

WINNEBAGO COUNTY DRAINAGE BOARD
LARSEN DRAINAGE DISTRICT
Annual Meeting Minutes
7:00 p.m. on September 28, 2023
Town of Winchester, 8522 Parkway Lane, Larsen, WI 54947

I. Call to Order

Board Members:	Howard Miller	PRESENT
	Peter Romberg	PRESENT
	David Sleik	PRESENT
	John Kunde	PRESENT
	Michael Pfankuch	PRESENT
Clerical Support:	Holly Stevens	PRESENT
District Consultant:	Gerald Peterson	PRESENT
Engineer:	Ben Hamblin	PRESENT

II. Approval of Minutes

- A. Approval of the minutes of the July 20, 2023 Winnebago County Drainage Board Larsen Drainage District Meeting.

MOTION:

Motion by Board Member Pfankuch

Second by Board Member Romberg

Motion to approve the minutes from the July 20, 2023 Winnebago County Drainage Board Larsen Drainage District Meeting as presented.

Motion carried by unanimous voice vote.

III. Open Forum: Drainage District related Matters not on the Drainage District Board Agenda:

Russ Van Gompel, 7025 Wisnac Road, Winneconne explained he lives outside the district along the river and on a private channel. He explained that he and the other residents on the channel are concerned about the water quality and the vegetation growth. He explained that the growth has the potential to affect the flow of the river as it flows into Lake Winneconne. He said he wanted to voice the concerns to ensure the Board is aware of the conditions and the potential impact on the Arrowhead River.

Mr. Van Gompel added that the residents along the channel did invest in some dredging, but the entire area leading to the lake is filling with sediment.

Engineer Hamblin agreed that it is worth watching.

IV. Business:

A. McMahon Group

Engineer Hamblin presented a draft map which presented a quick and dirty idea to expand the district to include all the properties in the watershed. He said the map creates a tiered system that could be used to define the benefit each property receives from the river based on its distance from the waterway. He explained the map was very preliminary and was created just as a conversation starter for consideration.

Board Member Sleik noted that the property owners upstream receive more benefit than those downstream. He explained the ditch was originally dug to drain the properties upstream. He said distance from the river is not a good measure of benefit. He said he does not think they should start that mess at this point. He said the reason the ditch was dug was to drain the properties from Larsen north.

Engineer Hamblin acknowledged that the historical reason for the ditch was for those properties, but the benefits have expanded to the entire watershed.

Administrator Stevens suggested the Board may wish to request the engineers prepare and present a General Terms Agreement for 2024, as well as a proposal for the spring UAV drone survey of the corridor for presentation and consideration at a spring meeting. The Board agreed and made the request.

B. Water Levels

Chair Miller presented his water level report noting that it has been a very dry year. He explained that the Neenah dam has only had 1 gate half open for most of the summer which was done just to keep the water powered generators along the river in Appleton running.

Chair Miller also noted the U.S. Army Corps of Engineers will be holding their Draw Down meeting on October 3, 2023 at 6:00 p.m. in Appleton. He said he intends to be there.

C. Landowner Maintenance Requests Update

Admin Stevens reviewed that at the July 20, 2023 meeting, the Board directed her to send letters to property owners with flow obstructions identified on their property. She reported that letters were sent on August 1, 2023 to eight property owners requesting the property owners investigate the issues and take corrective actions.

She explained that Chair Miller had received follow up communications from two of the eight properties identified. She suggested the Board keep an eye on the properties with another review of aerial photography next year.

D. Winnebago County Land & Water GIS Access Request

Admin Stevens reviewed that the Board discussed a request from Andy Maracini, Winnebago Co. Land & Water, for access to the Larsen Drainage District GIS photography. The main points of discussion included:

- Access would be limited to photos only.
- Concern for what/how the images would be used.
- WCDB has financial investment in photography – cost sharing for data wouldn't be unreasonable.
- Could WC L & W perform UAV services at a reduced cost through an intergovernmental agreement for use by both entities.
- Cooperation between entities is beneficial.

The Board requested Chair Miller reach out to Mr. Maracini to discuss the concerns and the possibility of a mutually beneficial agreement. Chair Miller will provide an update to the Board regarding any developments.

Chair Miller reported that Mr. Maracini's interest was simply out of curiosity. He said they have no plans to use the information.

