

## **Minutes of the 2023 Special Meeting of the Potter Lake Protection and Rehabilitation District held June 10th, 2023, at Town Hall, East Troy, Wisconsin.**

Present: Commissioners Christine Celley, Bill Roeber, Bob Rice, Liz Sanders, MaryJo Jones, and 30 constituents from the district were in attendance.

Chairman Christine Celley called the meeting to order at 9:08 am

The goal of this meeting is to review the information that we uncovered since our last meeting. When the dam was put out to bid in the spring, we only received 1 bid. Christine and Bob reached out to several contractors and asked them to provide an estimate. They were able to secure three additional estimates. Christine went through the attached power point.

A constituent asked about the three payment options and pointed out that the paid in full option was more expensive. There was a mistake on the financing option and the amount will be corrected prior to posting it on the website. The attached PowerPoint Presentation has option #1, the loan financing calculation corrected. The example was corrected to now show that the financing option would be the most expensive based on a \$500,000 assessed property value. Another constituent asked why we would get a loan when the district has enough cash on hand to pay for the project. It was explained that we spend more money year to year than what we have been taking in and we also would have a stiff penalty if we took money out of the LPL CD. The numbers on hand are what we have currently and the district will still have bills to pay before the end of the year and we need some money set aside. Bob had a handout that showed income and expenses of the district for the last 10 years for anyone who wanted to see it. Christine also explained that if we spent all of our money now we don't automatically get all the assessments after the first of the year. We get a big chunk but then the rest trickles in as people pay their taxes. Also, every five years we are required to do a 5-year plan for treatment and harvesting which usually coincides with a large treatment.

A motion was brought forward by Dave Bradley to move forward with reopening the bidding process for the dam project on Quest. The motion was seconded by Fran Basso

Motion one at the annual meeting will be which bid to move forward with. Motion two to approve budget and financing for the dam which will be completed on or before February 2025. Motion three to nominate a new board member. Christine will not be seeking reelection. These motions will apply to all lake front homeowners whether or not they are in attendance. A constituent asked if a proxy vote would be allowed if you are not able to attend. Christine will check to see if this is allowed. Annual meeting will be on September 9<sup>th</sup> 2023.

Christine has since confirmed that proxy votes are not allowed at the Annual meeting nor at any Special meetings per our Bylaws.

Dave Bradley made a motion to adjourn and was seconded by Fran Basso. Meeting was adjourned at 9:53 am

Respectfully submitted,

Robert C Rice  
Secretary



# Potter Lake Dam ~ Project Status & Proposed Plan

June 10, 2023



**AT OUR SPRING MEETING ON MAY 6, 2023 a motion was brought forward by Dave Bradley asking the board to:**

- 1. Contact our consultant Ayres & Associates asking for two other contractor recommendations.**
- 2. Check with the Village of East Troy about who handled the dam replacement on Hwy120.**
- 3. Talk to our constituent to request two Contractor recommendations.**
- 4. Check with banks and credit unions for financing options.**
- 5. Schedule another meeting in 30 days to report back to our constituents with our findings.**

**The motion was seconded by Dick Cameron. A proper vote was taken, and all were in favor with none opposed. The board will move forward with the motion.**

# Goals for Today's Meeting

- Why we are proposing to replace the dam now
- Review timeline
- Estimates/Bids
- Present data on how to cover costs and why
- Shall we move forward and open the project for rebidding
- Discussion of September 2023 Annual Meeting & what to expect

# Why we need to replace the dam today

- PLPRD has been told by our consultant that our spillway & dam have exceeded its service life and that the dam overall has a limited life. Additionally, the berm culvert was re-sleeved once and is showing signs of severe degradation requiring attention.
- If the dam fails, there could be multiple consequences:
  - As owner of the dam, PLPRD is responsible for proper maintenance and repair of the dam.
  - The cost to repair will most certainly be higher in the future and we cannot be sure that the DNR would not impose additional requirements on dam replacement.
  - The DNR generally does not like dams, so if the DNR imposes additional restrictions it could make replacing the dam extremely costly if not impossible.

