful and we are seeing less and less Curly Leaf Pondweed in the lake
- E have zeroed in on the wake Boats this year and the Balsam Lake Surf Club has partnered with us in this. You can get a T-Shirt from the Surf Club if you'd like.
- Recreation is part of our charter as well as safety
- Water Safety Patrol – Tommy Thompson is overseeing this program. We check in a little over 5,000 boats per year through Clean Boats Clean Waters, so the patrol is critical
- **East Balsam 2022/2024 Alum Treatment/2024 Alum Borrowing Resolution– Tom Kelly**
 - Commissioner Kelly showed a map and explained that we are treating the deepest part of the basin of East Basin. This is because sediment travels down to the deepest area of the basin
 - The recommendation was 4 treatments and we have completed the second treatment, with 2 more to go. Commissioner Kelly explained how the Alum treatment works and what it does and how it acts to reduce algae
 - East Balsam now exhibits very clear water and has helped tremendously, per the limnologist. 70% of the phosphorous was already in the lake, which is why our treatment has worked so well. We now exceed the Wisconsin water quality standards by over 70%. When we started, East Balsam was designated an impaired water body
 - Water Clarity in the lake was greater than 9 feet this spring. Before the treatment started, it was less than 4 feet
 - Current report says water clarity is now 5 feet – it is normal for clarity to become less as the water warms up
 - The third of four treatments is coming up next year. There is a resolution in this meeting to complete this treatment and borrow the funds to fund it. Each person was given a ballot and we are asking for your vote. Commissioner Kelly read the following resolution:

BALSAM LAKE PROTECTION & REHABILITATION DISTRICT

RESOLUTION TO BORROW

A Special Meeting of the electors and property owners, was duly called and held on July 15, 2023, 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 Twenty-Four Thousand and no/100 Dollars (\$324,000.00) 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 Twenty-Four Thousand and no/100 Dollars (\$324,000.00) 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 Twenty-Four Thousand and no/100 Dollars (\$324,000.00); and, to evidence such indebtedness, the District shall make, execute and deliver in said principal amount with interest at the rate of 5.5% 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, 2025, and the final payment due August 31, 2026. The interest rate shall be fixed at 5.50%. The loan will be fully amortizing and shall not have a prepayment penalty. Grant proceeds are expected in mid-August of 2024 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, 2024" 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.

- Question about how the water quality in the entire lake is improved. Commissioner Kelly explained that the lake rating is an average of all the basins and correcting the East Basin improved the average of the entire lake. We likely would not test the entire lake until the Alum treatment is completed in a few years. At that time, we will discuss whether this makes sense. Lake ratings impact lake property values, although that is not why we do it.
- Question as to whether the last treatment may be eliminated. Commissioner Kelly responded that science controls our actions, and the scientists will determine whether each treatment is needed. But remember, this is a project that is expected to benefit the lake for 20 years provided it is done right
- David Kerr motioned to approve the resolution as read, Jim Okra seconded. All approved, 0 nay's, motion carried. The Alum Loan Resolution has passed
- **Aquatic Plan Management/Aquatic Invasive Species – Dale Ulbrich**
 - Commissioner Ulbrich discussed the state of Zebra Mussels in the lake
 - Question about how to identify some of the newer species, and what can lake residents do to help? Commissioner Ulbrich said to just pull and dispose of the yellow Iris. Mystery snails, are established in the lake and there isn't much we can do. Our best protection is to avoid additional new invasives from entering the lake. Commissioner Kelly mentioned that he has received pictures from some constituents and passes them on to the DNR for lake biologist identification
- **Watercraft Cleaning Stations – Dale Ulbrich**
 - Commissioner Ulbrich presented information about the cleaning stations, which track the use of the various tools. They went in during the month of April, and has been used over 2000 times since installation. This is intended to reduce new infestations on the lake