Chair Miller asked if the GIS can be made public in a view only status.

Engineer Hamblin said that is certainly an option.

Admin Stevens noted that the concern the Board expressed at the last meeting was that Land and Water may end up using some of the information for enforcement purposes even though they do not have jurisdiction in the corridor. She explained the Board should be aware that even a view only platform provides data which other people could potentially use for unforeseen purposes. She requested the Board thoroughly think through the provision of access because they have made a big investment in the system, and you don't want to risk abuse.

Chair Miller noted that while it is not as good, many people can use google maps for the same purpose. He said it is not nearly as good as the district data, but it is already out there.

Board Member Sleik noted that the system was created using tax dollars from the district property owners. He asked if they want to see the information.

Engineer Hamblin asked if Chair Miller had inquired about the County providing UAV services to the district at a reduced rate. He said the district could essentially negotiate a "horse-trade."

Board Member Sleik noted that the information is public record. He said people could just request the information.

Admin Stevens explained that it is a public record and depending on what is requested, the district would be required to provide images. She said for someone to request full access to the platform is quite broad and the open records law allows for some limitations. She said that would be a question for Corporation Counsel. She said she thinks there needs to be legal clarification.

Engineer Hamblin noted that many cities, villages, sanitary districts, etc. have GIS systems. He said there is an enormous amount of information out there. He said while one might think

that is somewhat sensitive material, a lot of it is out there and available. He said he does not think this is terribly different. He said making a read only platform available to the County would not be unreasonable. He also noted it is another County entity—sharing information can be beneficial.

MOTION:

Motion by Board Member Pfankuch

Second by Board Member Sleik

Motion to allow a view only platform of the District GIS data available.

Motion carried by unanimous voice vote.

Admin Stevens noted she has questions, but she will work them out with the Engineers. Specifically, she is unsure where the access will be located.

E. Bank Brush Cutting / Mowing Proposals

The Board reviewed that at the last meeting, Gerry Peterson and Matt Olson had requested the Board investigate regular brush cutting and mowing along the corridor. Specifically, Mr. Peterson had concerns regarding the bank work completed in recent years along his and adjacent properties. Mr. Peterson identified that the brush is beginning to overrun the banks and if not dealt with soon, would undo the work previously completed.

In response, Chair Miller put together a bid request and distributed it on August 26, 2023 to TreeOs, L&L Clearing, Pederson Lawn Care, Eckstein Excavating, Turf Works, Legacy Land Restoration, Rathke Services, Town of Clayton, Viking Tree Service, Wisconsin Land Clearing and Brush Removal, and Jensen Brothers.

The deadline for bid submittal is September 25, 2023. Chair Miller reported that he received two bids—one from TreeOs and one from L&L Clearing. He explained that both contractors had met with Mr. Peterson and walked the area identified. Despite both seeing the same area, the bids included different services. Specifically, there were discrepancies with treatment of the large trees and L&L included the additional service of spraying the mowed areas in the spring.

He said both contractors have worked locally and seem to do good work. He said the project is costly, no matter which contractor is chosen.

Admin Stevens noted that this is the same project which was bid for in 2021. She reviewed that at that time, the Board did not want to move forward because the single bid received at the time was \$12,000 which the Board felt was too expensive. She said in two years, the cost has increased to more than \$19,000.

Chair Miller noted the request was sent to eleven contractors but only two replied.

Board Member Sleik asked to clarify where the proposed work was being done. Chair Miller noted the bid request and map were included in the meeting materials. He said it is the same area bid in 2021.

Engineer Hamblin noted the L&L quote includes spraying as well as discussion about removal of larger trees. He noted that the large tree removal may not be necessary and eliminating it might bring the quote down.

Matt Olson, 8303 Sauby Road, noted that if the district does not get after this, it will lose all the work that has been done. He said the spraying might help maintain the work longer.

Board Member Pfankuch suggested that if continued maintenance is implemented, spraying will not be needed.

Board Member Sleik said he would like to see what comes back in the spring. He said spraying may not be needed depending on what grows.

Board Member Pfankuch noted the Board's discussion at the last meeting—they can no longer sit on their hands. The Board has to implement a continual maintenance routine to keep the project costs lower. He said the Board needs to start looking upstream as well.

