



Thursday, September 12, 2019, 6PM

LNNLRCD Meeting

I. Call to Order, Roll Call and Pledge of Allegiance – Welcome Tyler VanKirk! – Bill called the meeting to order at 6:00 p.m.

Board Members Present

Bill Winebaugh – President

Andy Warcaba Vice President

Anthony O'Brien – Secretary

Jeff VanQuathem – Member at Large

Tyler VanKirk – Member at Large

II. Motion to Approve the Agenda – Andy motioned to approve the agenda with the addition of B. Motion to Approve the Annual Comptroller's Report and C. Motion to Participate in Pre-buy Propane Program for \$1,048.52. Tyler seconded the motion and the board approved the motion unanimously by roll-call vote. [09-19-01]

III. Motion to Approve the 8/8/2019 Minutes – Jeff motioned to approve the 8/8/2019 minutes and Andy seconded the motion. The board approved the motion unanimously by roll-call vote. [09-19-02]

IV. Motion to Approve the Treasurer's Report – Andy motioned to approve the treasurer's report and Bill seconded the motion. The board approved the motion unanimously by roll-call vote. [09-19-03]

V. Board Member Reports

A. Bill Winebaugh – Fish Stocking - Bill motioned to add to the agenda under his report – Fish Stocking for \$2,145.50 and Andy seconded the motion. The board approved the motion unanimously by roll-call vote. [09-19-04]

They put bluegill and crappie in the lake last year but they didn't put any of that type in this year because if you put too many in of that type, their growth can get stunted. Jeff said that they seemed to be plentiful at the fishing derby last week. Bill said he is going off of their lake biologist's recommendation from 2017. Bill motioned to stock the lake with 440 wall-eye (\$1.95 ea.), 450 large-mouth bass (\$2.25 ea.), and 5 muskie (\$20) for a total cost of \$2,145.50. Andy seconded the motion and the board approved the motion unanimously by roll-call vote. [09-19-05]

Dan Perry asked if they needed 2/3 of the public members present to approve adding something to the agenda on the night of the meeting and Bill said that it is his understanding that he needs 2/3 of the RCD board members to vote to approve it.

Bill asked how many deer hunters signed up this year and Becky said five signed up. Bill asked Jeff how much the beaver hunting cost them and Jeff said that they haven't paid Mark anything yet. Jeff asked Shawn if he trapped more than the one beaver and Shawn said that he just trapped the one. Shawn said that the cost for Mark may be around \$50 a beaver for his equipment time.

B. Andy Warcaba –

Brief Overview of Lake Dredging Progress Andy said that Bill, Anthony, and he developed a long-range dredging plan focusing on the following questions:

- **Where Are We Today?** – Andy said that he's gotten good input from Joe Rush, their dredging consultant and from the community on the work that they have done to determine where they are today. We have approximately 153,000 cubic yards of silt that needs to be removed from the lake.(from the Schings Park Reach and the Upper Reach near Clear Creek). They spent \$15,900 for a bathymetric survey of the lake.

- **Where Do We Want to Go?** There are two choices that the RCD determined that they had, to either mechanically dredge and place the silt on the shore to dewater or to hydraulically dredge and pump the silt to their property off of Flagg Rd. They decided on the hydraulic method and spent \$8,650 for a survey of the path from the lake where it enters at Clear Creek east along the north side of Flagg Rd to the 22.26-acre site where they would build a potential silt basin and then the path of clean water going underneath Flagg Rd across from the property to the Nachusa property and back to Clear Creek. They also paid Joe Rush about \$3,389.85 as dredging manager to coordinate the bathymetric survey and the survey of the 22.26-acre site.

- How Do We Get There?** This step asks how they are going to pay for the dredging. Andy said that he feels that the lake is an important asset that needs to be taken care of just like the roads, bridges, and everything else. As a government agency, the RCD is at its maximum for tax allotment right now. They have put out a request for qualifications to design the silt basin to include all of the permitting w/ agencies such as the Army Corps of Engineers or the IEPA. Because the work is engineering design work, they can't go out for a bid proposal, hence the request for qualifications. The RCD will open the qualifications reports that they receive from each of the engineering firms and choose the best one based on their experience and qualifications. Once they choose an engineering firm and get a cost for the engineering design work, then they will have to make a decision going forward as a board and hopefully they will have some sort of community development funding process. They have Jeff VanQuathem on board, whom Andy asked to come on as he has a financial background. Jeff has already reached out to other lake communities who have gone through this process. Some of the other communities have a larger income base; for example, Jeff said that Lake Somerset has approximately 2,400 homes w/ annual dues of \$750. Andy said that they are going to continue forward unless many people say it isn't going to happen and that is the board's challenge.

