

December 30, 2019

**PERCH LAKE TOWNSHIP
MINUTES OF SPECIAL MEETING**

**FUTURE DIRECTION OF THE BIG LAKE AREA SANITARY DISTRICT (BLASD) AND
PERCH LAKE TOWNSHIP**

Meetings are recorded to facilitate preparation of minutes.

1. CALL TO ORDER AND ROLL CALL

Chair Gary Harms opened the meeting at 7:00 p.m. with a roll call.

Members: Chair Gary Harms, Supervisor Steve Olson, Supervisor Keith Depre,
Treasurer Cheri DeMenge, and Clerk Lora Eames.

Guest: John Fredrickson, Chair, BLASD

2. APPROVAL OF SPECIAL MEETING AGENDA.

MOTION (Depre/Olson): To approve the December 30, 2019, special meeting agenda as presented.
Motion carried.

3. DISCUSSION OF FUTURE DIRECTION OF BLASD AND PERCH LAKE TOWNSHIP.

a. Summary of recent events:

Chair Harms opened discussion by asking BLASD Chair Fredrickson to provide a summary of events over the last thirty days.

Fredrickson reported the following:

- The BLASD Board offered to do one final meeting with the Reservation Business Committee in an attempt to resolve the RBC's issues. However, the RBC has offered no reasonable response or timeline for this purpose.
- The BLASD has run out of time. It no longer has the ability to build anything or spend money as awarded. It has been unable to obtain a joint powers agreement (JPA) with the FDL that assures that the District will be able to collect funds to pay its bills.

Fredrickson concluded that Big Lake will need a new mechanism for protection. The current mechanism is not working to protect the lake.

b. FDL concerns and addressing their issues:

Harms asked Fredrickson what he thought was the Fond du Lac's biggest concern. Fredrickson indicated that the FDL has two big concerns:

- A fear that that the FDL would lose control over its development.
- A belief that the approved project is too costly for the Tribe.

Fredrickson suggested that the cost appears to be "secondary" to the fear that a BLASD pro rata board would not support FDL interests. Specifically, they fear that the BLASD Board could consistently make decisions on a 3-2 vote (3-Perch Lake reps, 2-FDL reps) which are not supportive of FDL projects.

Harms asked Fredrickson: Would it help for Town Board members to reach out to the RBC? Fredrickson responded that any such effort could be helpful, especially if it leads to a unified effort from other levels of government.

c. Questions raised during discussion:

- (1) Chair Harms: What if the BLASD Board was set up with three FDL representatives and 2 Perch Lake representatives, 3-2 in favor of the FDL?

Fredrickson responded the vote is not so much based on a "yea" or "nay" of a specific project, but rather on questions like, "Can this project be absorbed by the capacity we now have or do we need to expand the capacity?" Setting up the board with an FDL majority is not likely to change how it makes decisions or resolve the RBC's issues.

- (2) Supervisor Depre: Can we proceed with the original JPA, and not worry about the 29%-30% of area which will not make payments? (Depre acknowledged that the original JPA lacks a mechanism for handling nonpayment and getting the FDL to guarantee payment.)

Fredrickson responded with a no, saying that the funds from the USDA were allocated to benefit the tribal nation. In addition, the underwriters who approve the loan would require the guarantee of payment of the District's obligations every month; and if the revenues were not collectible through a signed JPA where the FDL had agreed to repayment, the underwriters would not approve the loan.

- (3) Supervisor Depre: What would be required to get an extension of funding?

Fredrickson responded that in order to get an extension, the District would have to complete enough engineering to get construction bids, to start construction, and be able to prove that they can complete the project by the funds expiration date. They cannot prove anything without doing a lot of engineering. It is not possible to expend funds without the assurance of a signed JPA.

- (4) Supervisor Keith Depre: Is it better off, from a negotiating view, to let the project die (and try to find a different way to fund it); or to fight for at least some of the funding?

Fredrickson responded that the answer is not separation of parties. He referred everyone back to the original premise upon which the partnership was built - that both Perch Lake and FDL must protect Big Lake together. The governing body for sewers must improve the situation for everyone.

- (5) Will the levy increase be spread over two years? What about three?

Fredrickson responded that in December, the BLASD Board approved a levy increase to be spread over two years. The problem with extending the increase over three years is that it may be difficult to collect the FDL's share of funds if there is no project for that long a period of time.

(6) What is the urgency for Big Lake?

Fredrickson responded that the water is in need of a project. Big Lake has been officially downgraded. It has seen an increase in blooms and weeds. Those who are knowledgeable have advised governmental entities to intervene.

4. **ACTION.**

Supervisors discussed the next step.

After some discussion, Harms summarized the consensus reached by supervisors: To have three consecutive points of contact with the FDL as follows:

- Supervisor Olson will seek a meeting with Nancy Schuldt, Water Protection Coordinator, and Jordan Vandal, Water/Wastewater Manager.
- The Perch Lake Town Board will seek a meeting with RBC Representative Bruce Savage, (District II Sawyer), with the end goal of setting up a meeting with the full RBC. *(This meeting would be posted.)*
- The Perch Lake Town Board will seek a meeting with the full RBC. *(This meeting would be posted.)*

Fredrickson noted that he will defer the BLASD's January meeting since their board has no business to consider. A special meeting can always be scheduled if something changes.

5. **COMMENTS.**

None.

6. **ADJOURNMENT.**

Chair Harms adjourned the meeting at 11:05.

Respectfully submitted,

Approved by Town Board

Lora Eames, Clerk

Gary Harms, Chair