

# **Proposed North and South Twin Lake District**

## **QUESTIONS AND ANSWERS**

Last year the North and South Twin Lakes Riparian Association (NSTLRA) Board created a 6-person Task Force to pursue establishment of a Lake District for our Twin Lakes. The proposed District would focus on control of an invasive aquatic plant called Eurasian water milfoil and other management issues affecting North and South Twin Lakes. This Q & A was prepared by the NSTLRA Task Force to address common questions and help property owners decide whether to join the Petition to establish the proposed Lake District.

### **WHAT ARE LAKE DISTRICTS?**

Lake Districts are special purpose units of government to protect and rehabilitate lakes and their ecosystem **for the benefit of residents, property owners and the general public.** Since they were first authorized in Wisconsin in 1973 more than 250 Lake Districts have been established in Wisconsin, including 11 in Vilas County. These districts work to manage to protect water quality, manage nuisance invasive species and undertake other activities to maintain lake ecosystems, recreation and property values. Lake Districts must be organized and operated in accordance with Chapter 33 of the Wisconsin Statutes.

### **HOW ARE LAKE DISTRICTS ESTABLISHED?**

The first step toward establishing a Lake District is a Petition circulated among property owners within its proposed boundaries. The NSTLRA Task Force prepared the Petition included in this mailing to establish a North and South Twin Lake District.

The Petition includes a map and legal description of the proposed Lake District's boundaries. The boundary includes all parcels the NSTLRA Task Force considered would benefit by the establishment of The District, including all waterfront parcels and some nearby parcels that include deeded lake access, shared access lots or other preferential access arrangements to access and enjoy North or South Twin Lake.

The proposed Lake District includes a total of 544 parcels and almost 800 property owners. Each owner has the opportunity to "vote" YES by signing the petition. Every "vote" counts toward the needed 51 % or about 400 owners!

Once a sufficient number of signed Petitions have been returned to NSTLRA, they will be presented to Vilas County for approval. If a majority of County Supervisors approve, the County will officially establish the District.

### **HOW WILL THE LAKE DISTRICT OPERATE?**

Once the County Board declares the Lake District organized, the North and South Twin Lakes District will be able to undertake critical lake management activities under state law. The Lake District will be a vehicle to enable fair and equitable solutions to issues/concerns regarding the continuing maintenance of both North

and South Twin lakes with every property owner sharing costs and participating in the decision-making process. Wisconsin's Lake District law authorizes Lake Districts to:

1. Make contracts for water quality monitoring and treatment
2. Apply for and obtain State and other grants
3. Levy a limited property tax or "special charge" if authorized by District members at the Annual Meeting
4. Borrow money for special purposes with approval at the Annual Meeting.
5. Manage and control the introduction of Aquatic Invasive Species (AIS) into our waters.
6. Fund any expense needed to maintain our lakes' quality and assist in protecting lake properties for present owners and future generations to come
7. Limit the liability of property owners

### **HOW WILL THE LAKE DISTRICT'S BUDGET BE DETERMINED?**

The District's property owners and residents determine which projects or activities the Lake District will pursue and approve all spending decisions through an Annual Budget considered at an Annual Meeting each summer. Each year the Board of Commissioners will *propose* an Annual Budget for the Lake District, which must be mailed to each District property owner at least 14 days before the Annual Meeting. (That meeting must be held between May 22 and September 8 each year.) The budget must be approved by a majority vote at the Annual Meeting and the Board must manage the District in strict accordance with the adopted budget.

### **HOW WILL DISTRICT OPERATIONS BE FUNDED?**

As part of the Annual Budget, the Lake District will determine how revenue needed to pay for the District's lake management program will be raised. State grants are available for some Lake District activities (including management of invasive species like Eurasian water milfoil) but those grants must be matched by local funds. Some other District activities or projects will depend on local funds. Most Lake Districts rely on either general taxes or a "special charge" on each parcel.

The NSTLRA Lake District Task Force cannot decide or commit to how these policy matters will be addressed by the new Lake District. But most Task Force members support use of the Special Charge mechanism as the most equitable and optimum approach. The Special Charge approach would spread the cost of Lake District activities evenly across all Lake District properties. But these and other budget decisions can only be made by the property owners at the Annual Meeting.

### **WHO WILL SERVE ON THE LAKE DISTRICT'S BOARD?**

A Lake District is managed by a 5-member Board of Commissioners. Three Commissioners of the proposed Lake District would be elected at the Annual Meeting and one each appointed by the County Board and the Town of Phelps Board. (The Town appointment would shift to the Town of Conover if its aggregate property value exceeds Phelps' in the future.<sup>1</sup>)

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<sup>1</sup> The Wisconsin Department of Revenue reported just over \$272 Million of aggregate property in the Town of Phelps vs. about \$269 Million in the Town of Conover as of 2016.