C. Anthony O'Brien – Private Dock Repair - Anthony said that the individual that had submitted a dock improvement request was informed that their application wasn't complete (they needed to submit plans for the dock repair) and Anthony has not heard back from them. Bill asked what his plan is and Anthony said that he will continue to try to reach out to the owners to have them handle their docks themselves.

D. Jeff VanQuathem – Beaver Control - Jeff said that Shawn and Mark Eden trapped a beaver and thanked Shawn for his help with that. During the fishing derby last week, Jeff noticed extensive damage on multiple trees. Mark said that the cost for Shawn using his traps would be \$50 a beaver. **Research on Funding for Dredging** – Jeff spoke to a stockbroker who told him that larger banks probably wouldn't be interested in funding the project unless it was 10 figures or more. Jeff was hoping to sit down with an investment banker at Midland States Bank to find out what their options are. Jeff said that this is all new to him because even though he has a finance background, he's never had to finance anything of this magnitude. Becky said that the RCD had taken a loan from Midland States Bank when they did the dredging in 2003. (Note: *The total that the RCD paid on the loan in principal was: \$89,717.58 and the interest that they paid was \$13,595.68. The terms of the loan had the RCD paying it back in annual payments of \$28,610; however, they paid the loan off early and ending up saving thousands of dollars on interest paid on the loan.*) **IALC** – Full membership is \$1,000 for a large association (1001 or more units), \$400 for a small association (1000 or less units), and \$100 for an associate membership (the associate membership has no voting privileges). There are about 10 lake communities that are members. Jeff said that he left multiple messages with them but hasn't heard back from them.

E. Tyler VanKirk – Tyler walked the back part of the campground area and felt that marking the trees would be a better option than using stakes for showing the boundaries. Tyler said that right now it is really too overgrown for hunters to get back in there; however, if they can clear a trail back there, they may be able to. The property is already marked with stakes there and they line up with the geo-points that were on the map that Mark Miller had provided to the RCD.

VI. Old Business

VII. New Business –

A. Wes Jaros from POA –

POA Board Members Present – Dan Perry – President; Carol Brown – VP; Kim Rogers – Secretary; Wes Jaros – Properties, Parks & Maintenance Chair

Wes Jaros - Wes said that he is here to improve communication between the three boards and discussed why he became a POA board member. Wes said that earlier in the year the boards met and decided to start open discussions with no specific topics to discuss. He met w/ Bill two weeks ago to discuss how this meeting would be handled and they decided it would be a Q & A from the RCD of the POA members present. Wes added that he is glad that there are other POA board members here tonight any opinions he has are his own – he doesn't speak on behalf of the board. Wes turned the floor back over to the RCD board to ask questions of the POA members present and Bill asked the other RCD board members if they had any questions.

Andy Warcaba said that since he has been here in the community, he has heard suggestions of the POA taking over the LCC building. The RCD's average cost to manage the building (*not including major projects such as roof repair*) is around \$16,000 a year. Andy said that the cost to maintain the rest of the properties, including mowing and snow removal is about \$27,000, while the beaches cost the RCD about \$1,700 last year to maintain and it becomes a question of what is

the function of the RCD and what is the function of the POA and he thinks that some of things that were placed by the RCD were put there for reasons contrary to what our purpose is. He would like to open up discussion on what their (*the POA board members present*) thought is on the POA board taking over this property. **Wes** said his personal opinion is that the as a community we have an advantage of the RCD maintaining ownership of the building in not paying property taxes so he's not sure that the transfer of ownership would be in the best interest of the entire community (although it might be in the best interest of the RCD) so possibly, he would like to look at some sort of long-term lease. **Bill** said that as a public entity, we (the RCD) are not allowed to sell our property; rather, we would have to put it out for bid or we could lease it. **Andy** asked if there would be anyone on the POA board that would be willing to work with the RCD on the finances and what it (a lease) looks like. **Jeff** said that the other POA board members should answer the first question that Andy asked. **Wes** agreed. **Dan** said that he thinks that there could be a lot of efficiencies gained and that as a taxpayer that pays into the RCD, any dollars that we spend that aren't for administration of the RCD or the watershed, if we can get those things handled, then he is all for it. He said he would go even further and say that all of the real property that the RCD currently maintains would be in that long-term lease agreement and the POA would take control over the properties and maintenance of it, including paved surfaces. Perhaps they'd have someone (*that is already*) working for the RCD to work for the POA with a different arrangement. Dan said that if they could work toward something of that magnitude, he'd be in favor of it - his own opinion.