The Board discussed the bids, noting the services proposed were different. Board Member Sleik said he thinks there needs to be a clearer request.

Board Member Pfankuch disagreed, noting that each vendor received the same request, and both met with Mr. Peterson—they had the same information. He said delaying allowing for bid revisions will set a bad precedent.

Admin Stevens clarified that Gerry Peterson met with both contractors and showed them the same area and the same map and request were provided to both contractors. She said the issue is not with the area to be worked but rather with the services the contractors decided to recommend and included in their bids.

Board Member Sleik said he doesn't think the request was clear enough. He said if they hire the work done and it is not completed as they expect it, the Board has no recourse. He said he thinks the bid request has to be much more specific.

Admin Stevens noted that if that is how the Board wishes to proceed, she would recommend scheduling another meeting very soon in order to get the revised bid approved and to allow enough time to complete the work yet this fall. She asked if Board Member Sleik was willing to meet with the contractors to discuss the specifics.

Board Member Sleik said he would meet with them if he is available. He suggested they use the GIS and draw lines and tell them what area they would be working in.

Admin Stevens said that is what the map which was included in the request already does—it specifically identifies the areas which need to be cleared. Board Member Sleik said the map is not specific enough. Board Member Pfankuch added that both contractors were onsite and were shown exactly which areas they were to bid.

Board Member Sleik asked if they were clear cutting it and if so, would they be leaving big piles of brush that they as landowners would then have to deal with.

The Board determined the equipment proposed would mulch the brush so piling should not be an issue.

The Board determined there should be a pre-construction meeting to make sure that the scope of the job is understood.

MOTION:

Motion by Board Member Pfankuch

Second by Board Member Kunde

Motion to approve the proposal submitted by TreeOs to perform the bank and terrace brush cutting and mowing work as identified along the Larsen Drainage District Ditch west of STH 45 for a cost of \$19,402 as presented and with the requirement for a pre-construction meeting to identify the exact parameters of the project, and the requirement for the work to be completed by December 15, 2023 and if weather conditions prevent the work from being completed by said date, the Board and the Contractor will in good faith review the contract and consider completion of the project in the spring of 2024.

Motion carried by unanimous voice vote.

F. Secondary Ditches – Federal Funded Clean-out and Maintenance Program

Board Member Romberg noted the district is still waiting on the federal engineering report and plan. At the last meeting the Board directed Admin Stevens to send letters to the property owners involved in the project to update them on the status and to request their patience with the process. Board Member Romberg said there are no other updates at this time.

G. Sediment Removal Project located along parcel Erosion along Parcel 028-0941 (William Pucci Property)

Admin Stevens reviewed that at the July 20, 2023 meeting, the Board reviewed the project and determined that conditions remain stable, and no significant changes were exacerbating the problem.

Board Member Romberg said he would monitor it and as soon as the soybeans are off, he will review the conditions and determine when the work can be completed.

H. Extraterritorial Jurisdiction

Admin Stevens reviewed that at the July meeting, the Board was discussing the impact of development occurring outside the Drainage District and questioned the ability to exercise Extraterritorial Jurisdiction. She reported she had reached out to Bart Chapman, P.E., WI DATCP, regarding the Board's authority. Mr. Chapman confirmed there are provisions in statute that authorize the Drainage Board to direct activities outside of district boundaries. The Board's options are summarized in the County Drainage Board Handbook.

Admin Stevens added that while the information provided by Mr. Chapman is helpful in identifying the authority held by the Board, it did not explain the implementation process to exercise that authority. She said she reached out to Mr. Chapman for further clarification but has not yet received a response.

Chair Miller noted that this is something that has come up before and there currently is a situation in Racine County which paints a different picture than Mr. Chapman does. He said the Board should probably wait to see what happens with the litigation in Racine County before proceeding too far.

Board Member Sleik said he would like to make a motion to table this. He said we have had this discussion, and he doesn't want to expand the district.

Admin Stevens clarified that no action is being requested of the board. She said the discussion is informational for the Board.

Chair Miller confirmed.

Board Member Sleik said it should be taken off of the agenda, so it does not come back up.

Admin Stevens noted that the information provided does not relate to expanding the district. She asked to explain the "Extraterritorial Jurisdiction."