# Review Timeline

- Sept 11, 2021 - Budget for legal fees and professional services increased for next year due to harvesting operations and dam assessment. Collin's proposal was roughly \$22,000 to engineer and manage the project. Project estimate of \$200,000 for budgeting purposes. The initial phase of the project and securing of bids would be between \$12,000-\$15,000. SCOPE: Total replacement of the dam itself as well as the culvert that goes into the spillway before going under the road.
- May 14, 2022 – Bids from Collins & Ayres were close. Ayres had a proposal of almost \$40,000 for their work/oversite and a construction estimate of \$100,000. Bob asked for approval to set aside \$150,000 for completion of this project. It was approved.
- Sept 10, 2022 - budgeted \$200,000 for the dam and the consultant provided a verbal estimate of \$119,000. It was explained that the amount was carried over from last years approved amount. On hand funds cover expense at this time!  
- Ayres did core samples of the berm in preparation for the new dam. Solid ground found at 17 foot depth. Helical piles will need to be used due to poor soil conditions and precast concrete will sit on top. Wheel and gate construction.
- Feb 3, 2023 – Two year permit issued by DNR.
- Feb 27, 2023 – Bidding docs were finalized.
- March 10 & 17, 2023 – Bids were published in the newspaper and on Quest.
- March 31, 2023 – Received one bid from Michels Corp.
- May 6, 2023 - Motion to discuss other options and report back.

# Estimates/Bids

In the interest of due diligence: the following companies, which were recommended to us by either Ayres or our local person, were contacted and did not provide an estimate at this time. Some may be interested in supplying an actual bid if put back on Quest with a deeper deadline for completion.

	<u>No bid or estimate due to:</u>	<u>Possible Bid</u>
1. Nordic Group	location	yes
2. A.W. Oakes & Sons	timing	yes
3. Ballard Marine	timing	maybe
4. JF Brennan	business levels	no – too small

The following companies did not return calls: All Ways Contractors, and RLP Diversified – the company who did the work for East Troy on 120.



# Actual Bid & 3 Estimates

As discussed on May 6, we received one bid for the dam replacement work from Michels Corp. Over the last few weeks, we have reached out to multiple contractors and have been able to secure three additional estimates for the project. The verbal conversations held with multiple companies indicate an interest in re-bidding if the project was relisted on the Quest bidding network.

<b>Contractor</b>	<b><u>Bid</u></b>	<b><u>Estimates</u></b>	<b><u>Notes</u></b>
Michels	\$ 300K		Thought they could reduce the bid 8-14% based on a more relaxed completion deadline
McMullen & Pitz		\$ 221K	Could vary \$25K to 50K
C.W. Purpero		\$ 179K	
Janke		\$ 246K	

## Current Financial Situation

### Currently:

We have paid Ayres \$35K

We have two CD's at Citizens Bank of Mukwonago valued at \$130k that have not been re-invested pending the decision on this project.

We have LPL Bond investment that is potentially tied up until December 2028 if left to mature it will be valued at a minimum of **\$116,000**. Penalty for early withdrawal changes daily, cashing it in now would result in **a \$23,214 penalty**.

As we have an approved 2023 budget, we can not alter it. But we can approve the change in our 2024 budget at our September meeting.

### THEREFORE:

- Based on the bid & estimates it is clear we do not have enough money in our reserves to cover the total cost of this project.
- Additionally, PLPRD must maintain sufficient funds on hand to cover our annual expenditures and cover unforeseen costs.
- We are required by WI State statute 33.31 (3) to pass along to the taxpayer the principal & interest of any loan.

# Three Options on how to cover the dam cost

Based on our current financial position, the recommended amount to finance for the dam project is \$175k.

Three scenarios are being reviewed for how we can move forward with the dam.