Bill said, if there is no consideration to lease the whole building, what are their thoughts on leasing office space. **Wes** said that that is a very viable option; he believes that the current POA office building is underused. He added that he has always thought that the POA office should be in the LCC rather than it's current location by the sewage plant; however, the POA has other considerations such as who is going to take over their building. **Dan** said that Wes has been taking point on this because he's the POA's chair on properties and maintenance. Dan said that the focus was to get a general idea from the RCD board to see how amenable they might be to making this happen. He said that he appreciates Andy asking who they have as a lead on this – maybe they can start hammering out some details and come back with a strong proposal.

Bill asked Jeff if he had any questions and he said not at the top of his head.

Bill asked **Becky** what her opinion was and she said that, as a property owner, she would be very much in favor of a lease agreement with the POA; however, in terms of what Shawn does to manage the property, perhaps it would be better for the RCD to continue to manage and employ Shawn for what he does and have some type of money reimbursement rather than the POA paying Shawn directly as an employee. **Dan** said that he appreciates the comment, that it is another way to look at it; generally speaking, though, if they were going to take over the maintenance of the properties, the POA would have to be more involved in directing the actions of the staff. He again said that he appreciates what she is saying and maybe there is some middle ground there; as he said, he's going for the whole enchilada and they will probably find some middle ground where they will end up settling. **Becky** said that it made sense that they have feedback on something that they are taking ownership of, especially for services that they can consolidate such as snow-plowing. Dan said that, regarding services, they just put their security force back up.

Anthony said that if this were to go through, he doesn't see any immediate downside to the community; speaking for himself, he would like to see a plan like this put into motion.

Tyler said that he liked the idea of operating in one house – the POA would just have to look at selling their building and then they would need to create a contract that would outline the maintenance and whose doing what that would make everyone happy. He likes **Bill's** idea of splitting up an area in the LCC to create office space, especially if the others would like to be next to the lake.

Dan said that they are not just spit-balling here, anything that they propose they are going to at least get a serious legal look at it to ensure that they are not exposing the POA or the RCD to any undo risks. **Bill** agreed.

Bill asked **Shawn** what he thought and Shawn said that the POA lacks a full-time employee and he thinks that they need one because it would cut their costs as well so he is for it either way; it's a win/win.

Dan said that another thing that is driving this, although he is not setting a deadline on anything that they are trying to do, but if they are talking about codifying something like this, the POA is also looking at updating their covenants and they would be binding for 10 years so if there is any aspect of this that we feel belongs in that document, that would capture it as well so that they can get full (*feedback?*) of the whole community – Dan said he thinks we are talking in the right direction here but he doesn't think that anybody has a full picture of what the light looks like yet.

Andy said that once you get something on paper, things change, so as part of an action plan, do they have anything pressing in terms of their (the POA's) next meeting. He asked how soon would they need something to review prior to a meeting and maybe we could develop the first piece of paper of what a deal could look like. **Wes** said that they don't have

anything right now on paper – at the next meeting he is proposing the approval of the sublease of part of their building to the Utility District for storage purposes. He added that he can't speak on their (the LLUD's) behalf, but they do have discussion going on with them, just as they are having discussion with the RCD, but in terms of any concrete proposal, it will probably take a few months – until next year when they have their new members come on. **Andy** said that that in itself could be a problem.

Kim said that she's newer out here, but to her, it's common sense to bring the office to the LCC. She doesn't have anything to do with the money part of it, and they'll have to look at that with the numbers; however, she would think that the community overall would want what is best and she doesn't know why it wasn't done before – she doesn't know the history of it.

Bill said that he would think that it would be a more convenient location.

Wes said that he thinks that he thinks that the grumbling has stopped because none of the current RCD board nor the POA members present were on the board when that disaster happened and they are moving forward with positive thought processes. **Carol** said that she was on the board (*back then*). In her mind, it makes sense to have the POA manage the properties if it can be done and they should sit down and put a proposal together.