Board Member Sleik stated that he is the board member and he has asked for a motion to end the discussion to try to add more land to the district. He said they are digging themselves a grave. He said it comes up and there are people who want it and people who don't want it.

Admin Stevens explained that this discussion is not about adding land. She said extraterritorial jurisdiction is simply the authority that this Board has to see the development that is occurring in the watershed. She said the Board would not be taxing them, nor annexing them. She used the 100-home subdivision which is being developed in the Town of Clayton. She said if a development like that was proposed within the watershed, it would be extremely important for the Board to know and understand how the development plans to deal with their storm water runoff. She said all the extraterritorial jurisdiction does is give the Board the ability to review the plans before other jurisdictions give their approval. She said it gives this board insight into what may be coming into your ditch.

Admin Stevens said that is all that this discussion is about—she just wanted the Board to realize that it has the ability to review development to determine if it is going to impact the drainage ditch. She said the Board really needs to start looking beyond its borders because technology and drainage methods are improving, and it is almost certain that the water coming in will continue to increase in volume. She said this is a conversation about being informed.

Chair Miller confirmed that the statute as written requires that even water added to a secondary ditch has to get the approval of this board. He said he is still investigating what that exactly means—is a new home with a sump pump draining to the roadside ditch or is it a subdivision with a storm water detention pond draining into the system. He said it is something we have to keep an eye on.

Board Member Pfankuch said the extraterritorial jurisdiction gives the Board the ability to review the engineering plans and how it is going to impact the ditch. He said Admin Stevens and he have dealt with extraterritorial jurisdiction in the past—and it is a good thing. It gives the information about what is coming and gives us a voice.

I. Administrative / Clerical Services Contract Renewal

Admin Stevens reviewed that she began providing administrative support and clerical services for the Drainage Board in 2018 while employed with the Town of Clayton. After leaving Clayton, she continued to work at no cost to the district through December 31, 2022. In September 2022, the Board approved a contract for Administrative and Clerical Services effective for a term beginning on January 1, 2023 and ending on December 31, 2023.

She said the Board is being asked to again consider its needs for administrative and clerical services and if renewal of the current contract is warranted. She also provided an updated draft contract for services for the Board to review.

Admin Stevens noted that there are several options for the board to consider including but not limited to the following:

1. The Board could renew the contract with Holly Stevens for continued services.
2. A Board Member could assume the role of administrative/clerical support.
3. The Board could negotiate a new contract with one of the district municipalities (Clayton, Winchester, or Winneconne)
4. The Board could negotiate an agreement with a separate individual.

MOTION:

Motion by Board Member Kunde

Second by Board Member Pfankuch

Motion to approve the contract submitted by Holly Stevens for Administrative and Clerical services for the term beginning January 1, 2024 and ending December 31, 2024 as presented.

Motion carried by unanimous voice vote.

J. Annual Inspection and Financial Report

Board Member Pfankuch and Admin Stevens presented the Annual Report for the fiscal year beginning September 1, 2022 and ending August 31, 2023. It reviewed the financial condition of the Board. It also identified the district's activities throughout the year.

MOTION:

Motion by Board Member Romberg

Second by Board Member Kunde

Motion to accept the 2022-2023 Larsen Drainage District Annual Inspection and Financial Report and to submit the report to the Winnebago County Zoning Administrator and the Department of Agriculture, Trade, and Consumer Protection as required by law.

Motion carried by unanimous voice vote.

K. 2023 District Tax Assessment Rates / Fees

Admin Stevens explained the Larsen Drainage District property owners support the work performed by the District through Special Fees which are added to the property tax bills. Each property is charged a base rate plus a per acre fee.

The Board approved the following fees for the 2022 tax bills:

Parcels with Improvements	\$ 12.12 + per acre charge
Parcels without Buildings	\$ 4.04 + per acre charge
Per Acre Charge	\$ 1.28
Larsen-Winchester Sanitary District	\$ 2,138.40 Flat Fee
Northeast Asphalt	\$ 3,564.00 Flat Fee

Approximate Revenues:

2017 rates generated \$13,490.

2018 Board reduced rates by 10 percent generating \$12,154.

2019 Board reduced rates by 20 percent generating \$9,734*.

2020 Board maintained the same rates as 2019 generating \$9,770*.

2021 Board increased fees by 20 percent generating \$12,046.

2022 Board increased fees by 10 percent generating \$13,056.

*While 2019 and 2020 rates were the same, the generated revenues increased due to construction—previously vacant lots were developed changing the base rate charge and therefore increasing revenues.