- Commissioner Ulbrich also shared information about the new signage at the boat launches, as well as a new lake map and other educational information to help reduce invasive species
- A comment from a constituent about charging for boat launches, to help pay for some of these programs. Commissioner Ulbrich noted that Commissioner Mork will be discussing this shortly
- Most villages are in support of the cleaning station program. Commissioner Ulbrich noted that if you are in the village of Balsam Lake, he encourages you to contact them to express your thoughts about cleaning stations
- **Clean Boats Clean Waters – Bill Mork**
 - Current usage of the machines has gone better than expected, and there is not a lot of resistance to using the stations. Today is the largest fishing tournament of the year, and as of this morning, it is going very well
 - Once again this year, the CBCW staff has been very successful
 - Question from a constituent: What is the issue with the Village regarding cleaning stations. Commissioner Mork noted that the village had heard a rumor that non-use was resulting in tickets. Commissioner Mork explained that this is a county ordinance but that is the responsibility of the boat owner. CBCW is not enforcing the use of the cleaning stations
 - Purple Leaf Loosestrife: This is a purple plant that spreads rapidly. It is primarily in town bay, but is difficult to get to it to treat in that bay. The spray that is used, requires hazmat suits. The other way to treat is by releasing beetles. Over 350 beetles were released in town bay last week
 - Question – there is a patch in Raskin Bay. Commissioner Kelly noted he has a number of purple plants near his dock in that bay, but they are not purple loosestrife. Round stem plants are not purple loosestrife. Purple Loosestrife has 4-6 sides to the stems. If it is purple loosestrife, cover the flower with a plastic bag and then pull the plant from the root. This can be done if it's not a very large area
 - Question – we've been doing these inspections for a long time now. Have we found many invasives? Would longer CBCW hours be helpful? Commissioner Mork noted that we've been discussing whether we should increase or decrease the number of hours per landing. For example, many of the boats this morning hit the water at 5AM. This is an ongoing discussion but is such a priority of the lake that we continue to discuss. It's always open to discussion to increase hours on the lake
 - Have we found invasives? Yes, and people are very good about removing weeds when they know they are invasives. There have been a few instances where people left the landing rather than clean their boats
 - We are not yet aware of those studies that have been done on the effect of the CBCW program, but our lake biologist calls our program 'World-Class' compared to other lakes

- If we were to charge for launches, the money would need to be used to maintain the landings
- **Herbicide / Harvesting Curley Pond Weeds and Navigation – Jack Weix**
 - Commissioner Weix presented a report of the Harvesting efforts on the lake. This last year, we had a long winter, which resulted in a favorable impact on the Curly Leaf Pondweed this year. This year, presence is a lot less, and it is tending to die off before it gets too high. We have not had to do chemical treatments again this year
 - There are currently some mechanical issues with the harvester, but it is being used. We cannot just do what we want to in terms of harvesting and navigation. We are given maps showing where we can harvest and it is approved by permit
 - There is a very detailed harvesting plan on the website. We adapt the plan each year based on information from our lake biologist
 - Question – how does curly leaf pondweed spread? Commissioner Weix explained that they have turions that spread seeds that look sort of like a pine cone. This year, the CLP grew about 1-2 feet and then died off. This will have a positive impact for next year. Commissioner Kelly noted that as turions fall to the bottom of the lake, they can sprout anytime in the next 5 years. We are now 6 years into the program and are seeing fruits of our labor
- **Water Safety Patrol – Gary Schneider**
 - We hired a second officer this year and increased hours
 - There is a new initiative this year, called ‘See something, Say something’. If you fill out a report, or call or text the number (available on the brochures and signage) and report violations, they will be followed up on
 - This is a recreational lake, and we are all on the lake together. Respecting the lake and each other will go a long ways to improve safety
 - Question – are we going to add the red lines on the map, to the large maps at the boat launches? Commissioner Ulbrich noted that the large map signs are very expensive but it is something we will look at in the future as they need to be replaced
 - Commissioner Schneider thanked the surf club for all their work in educating the wake boat owners
 - Comments from a few constituents that they have seen a huge improvement this year in the behavior of the wake boaters
 - 2022 had 168 hours, we are already at 107 hours so far this year. Citations are increasing this year. Most citations and stops are due to boater safety certifications
 - The number for the water patrol is (715)502-4435
 - We have investigated 3 incidents this year with jet skis, some resulted in injuries
 - 2024 initiatives – we are planning to purchase a new boat. Another initiative for next year is to re-start the boater safety classes for kids. This program will focus on Balsam Lake specifically. This will be planned for Memorial Day next year

- We are in partnership with the Homeowner Association, who will help cover the cost of the new boat along with a DNR grant
- Question – what is the minimum age for personal watercraft? Tommy Thompson said 12 with the boater safety completion. Commissioner Kelly noted he was surprised by the number of citations, mostly to youth. Issues with the youth on the lake is the most concerning problem of the lake. Tommy noted that anyone born after January 1, 1989 is required to complete a boater safety course
- Both issues with Jet Ski incidents were related to the jet skis going over large waves
- **Large Wave Watercraft – Gary Schneider**
 - Commissioner Schneider explained that we sent out a survey this last year, and looked at what other lakes are doing to manage large wave watercraft. The survey was targeted to what we can do specifically in Balsam Lake. We partnered with the Balsam Lake Surf Club, they put together a nice brochure and are educating the surfers on courteous wake-boating. At this time, the focus is on communication and education. Signage also includes information on areas to avoid. The water patrol is also focusing on education as well and issuing tickets as needed
 - Commissioner Schneider asked if people are seeing improvement, or if they have suggestions for how to further improve safety, shoreline protection and enjoyment with all watercraft. He also noted that it is important for boat owners to educate their guests when they let them use their boat