Andy asked if they could do this in time for the annual meeting and **Dan** said that they might be able to and **Carol** said that it could be presented just as information. **Dan** said right after the annual meeting, they are going to probably have a special meeting as well because that is when they are going to decide the snow plowing contract as well. **Kim** said that Andy is right, there four spots opening up with Dan and Kim being both being one of them and there are 8 people running, and she thinks that the lake is the most important (*issue*). **Carol** said that the people that you have to worry about are the ones like her who don't live on the lake. **Bill** said that whether you live on the lake or not this is a lake community and **Carol** said that he didn't have to tell her as she understands it and will be one of the people out here talking a lot about that – but there are a large amount of people that live out here that don't live on the lake.

Shawn asked if the utility has said anything about moving their office, with them inviting all three to be there (*at the LCC*) instead of driving to the far corner of the neighborhood to pay a bill. **Wes** said that he has had a conversation with George Kersten and he and the entire board expressed interest in storage space for one of their vehicles that is exposed to the sun and degrades. **Wes** said that they examined the POA's downstairs space and it is feasible, usable, and doable. **Kim** said that they haven't even talked about that in the board's presence.

Norm Eakley said that the POA wants to lease part of the building for office space – what is the benefit to the community? **Bill** said that the RCD, in conjunction with the POA, is looking at consolidating resources so that they can put more money out there (*in the lake*) instead of into this (the LCC and other properties). **Norm Eakley** said that the main issue is for the lake to help it and **Dan** said it is for the lake and for the efficiencies gained for the POA. **Norm** said he just wanted to know what the community gets from that and **Bill** said that their bucket is only so full and they are spreading it as thin as they can. **Dan** said they are talking about saving the RCD some money but they are still going to be (*bearing the brunt of the cost*). **Dan** said in his vision he sees the POA as community affairs and the RCD as watershed affairs. **Norm** said that he sees that it would be more efficient when everything gets done properly, that the properties would be handled by the POA and the lake would be handled by the RCD - it's easier for the community.

Wes said that in his opinion, the only way the RCD is going to get the dredging done is through a municipal bond issued. The RCD would have to have X of thousands of dollars each year to pay that back and he doesn't know if they have it right now, but for him, by eliminating some of these, they'll have some money to be able to pay on those bonds.

Dan said that the POA still has to deal with selling the idea of taking that on to their membership because that would be additional expenditures that they would incur. **Dan** said in comparison to other lake communities such as Lake Summerset that was mentioned earlier, they don't have even a third of their revenue and Lost Lake is a very small fish in the lake community pond.

Walt Shambaugh – **Walt** said that since he has moved here, he has seen and survived the “wars” between the POA and RCD and they've come a long way and he thinks that they are on the right track. **Bill** said that he jokingly says that that was pre-**Bill**, but seriously, the current board is very active, are doing a good job, and have a like mindset and what they are striving for is the greatest good for the greatest all. He doesn't believe that there are any hidden agendas up here, which is a good thing. He thanked the POA board members for coming and said that he felt it was a meaningful discussion.

Andy said that Carol's husband, Jim played a big role in that and **Bill** agreed.

Andy asked what they would be doing now besides walking out of the room – someone has to be assigned something.

Kim said that they all have their regular jobs that they do and so they would need to find a board member that would have the time, caring and someone who knows what they are doing – Ed would also have to be involved. **Dan** agreed with **Kim**

and said that they wouldn't even get to the point of getting a proposal together without legal reviews. **Andy** asked if Dan meant that they would submit a proposal to the RCD or would the RCD submit a proposal to them and **Dan** said he doesn't know yet, for one thing, he wants to get comfortable with questions like "Are we even wasting our time due to legal restrictions?" or "Does it look like we are just trying to do this to avoid paying property taxes?" **Wes** said they also have to remember that this is a three-pronged effort – they cannot even engage with the RCD until they have an interested party (*the LLUD*) for their building. Carol said that they are not looking for concrete numbers and **Bill** said no, they are not looking for hard numbers right now, rather, they are going to need to go back to their full POA board. **Dan** said that they need to come to an agreement in principal and then they'll hammer out the details later – he thinks that everyone has come to the agreement in principal and everybody has to look in the same direction for that; however, as far as time lines and hard action items, they are still in the formative stage and they'll put something together. Dan said that he understands what Andy is saying and Kim said that Andy is right, if there is not a timeline, deadline, or person assigned, then it's not going to happen in a timely manner.