Admin Stevens said it is recommended the Board consider anticipated operating costs and current fund balance when determining the District Fees. She provided anticipated costs for 2024 and an estimated 2023 year-end fund balance.

2024 Engineering (GIS Database Maintenance and Esri Fees)	\$1,660
2024 General Engineering Services	\$5,000 (estimated)
2024 Corridor Maintenance-Mowing, Tree removal, etc.	\$15,000 (estimated)
2024 Projects	TBD
2024 Administrative Services	\$1,750 (estimated)
2024 Board per diems (4 Mtgs.)	<u>\$1,200</u>
Estimated Expenses for 2024	\$24,610

2023 Fund Balance (08/31/23)	\$165,370
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Admin Stevens also reported that the engineers have indicated there are no major maintenance projects which need immediate attention. However, there are numerous areas within the corridor which would benefit from routine maintenance work. With that in mind, if the Board agrees the anticipated operating expenses for 2024 are a reasonable representation of operating costs, consideration should be given to the tax assessment amounts charged to the landowners to cover those expenses.

Admin Stevens explained that using last year's revenues compared to the 2024 anticipated expenses, the Board would have a revenue shortfall of approximately \$11,555. An 88 percent

increase in fees would be necessary to cover this shortfall. However, in order to minimize the tax burden to property owners, she would NOT recommend the Board increase the tax assessment in a single tax year to correct the shortfall. She said her recommendation remains the same as last year—to implement incremental 20% increases to increase revenues over the course of the next few years. Presuming the operating expenses remain relatively stable, the shortfalls will decrease year over year until the revenues and operating expenses are in balance. The interim shortfalls would be covered by the district fund balance.

Admin Stevens calculated the increase for the board and explained that the proposed 20% increase will result in the following rates for 2023 taxes:

Parcels with Improvements	\$ 14.54 + per acre charge
Parcels without Buildings	\$ 4.85 + per acre charge
Per Acre Charge	\$ 1.54
Larsen-Winchester Sanitary District	\$ 2,566.08 Flat Fee
Northeast Asphalt	\$ 4,276.80 Flat Fee

2023 Estimated Revenue Total:	\$15,667.20
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2024 Incremental 20% increase:	\$18,800.64
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2025 Incremental 20% increase:	\$22,560.77
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As an alternative, Admin Stevens also presented information for a 10% increase. She noted that the Board has been very conservative in recent years, minimizing the increases to the district fees to minimize the tax impact for landowners. However, if continued too long, this goodwill gesture will erode the district's financial base and could potentially result in the need to drastically increase fees and/or to charge special assessments to landowners. For the past few years, expenses have exceeded revenues. The excess costs were paid using the district's fund balance. While the fund balance was built and saved to cover District costs, it should be used with caution. She noted that the best practice is for the district to maintain a sufficient cash balance to cover unforeseen emergency expenses. Additionally, the fund balance should be maintained to pay for larger maintenance projects which periodically arise. The use of the fund balance to supplement the annual tax revenue shortage for basic operations is problematic. It is recommended that the annual tax collections equal or slightly exceed anticipated general operations. A 10 percent increase will again fall short of this recommended goal.

Admin Stevens also presented the fund balance status from 2017 to the present. In 2017, the fund balance was over \$211,000 and in 2023 the fund balance is only \$165,000—a 22 percent decrease. She also noted that the revenues during the same period of time have an aggregate decrease of 5 percent. She noted that with spending outpacing revenues, the district is on the path to insolvency.

Admin Stevens said she is making the recommendation for the Board to establish a fund balance policy which identifies an amount to be maintained as their fund balance minimum; and it is recommended the Board consider its financial position when considering the district fees. She noted that the Board had just approved a \$20,000 project earlier in the meeting. Additionally, the operating expenses are anticipated to be between \$25,000-30,000. She explained that a 20 percent increase would generate \$15,677 and a 10 percent increase would

generate \$14,360. She again stated that if the board continues to outspend their revenues, they will quickly become insolvent.

Board Member Romberg asked if there are any other major projects which the Board will be looking at in the near future. He said the Board spent money on the GIS system to establish a good foundation but is there anything else big like that out there. He said what he is trying to understand is what the normal, annual operating costs will be.