To get things started, the County Board would appoint three initial commissioners to serve until the new Lake District's first Annual Meeting. At that meeting, three Commissioners would be elected to for 1, 2 and 3-year staggered terms. Those appointments are the responsibility of the County Board, but members of NSTLRA's Lake District Task Force, have indicated their willingness to serve as interim Commissioners. These individuals have participated in conducting the research, soliciting input and listening to questions and concerns of property owners about the proposed Lake District.

**WHAT WOULD A NORTH AND SOUTH TWIN LAKES DISTRICT ANNUAL BUDGET LOOK LIKE?**

As we write this letter requesting your signature on a Petition in support of establishing the Lake District, we cannot commit to an amount of a flat-rate Special Charge for each property. ***Only the Commissioners and those attending the Annual Meeting can make this decision.***

We can illustrate a Lake District Budget and convert that budget to a flat-rate Special Charge tax based on the number of properties expected to be included in the Lake District. ***One half of the Lake Districts in Wisconsin use this Special Charge approach.***

***Budget Illustration – Annual Operating costs and three-year Lake Treatment expenses***

***Annual Operating Expenses***

<b><i>Annual Expense Category</i></b>	<b><i>Estimated Cost</i></b>
Clean Boats Clean Waters program	\$6400
Insurance: P&C and D&O	\$1,000
Newsletter Printing	\$1,000
Postage	\$850
PO Box	\$75
Stationary, envelopes & office supplies	\$1,500
Web site administration & maintenance	\$1,500
DNR meetings, lake mgt. conferences	\$700
Buoy maintenance	\$1,500
Legal counsel	\$5,000
Misc.	\$475
<b><i>Total</i></b>	<b><i>\$20,000</i></b>

***Lake Management and Treatment expenses over a 3-year period***

<b><i>Activity</i></b>	<b><i>Illustrated cost</i></b>
Planning, Administration and Monitoring during treatment year	\$10,950
Herbicide and application	\$71,800
DNR permit fee	\$1,800
Concentration monitoring	\$1,250
Water Testing	\$3,000
Annual (non-treatment years) AIS/EWM monitoring to include EWM Peak Bio-Mass Survey and Point-Intercept Aquatic Plant Survey:	
1st non-treatment year	\$6,050
2 <sup>nd</sup> non-treatment year	\$6,050
<b><i>Total</i></b>	<b><i>\$100,900</i></b>

***Budget Illustration:***

For purposes of this illustration and based on historical information, we estimate the cost to administratively operate the Lake District is ***\$20,000 per year*** or ***\$60,000 over a three-year period***. This budget was detailed on the previous page.

Further, we calculate the expense to monitor, control and treat AIS/EWM (based on historical information) to be ***\$100,900***. These control treatment expenses were specified above.

Adding these two elements of an estimated budget produces a forecasted financial expense for the Lake District of ***\$160,900 over a three-year period***.

There will be ***544*** properties in the Lake District if approved as presented in the Petition. Dividing the forecast expense of ***\$160,900 by 544*** properties means that each property will pay ***\$296 over a three-year timeframe***.

The Lake District will collect taxes annually. If the Commissioners and the Annual Meeting participants decide to use the flat-rate Special Charge approach, each of the ***544 properties*** in the Lake District would pay an estimated ***\$99 per year***.

These numbers are estimates for purpose of this budget illustration and assume the Annual Meeting approves budget recommendations that facilitate collecting the treatment costs over a three-year period. Property owners who attend and vote at the Annual Meeting may choose to approve a different level expense (***more or less than \$160,900***).

The following chart illustrates a range of potential annual Special Charge rates to each property using **\$160,900 as 100% of the estimated expense:**

<b>Projected Annual Taxation for the District</b>			
Projected Range of Approved Expense	70%	<b>100%</b>	130%
3 year cumulative budget	\$112,630	<b>\$160,900</b>	\$209,170
3 year cost per property	\$207	<b>\$296</b>	\$385
Annual cost per property	\$69	<b>\$99</b>	\$128

**IF THE LAKE DISTRICT IS APPROVED, WHAT HAPPENS TO THE CONTRIBUTIONS THAT HAVE BEEN MADE TO THE AMEN FUND TO TREAT THE LAKES FOR MILFOIL?**

Over the past 18 months NSTLRA members and some non-member property owners have responded to our letters requesting tax-deductible donations to the **AMEN (Aggressive Milfoil Eradication Now)** Fund to cover the cost of milfoil treatment.

We will need funds to support our treatment costs in 2017. Our treatment plans focus on targeted areas of North Twin where patches of milfoil have been found.

If the Lake District petition is approved sometime in 2017, the new Lake District may not receive any revenue from a Special Charge until 2019, so there will be an ongoing need for the money in the AMEN Fund.

However, the NSTLRA Board of Directors is in agreement that unused money in the AMEN Fund will be gifted to the new Lake District to “seed” the milfoil treatment costs the District will begin to experience.