Bill asked what kind of sell are they going to have to present to the rest of their board and Dan said that he is not so much concerned with the board and Andy brought up a good point, is there a top potential to put together a proposal for the annual meeting and he (Dan) thinks that's an ideal target – maybe that is the mark they can put on the wall. When they approved their proposed budget at the meeting last month, their dues and assessments will be going up (although not significantly) if it gets approved next month.

Andy said, "So at the end of this meeting, say in a week from now, we would present to you a memorandum of understanding of what we discussed here tonight and the POA members tonight would take that and distribute it among their board, would that be agreeable to you all?" Wes said yes and Andy asked if he should send it to him and Wes said he can send it to him and that would be fine.

Jeff said in reference to what the Shawn and Wes were discussing about the utility renting space from the POA – is it feasible and beneficial, or would it be too much to have the utility district also in this building too. **Wes** said that it was his understanding that they were going to be putting up a pole building to accommodate some of their needs – George has expressed to him that a lot more space in the POA building could be utilized by them (*the LLUD*) but the POA doesn't have the space available right now because of raw materials in their bins downstairs – so they would have to find another means of storing that product. Jeff said, but just having another office here – to make it three offices – would that be too much traffic. Wes said that it would be repetitive because there is a perfectly good office over there.

Wes said that ultimately the community pays for everything here, it's a matter of economizing and getting to an efficiency of scale. Dan said that he appreciates their time and Bill thanked them for coming.

B. Motion to Approve 2019 Comptroller's Report – Andy motioned to approve the 2019 annual comptroller's report and Bill seconded the motion. The board approved the motion unanimously by roll-call vote. [09-19-06]

C. Motion to Participate in Pre-buy Propane Program for \$1,048.52 – Thompson Gas has a cost-saving route to save on their winter gas if they pre-pay. Jeff asked if there was a deadline on that because for residents the deadline was August 15th and Becky said that she explained to them that it had to go before the board as it was over \$1,000 expenditure and so they gave the RCD an extension. Bill said that they will save about a nickel a gallon on propane and every bit helps - Becky said it will save them about \$50 total. Bill motioned to participate in the Thompson Gas pre-buy propane program for \$1,048.52. Andy seconded the motion and the board approved the motion unanimously by roll-call vote. [09-19-07]

VIII. Guest Comments

Norm Eakley – Norm asked if the RCD agrees with someone's comment on Next Door to throw dead fish back into the lake rather than in the RCD's trash can. Becky said that the best method would be burying the fish and Bill said if they are going to throw the fish out, then the RCD would prefer that they throw it away in their own trash at home (not in the lake or the RCD's trash cans). Norm said that there has been talk in the past of building a path to connect the two sides and wondered if anymore discussion had been brought up and Bill said not from the RCD. Discussion ensued.

Shawn Parish – There were five trees that were damaged at the north beach. He caught one beaver so far and haven't seen anymore. Bill said that he received a lot of positive comments on the condition of the north beach for the fishing derby and he thanked Shawn for that and for the staining that he did of the LCC dock. Shawn said that he did the other docks too.

Wes - Fish screen over the dam – Wes asked if they lose a lot of fish over the dam and whether they have considered putting in a screen to catch the fish. Bill said that he doesn't know the amount of fish that go over the dam although he imagines that when the water is going over the dam rapidly that they do lose fish over the dam. Tyler notified him that he saw 3 of their muskie in the pool below the dam. As far as putting as screen up, Bill doesn't think that it is going to be in their best interest because it's just going to collect debris, then they would have to have someone clean it, and it could create more problems. Wes asked if they could have a screen in the back of the pond below the dam. Becky said a few years ago, Steve Larry, a former board member, looked into screens for the dam and found that it would be too cost prohibitive and not going to be a good idea. Discussion ensued.

Carol – Carol asked why the beaches are closed after Labor Day, especially after how hot it's been and Becky said that they have always made the swimming season from Memorial Day to Labor Day. They could extend the swimming season; however, there are costs involved such as water test sample gathering and postage, paying personnel to clean and groom the beaches, and extending portapotty and trash rental.

Kim – three buses from Kreider – did the RCD know about it? Becky said that they didn't notify the RCD and that it would be a nice gesture for them to notify the RCD when they have a large group coming out. Bill said that, playing devil's advocate, it's a POA issue because they used POA roads to get to a public beach.

IX. Motion to Adjourn - Anthony motioned to adjourn the meeting at 7:14 p.m. and Andy seconded the motion. The board approved the motion unanimously by roll-call vote. [09-19-08]

9/12/2019 Motion List

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