Admin Stevens said the last “big” project she is aware of was completed around 2015-2016 by the Ecksteins when they worked on the southern end of the river. She said she saw a few of those invoices and they were coming in for a single year for approximately \$35,000. She said Gerry Peterson or Board Member Sleik could probably explain what was done.

Board Member Sleik said you have to look back further than that. He said there is a very small land base that is supporting the district. He said he thinks more should be done by the landowners, but no one does it. He said the challenge is to determine what we can actually change. He said dredging doesn’t pay because there is nowhere for the water to go. He said in the past it was basically a way to force a neighbor to do their part and if they were not going to do it, then the drainage district would. He said now we are becoming a typical government entity and unfortunately our overhead is becoming huge. He said three of them cannot even meet without being a quorum and things have gotten a lot more complicated. He said with complication comes slowness. He said we have become a bureaucratic body whether we like it or not.

Board Member Sleik said we have to look at how many landowners there are and how much we are willing to put on them. He said he agrees that the ditch is needed, but from a personal standpoint, he can’t get a road ditch cleaned out so we can pump water up and into it. He said it basically comes to the point where if we want something, we are going to have to pay for it ourselves. He said he does not know how the Board is going to get a lot more people out there to throw a lot more money at this. He said the district is running at a deficit—80 percent deficit. He said basically, you have a couple farmers who own the land and a few houses. He said you are taxing less and less people for more and more money.

Admin Stevens noted that although Board Member Sleik does not want to hear it, the alternative is to expand the district.

Board Member Sleik said if we start that war with people, we have to prove that we are doing something for them.

Board Member Romberg clarified that his question is about the ongoing costs—we have addressed or are addressing the more costly projects and the operating expenses for maintenance should level off. He said once the Board gets the maintenance projects under control there will be less cost associated with standard maintenance. He said he is just trying to get a feel for what is expected as a standard annual maintenance amount.

Board Member Sleik said he can always find another mile that needs brush cutting maintenance. He said that is his point—they will never catch up.

Admin Stevens noted that is exactly what the Board is obligated to do—maintain the ditch. She said that is the Board’s responsibility.

Board Member Sleik said the landowners who are maintaining their section are being forced to pay for the landowners who are not doing theirs.

Admin Stevens said the Board is taking steps to hold landowners accountable. She noted that earlier in the meeting she reported she had sent letters to landowners which identified issues requesting they correct them. She said the Board has taken active measures to get the landowner buy-in. She asked Board Member Sleik what he proposes as a solution.

Board Member Sleik said we are spending good money after bad.

Admin Stevens said the Board just approved a \$19,000 maintenance project to keep the ditch functioning.

Board Member Sleik said he knows that. He said he thinks they should just spend the money they have on hand. He said he would be very comfortable if we only had \$50,000 in the account.

Admin Stevens noted that the fund balance is up to the Board.

Board Member Sleik said if the Board wants to continue what it is doing, it will have to increase taxes by 80 percent.

Admin Stevens said she is not proposing that—she is proposing small incremental increases overtime to minimize the impact on the taxpayers.

Board Member Sleik said even if the Board did a 10 percent increase this year, 10 percent the next, 10 percent the year after that—after 8 years you are at 80 percent.

Admin Stevens asked Board Member Sleik if he would charge the same amount for a pig that he charged eight years ago. She noted that is how inflation works.

Board Member Sleik said that is his point—inflation is outpacing what our taxes can generate. He said it doesn’t make sense.

Admin Stevens said she understands his concern, but she strongly believes that the small incremental increases are less impactful on property owners. She said if the Board does a 20 percent increase over the next three years, the revenue will increase from \$15,667.20 in 2023 to \$22,560.77 in 2025. She said you already approved a \$19,000 project for next year—that exceeds your revenue for the year if a 20 percent increase is approved. She said you have to start catching up.

Board Member Sleik said he is not questioning the numbers—he is questioning the sanity of doing it.

Matt Olson, 8308 Sauby Road, noted there is an alternative but every time it is brought up Mr. Sleik refuses to talk about it—you need to expand the district, so more properties are

contributing to the cost. He said if you expand the number of people who are paying, then the burden doesn't fall on the smaller number currently in the district.