6) **TREASURER REPORT**

- **2022 Annual Report and 2023 YTD / 2024 Budget – Gary Schneider**
 - Commissioner Schneider presented the Treasurers report for 2022
 - The harvester loan is now paid off
 - He then presented the year-to-date Treasurer’s report for 2023
 - The budget for 2024 was then presented, at about \$854,000. He went over the proposed numbers in the budget, with an explanation of the larger costs
 - He reviewed the Protection Fund
 - Jean O’Connell motioned to approve the 2024 budget, Jan Kreminski seconded, all approved, motion carried

7) **Registered commissioner candidates eligible for 2021 election - vote for Two**

- **Bill Mork**
- **Jack Weix**

8) **OLD BUSINESS**

- None

9) **ELECTION RESULTS**

- **Bill Mork**
 - 20 votes were in favor of electing Bill Mork as Commissioner, so he has been elected for another 3-year term
- **Jack Weix**

- 18 votes were in favor of electing Jack Weix as Commissioner, so he has been elected for another 3-year term
- Also, the election team noted that the Alum Resolution passed with 17 yes votes and 3 no votes

10) NEW BUSINESS

- Commissioner Kelly asked if there is any other new business.
 - A constituent commented that the buoys are hard to see at night and asked if we could get buoys with solar lights on them. Commissioner Kelly noted that the Homeowner's Association is responsible and works with Sunnyside Marina on this program. We do have responsibility to enforce the no wake zones but not to place or manage them. He suggested giving them a call
 - One constituent thanked the board for all their work and another noted that this board is extremely well-run
- **Lake Manager Position – Tom Kelly**
 - Commissioner Kelly presented a need to have someone available who is knowledgeable in how we operate the various programs, since the Board has a lot of deep knowledge that needs to be retained. We have a need to have someone help manage these programs as the board can become more of a governing body rather than the board needing to execute the programs. He discussed the possibility to hire someone to execute the effort on the lake management programs, and read the qualifications and responsibilities of this position. Project Management is certainly a large portion of this position
 - Commissioner Kelly asked if this sounds like something that the constituents see the importance of having. It would likely be 500-1000 hours per year, at approximately \$30,000 to \$60,000 per year cost
 - Question – where do excess funds go, do we plan to grow that and would that be used to fund this? Commissioner Kelly noted that excess funds are not directed to new programs, but are applied to the next year. A follow-up question is that once we jump into this program, it will be long term, so how would it be financed? Commissioner Kelly noted there are some management grants that we may be able to tap into, but the balance would become part of the operating budget
 - Question – Are we proposing some type of startup fund to get it going? Commissioner Kelly noted we would be looking to amend the budget for next year to get this program started. This is needed for succession planning as the water quality program has grown over the years. A constituent asked if there are management companies that we could leverage for this type of program because the qualifications are so intense. Commissioner Kelly noted there are environmental consulting firms. However, right now, we are not aware of a firm that specializes in this right now. We feel we could bring a new person up to speed within about a year

- Question – who would this person answer to? Commissioner Kelly noted they would report to the chair and consequently to the board
- Question – would there be a strong evaluation process? And is there a resolution to begin work on this? Another comment – the board would need to determine what tasks they would like to consider passing on, versus what they would keep. Commissioner Kelly noted that he is looking for a motion to begin looking into this in greater detail
- Question – how would knowledge retention work if we put a part time person on this and how would we ensure the knowledge they have, gets passed on if the person leaves? Or should we consider expanding the board to spread out the responsibilities? Commissioner Kelly noted that one of the primary responsibilities would be documenting our procedures for all the positions. So that would be a key point in knowledge transfer
- Comment that this seems a daunting task, and they do not think this sounds like a quarter to half time position. He suggested the board do some due diligence in exploring this
- Comment that our budget is now approaching a million dollar business, and this seems to make sense. Trying to do this with just a group of volunteers no longer seems to make sense, but it seems we need a better idea of what we need
- Question as to whether the new person would actually be responsible to execute on the programs or whether they would just advise the board? Commissioner Kelly noted they would be responsible to execute on the programs and advise the board
Question – maybe an administrative person could do some of the work. But we really need to figure out exactly what needs to be done. There is a concern about giving one new person all that power and responsibility to do this right away. Commissioner Kelly noted that there are some consultants who do this type of work but they are not currently available. He was hoping we'd be given approval to move forward with figuring out how this would work.
- David Kerr motioned the board should investigate this further
- Commissioner Kelly asked if we want to do an amendment at this time to fund the position and move forward, or if we want to have the board go back and do more investigation.
- David Kerr modified his motion and motioned that we amend the budget up to \$60,000 a year to hire a lake manager, Jean O'Connell seconded, all approved, motion carried
- Commissioner Kelly introduced Terry Palmberg as our new Commissioner from Milltown. Milltown is now the largest tax assessment base on the lake, and that as such, they can appoint someone to the board

11) ADJOURN

- Meeting adjourned at 10:55 AM