1. \$175,000 10-year LOAN @5.25% APR, P&I \$22,524 annual payment (Based on each lake properties Total Assessed Value)
2. \$175,000 one-time special assessment (Based on each lake properties Total Assessed Value)
3. \$175,000 one-time special charge split equally amongst the 147 lake property tax keys

**Please hold your questions on this until we work through the next two slides that illustrates individual costs.**

# How much is this going to cost us individually?

## Loan Scenario presented is based on:

- \$175k loan over a 10 year period
- Interest rate is 5.25% fixed
- Annual loan payment \$22,524/year which covers principal and interest

==> Tax Bill Impact per \$100k Total Assessed Value, \$41.44 annual x 10 years = **\$414.36** for the life of the loan

IMPORTANT: Examples are based on 2022 property assessments and mill rate, so they represent a reasonable estimate. Actuals will vary!

## Two No Loan Scenarios presented is based on: \$175k funding

- One-Time Special Assessment Scenario  
==> Tax Bill Impact per \$100k Total Assessed Value, **\$321.94** for one year
- One-Time Special Charge Scenario  
==> Tax Bill Impact would be \$175k divided equally between 147 properties \$1,190 for one year ( $\$175k / 147 = \mathbf{\$1,190}$ )

# How to Figure YOUR Impacted Cost

- Option #1 Loan: \$41.44/\$100,000 or \$0.41/\$1,000 on Total Assessed Value annually for 10 years under Potters Lk Pro & Reb District Levy Tax Assessment
- Option #2 One-time special assessment: \$321.94/100,000 or \$3.22/\$1,000 on Total Assessed Value for one year under Potters Lk Pro & Reb District Levy Tax Assessment
- Option #3 One-time special charge: split equally amongst the 147 lake property tax keys ( $\$175k / 147 = \$1,190$ ). Special Charge

in this mailbox

EAST TROY TOWN TREASURER  
PO BOX 872  
EAST TROY, WI 53120

WALWORTH COUNTY - STATE OF WISCONSIN  
PROPERTY TAX BILL FOR 2022  
REAL ESTATE

Parcel Number: PMR  
Bill Number: 651386

Important: Be sure this description covers your property. Note that this description is for tax bill only and may not be a full legal description. See reverse side for important information.

Location of Property/Legal Description  
LOT 17 BLK 1 MIRAMAR SUBD  
0.293 ACRES

EAST TROY WI 53120

Please inform treasurer of address changes.

ASSESSED VALUE LAND 142,800	ASSESSED VALUE IMPROVEMENTS 337,700	TOTAL ASSESSED VALUE 480,500	AVERAGE ASSESSMENT RATIO 0.735505067	NET ASSESSED VALUE RATE 0.01662025 <small>(Does NOT reflect credits)</small>	NET PROPERTY TAX 7720.79
ESTIMATED FAIR MARKET VALUE LAND 194,200	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS 459,100	TOTAL ESTIMATED FAIR MARKET VALUE 653,300	<input type="checkbox"/> A star in this box means unpaid prior year taxes.	School taxes also reduced by school levy tax credit 885.78	Garbage Collection 219.26 Weed Control 189.68

**Special Charge**

TAXING JURISDICTION	2021 EST. STATE AIDS ALLOCATED TAX DIST.	2022 EST. STATE AIDS ALLOCATED TAX DIST.	2021 NET TAX	2022 NET TAX	% TAX CHANGE
WALWORTH COUNTY	146,126	140,995	1,886.20	1,811.80	-3.9%
Town of East Troy	240,624	252,151	1,118.05	1,198.05	7.2%
East Troy Community Schools	3,634,305	3,590,700	4,048.88	3,874.60	-4.3%
Gateway Technical	762,197	766,218	428.74	416.48	-2.9%
East Troy Sanitary Dist #2	0	0	405.96	402.27	-0.9%
Potters Lake Protect & Rehab	0	0	100.81	99.89	-0.2%
CDEB East Troy School	0	0	202.20	162.74	-18.8%
<b>TOTAL</b>	<b>4,783,252</b>	<b>4,750,064</b>	<b>8,191.54</b>	<b>7,986.03</b>	<b>-2.5%</b>

FIRST DOLLAR CREDIT  
LOTTERY AND GAMING CREDIT  
NET PROPERTY TAX

-62.54  
-221.82  
7,907.18

-61.94  
-203.30  
7,720.79

-1.0%  
-8.3%  
-2.4%

**TOTAL DUE: \$8,129.73**  
PAY BY: JANUARY 31, 2023

Warning: If not paid by due date, installment option is lost and total tax is delinquent subject to interest and, if applicable, penalty. Failure to pay on time. See reverse.