Board Member Pfankuch said he does not understand Mr. Sleik's position—on one hand he says he does not want to expand the district, then on the other hand he says we are hitting the core group too hard. He said if the district expands the costs are lower for the individuals.

Board Member Sleik said if the district expands, it is still going after the same people. He said as a business owner he would have a lot of the land in the expansion.

Board Member Pfankuch disagreed noting there would be a lot more properties to the north which would be contributing who are not currently.

Aaron Thums, 7550 Romberg Road, asked what ever happened to the meeting that was held at the Town of Clayton years ago about taxing everyone who is in the watershed. He said that was supposed to get everyone involved in paying for maintenance.

Board Member Sleik said there is no way to get the water to the ditch—that is the problem.

Board Member Pfankuch noted that once the Board gets through the initial major maintenance and brush cutting, the maintenance process will get simpler. He explained that once the larger brush is cut, if the board stays on it, the regular mowing will not cost nearly as much.

Board Member Romberg explained that was his original question—how much does the Board think “regular” maintenance will cost annually after some of the bigger catch-up work is done.

Board Member Sleik said he would agree with that—it is cheaper to maintain than it is to do what they are doing. He said his challenge with that is how many years will it take to get there.

Admin Stevens explained that the maintenance process is fluid but the Board can certainly take a proactive approach to building up funding to support an annual operating budget. She said the Board will still be chipping away at the fund balance over the next few years—that is understood. However, the Board has to be careful not to completely deplete the fund down to zero. She said if the fund balance is depleted, you will have to tax exponentially or you will have to special assess property owners for projects. She said the special assessments will not only include the project costs, but also the engineering costs associated with determining who is benefiting from a project and what each owner's financial responsibility is. She said the nature of the projects could result in a property owner like Mr. Sleik getting a \$10,000 special assessment. She said she has experience dealing with property owners in the Village of Winneconne who received notice that they are being assessed more than \$15,000 for a road project they did not want completed. She said while it is not apples to apples, the outrage from residents is real when they get their assessments. She said a 20 percent increase resulting in a \$6 increase on a 40-acre parcel year over year is quite reasonable in comparison. She said the community mindset having everyone pay a small share to cover maintenance is a better approach than hitting specific property owners with a bill for several thousand dollars.

Board Member Sleik said he agrees to disagree. He said all he was trying to bring up is that we have to decide where we are going.

Admin Stevens said she agrees with Board Member Sleik on that. She said the Board needs to determine how much they need to maintain in their fund balance for financial security. She noted that the Board should plan for a catastrophic event—they need to plan for worst case scenario and hope that it never happens, but it has to be planned for and then annual operations have to be funded over and above that. She said the Board has an obligation to plan responsibly. She said the Board has an obligation to every member in the district to be fiscally responsible even if it means increasing rates. She said it is up to the Board—that is just her recommendation.

Ben Hamblin, Engineer, said that Admin Stevens has a good point. He said municipalities and government entities will have a capital improvement program—a five-year plan in which they pick projects which need to be completed so they are able to plan ahead for those. He said if the Board doesn't want to get that detailed, they should at least plan \$25,000 per year for some sort of project each year. He said in addition to that, you have to plan for the inflationary increases which have historically been about three percent. He said this year is more than that but the Board must plan for increases in costs. He said he also agrees that there has to be some level of funding set aside as a “just in case” fund. He said once that is reached and tax rates are meeting the needs, then they can be leveled off and the Board can go into “maintain” mode. He also suggested the fund balance can be invested in CDs or money market accounts to earn some interest income.

Engineer Hamblin said he also agrees that having more people contributing a small amount is so much better than just a few located right along the ditch paying a lot. He showed a map of the watershed showing the potential contributing properties noting that the increase in acreage will drive the price per acre down.

Chair Miller noted that over the past seven years, the district has averaged spending of \$21,000 per year.

Board Member Pfankuch said his opinion is that the Board has proven that dredging will not provide any benefit. He said he thinks the main focus of the district in the next five to ten years will be mowing and brush cutting to maintain the banks. He said dredging will do nothing for the flow.

Chair Miller noted that they just approved almost \$20,000 to maintain one mile of the ditch and they have seven to eight miles to take care of. He they continue to do that, it will be seven or eight years to complete, at \$20,000 per year—the fund balance is gone. He said that only gets through the district once every eight years.

Admin Stevens repeated her recommendation to make small, incremental increases year over year to get the revenue to support the annual operating budget. She said if the Board can get the annual collections to cover their annual costs, they can then maintain a reasonable fund balance “just in case.” She noted the incremental increases will take three to four to five years to get the tax to the point where operations are covered. She said during that time, the Board will continue to deplete the fund balance.

Board Member Sleik said they have to look at their risk too. He said the district is only looking at the potential for trees to fall and block flow. He said they do not need \$500,000 in the bank because the district's risk is low.

Engineer Hamblin respectfully disagreed. He said if there was a major flooding event, the district has a responsibility to make the situation right again. He used bridges as an example that would have to be replaced or repaired. He said the district has a responsibility to fix issues the cost for which is hard to pinpoint.

Board Member Sleik said if bridges fail, it would be the town's problem or if it is a private bridge, it would be the owner's problem.

Admin Stevens agreed but noted that the first order of business is to get the ditch working again and for that you need the money up front. She said special assessments can be charged when appropriate, but vendors will not wait to be paid—the district has to be able to complete emergency work.

Chair Miller asked that the fund balance be placed on the agenda for the next meeting. He said he would like to get back to the tax rate for this year. Chair Miller said he is in favor of the 20 percent increase because he thinks they have to get that up to cover the annual costs. He noted that it still won't get them there yet, but it will get us closer.

Board Member Romberg asked if it was agreed that \$25,000 is a reasonable amount to plan for annually. The Board agreed.

Admin Stevens reviewed the impact on individual properties if a 20 percent increase is applied. She explained the range is \$2.00 to \$7.00 increase per parcel depending on parcel size. She said the increase is quite nominal and will not “break the bank.”

Matt Olson, 8303 Sauby Road, said to boil it down there are three choices—1. stay on the course you are on, and insolvency is inevitable; 2. start working to slowly bring the assessments up to cover expenses; or 3. Expand the number of properties paying into the district to keep the individual contributions as low as possible.

MOTION:

Motion by Board Member Pfankuch

Second by Board Member Romberg

Motion to implement a twenty percent increase in the tax assessments for 2023 resulting in the following rates:

Parcels with Improvements	\$ 14.54 + per acre charge
Parcels without Buildings	\$ 4.85 + per acre charge
Per Acre Charge	\$ 1.54
Larsen-Winchester Sanitary District	\$ 2,566.08 Flat Fee
Northeast Asphalt	\$ 4,276.80 Flat Fee

Roll Call Vote:

Board Member Pfankuch	Aye
Board Member Kunde	Nay
Board Member Sleik	Nay
Board Member Romberg	Aye
Chair Miller	Aye

Motion carried with a vote of 3-2.

L. Accounts Payable

The Board reviewed the meeting attendance per diem log for this meeting totaling \$271.44. They also reviewed the expenses related to the noticing of the 2022-2023 Annual meeting through Wisconsin Media for \$66.16 and Stamps for mailing landowner and agency notices for \$118.80 which is owed as a reimbursement to Holly Stevens. The Board also reviewed a log and tally for Administrative and Clerical Services performed by Holly Stevens from July 15 to December 31, 2023 for a total of \$1,170. This report included estimated time to complete the necessary post-meeting work (after 09/28/23). Admin Stevens noted she used last year's time tracking to estimate the amount billed. Finally, McMahon had submitted an invoice totaling \$302.60.

The total of the accounts payable is \$1,929.00.

MOTION:

Motion by Board Member Pfankuch

Second by Board Member Kunde

Motion to approve and pay the accounts payable as presented.

Motion carried by unanimous voice vote.

M. Next Meeting and Board Member Requests for Agenda Items

The Board set their next meeting date for Thursday, January 25, 2023 at 7:00 p.m. at the Winchester Town Hall. Agenda items are to include a discussion on the minimum fund balance, a 5-year project plan, and an annual spending plan to fund the project plan.

V. Adjournment:

MOTION:

Motion by Board Member Pfankuch

Second by Board Member Kunde

Motion to adjourn at 8:45 p.m.

Motion carried by unanimous voice vote.

Respectfully submitted,
Holly Stevens, Clerical Support

Approved 01/25/2024