Taxing Jurisdiction	FOR INFORMATION PURPOSES ONLY - Voter Approved Temporary Tax Increases			Total Additional Taxes Applied to Property	Total Additional Taxes Applied to Property	Year Increase Ends
	Total Additional Taxes	Year Increase	Ends			
East Troy Community Schools	\$1,824	51.93	2036			
East Troy Community Schools	\$36,510	530.88	2036			

PAY 1ST INSTALLMENT OF: \$4,167.69 BY JANUARY 31, 2023 AMOUNT ENCLOSED _____ MAKE CHECK PAYABLE AND MAIL TO: EAST TROY TOWN TREASURER PO BOX 872 EAST TROY, WI 53120	PAY 2ND INSTALLMENT OF: \$3,962.04 BY JULY 31, 2023 AMOUNT ENCLOSED _____ MAKE CHECK PAYABLE AND MAIL TO: WALWORTH COUNTY TREASURER 100 W WALWORTH PO BOX 1001 ELKHORN, WI 53121	PAY FULL AMOUNT OF: \$8,129.73 BY JANUARY 31, 2023 AMOUNT ENCLOSED _____ MAKE CHECK PAYABLE AND MAIL TO: EAST TROY TOWN TREASURER PO BOX 872 EAST TROY, WI 53120
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# Tax Bill Impact

Sample based on \$500,000 total assessed value, 2022 tax rate and \$175,000 funding

Whole Dollars		
Option #1 (\$175,000 Loan, \$22,524 P&I Annual Payment x 10 Years)		
Total Assessed Value	\$	500,000
Net Impact mill rate increase		0.000414
Total Assessed Value x Net Impact mill rate increase	\$	207
Years		10
<b>Your Tax Bill Impact over 10 Years</b>	<b>\$</b>	<b>2,072</b>
Option #2 (\$175,000 One-Time Special Assessment)		
Total Assessed Value	\$	500,000
Net Impact mill rate increase		0.0032194
Total Assessed Value x Net Impact mill rate increase	\$	1,610
Years		1
<b>Your Tax Bill Impact for 1 Year</b>	<b>\$</b>	<b>1,610</b>
Option #3 (\$175,000 One-Time Special Charge)		
Total Funding	\$	175,000
Property Tax Keys		147
Total Funding / Property Tax Keys	\$	1,190
Years		1
<b>Your Tax Bill Impact for 1 Year</b>	<b>\$</b>	<b>1,190</b>

**YOU NOW HAVE ALL THE INFORMATION TO MOVE FORWARD  
THIS IS THE DECISION THAT NEEDS TO BE MADE TODAY**

**MOTION :**

- 1. I MAKE A MOTION TO MOVE FORWARD AND REOPEN THE  
BIDDING PROCESS FOR THE DAM PROJECT.**

**➤ MOTION PASSED ON JUNE 10, 2023**

**WE CAN NOT MAKE ANY MOTIONS REGARDING  
FINANCING UNTIL THE ANNUAL SEPTEMBER MEETING**

**ANNUAL MEETING WILL REQUIRE MOTIONS ON THE FOLLOWING  
IN ADDITION TO OTHER ANNUAL MEETING BUSINESS.**

**MOTION 1:  
WHICH BID TO MOVE FORWARD WITH**

**MOTION 2:  
APPROVE A BUDGET WITH DAM PROJECT & FINANCING  
INCLUDED TO BE COMPLETED ON OR BEFORE FEBRUARY 2025.**

**MOTION 3:  
NOMINATE & VOTE IN NEW BOARD MEMBER  
(CHRISTINE (CHAIR) IS RETIRING HER POSITION)**



The motions voted on at the September 2023 Annual Meeting will apply to all lake property owners, whether they are in attendance at this meeting or not.

Please let your lake neighbors, who are not in attendance today, know to be there in September as these decisions will affect all of us.

**IF YOU ARE INTERESTED IN JOINING THE BOARD – PLEASE REACH OUT TO ONE OF US.**