

AGENDA

WALLED LAKE LAKE IMPROVEMENT BOARD MEETING

July 14, 2020

2:00 PM

REMOTE MEETING

- I. Call Meeting to Order
- II. Roll Call
- III. Public Comment
- IV. Approval of Minutes of February 27, 2020 meeting
- V. Treasurer's Report
- VI. Treatment Update
- VII. Discussion of New Special Assessment Roll
 - a. Set date for next meeting and public hearing on roll
- VIII. Public Comment
- IX. Other Business
- X. Adjournment

Please visit www.cityofnovi.org/lakeboard for additional information

**WALLED LAKE
LAKE IMPROVEMENT
BOARD MEETING MINUTES
February 27, 2020**

The meeting of the Lake Improvement Board for Walled Lake was held in Council Chambers at the Novi Civic Center at 45175 10 Mile Road on February 27, 2020. The meeting was called to order by Dave Galloway, Chairperson, at 2:06 PM.

Present:

Dave Galloway, Riparian Owner Representative (Chairperson)
Megan Mikus, City of Novi Representative (Secretary-Treasurer)
Karen Warren, Oakland County Water Resource Commissioner's Representative
Gwen Markham, Oakland County Board of Commissioner's Representative
Casey Ambrose, City of Walled Lake Representative

Also, Present:

Mark Roberts, Attorney, Secrest Wardle
Angela Maynard, City of Novi, Customer Service Representative
Michael Lohmeier, City of Novi Assessor
Chelsea Collias, City of Novi Assessing Intern

Public comment:

One Novi resident and one Walled Lake resident were present.
No comments were made.

Public comment ended.

Secretary/Member Megan Mikus presented the minutes from the November 19, 2019 meeting.

Moved by Mikus, Supported by Galloway;

CARRIED 5-0: To approve the Minutes of November 19, 2019 meeting.

Treasurer/Member Megan Mikus presented the 2019 Annual Treasurer's report submitted. The balance on hand as of 12/31/19 is \$121,923.47

Treasurer/Member Megan Mikus presented the Quarter 1 Treasurer's Report through 2/20/2020. Novi payments includes assessments paid to date. Walled Lake assessments have not be received yet. The balance on hand as of February 20, 2020 is \$150,955.3-1.

Moved by Mikus, Supported by Galloway;

CARRIED 5-0: To approve the 2019 Annual Treasurer's Report and the February 20, 2020 Quarterly Treasurer's Report.

Discussion of New Special Assessment Roll

A) Review of current assessment roll

Treasurer/ Member Mikus present the financials summary of the past five-year assessment. At the end of this current project in 2020, there is expected to be approximately \$95,000

**WALLED LAKE
LAKE IMPROVEMENT
BOARD MEETING MINUTES
February 27, 2020**

on hand. Member Mikus presented a proposed budget for the new five-year project 2021-2025. Using Savin Lake's projected treatment costs, historical budgets and actuals, the anticipated total five-year project costs would be \$537,000. Member Mikus explained the estimated assessments per year would result in a 60% increase as the entire project balance was applied to the current assessment and the projected treatment costs are higher than the years before. Attorney Roberts suggested having Savin Lakes include coming to give presentations on what they are doing for the lake as part of their annual contract. Attorney Roberts stated reserve funds of 10% to 15% are allowed and would recommend having a form of contingency as additional funds cannot be assessed once the project starts. It was estimated \$80,000 would equal 15% reserves.

Member Warren asked why \$5,000 had been budgeted for lake consultants. Member Mikus said Chairperson Galloway had served in the capacity of the lake manager with Savin's assistance and was not sure if additional services were needed as he was stepping down. Member Mikus noted similar line and amount was budgeted in this current assessment. Member Markham recommended the lake consultant line be eliminated from the budget as Savin was providing lake management services.

Moved by Markham, Supported by Warren;

CARRIED 5-0: To approve that we adjust the proposed budget for the new 5-year assessment to remove the lake management consultant expense and reduce our balance on hand to \$80,000.

B) Provide direction to City Assessor of preparation of new roll

Michael Lohmeier, Novi City Assessor, presented the board with the updated parcel map. He explained that it should be the same units of benefit, unless there were splits, combinations, transfers, address changes, etc. The roll now reflects all of the changes. Updated to show different unit rates.

Moved by Mikus, Supported by Markham;

CARRIED 5-0; To direct for the assessor to amend to roll based on the adjustments in the previous motion, which includes reducing the total project cost for the next 5 years.

C) Set date for next meeting and public hearing on roll

Attorney Roberts clarified that the public hearing would ~~not~~ be a separate meeting; it would not be part of the next public meeting. Member Mikus said we do have some time before the assessment needs to be submitted for the winter tax roll. She said she needed about two months to mail to all property owners and post in the paper. Chairperson Galloway recommended the new board member participate in the setting of the public hearing date. Attorney Roberts suggested the next meeting would be to review the roll, and if it was acceptable, then make a motion to schedule that assessment roll for a public hearing. It might be appropriate to have the new member at this meeting. Member Mikus suggested the Board skip over the setting the date at this time.

Interviews for Riparian Representative

**WALLED LAKE
LAKE IMPROVEMENT
BOARD MEETING MINUTES
February 27, 2020**

Member Mikus said there was one candidate's name given to the Board by the Lakes Area Homeowners Association (LAHA). The name put forth is Tina Miller, who is here today. A letter of introduction was provided to the Board. Tina will give us a brief introduction about herself and then, open it up for questions from the Board. Jerry Anderson the president of the LAHA was present and affirmed their nomination of Tina Miller as the riparian representative.

Tina Miller Self-Introduction: When I moved into the area, I became familiar with the LAHA group. I met Dave and found out there was a program about monitoring the lake. I became interested, I continued an interest in education and went to more meetings. I started looking at the lake weeds while snorkeling. I learned about species identification and its effects on aquatic life. I still work full-time, but I believe I have the time to devote to more education. I am willing to spend some time on the MSU extension courses. I have read about the purpose of the Board, and I agree with the purpose to eliminate pollution in the water that jeopardizes public health and safety.

Chairperson Galloway- Do you have any problem going out on the boat with Savin? Tina said No, that would be fine. It can be worked into my schedule.

Member Markham said I met Tina at the conference in Crystal last year. Anyone who volunteers to do a job like this and is really interested in the subject and lives there and wants to be part of this. I see no reason not to. Welcome aboard.

Member Ambrose- Thank you very much for volunteering.

Elections

A) Riparian Owner Representative

**Moved by Markham, Supported by Ambrose;
CARRIED 5-0; To add Tina Miller to the Board as Riparian Representative for the community.**

Attorney Roberts clarified some members questions- one member of the board is the Riparian Representative. They are elected by the other board members based upon the submission of up to three names by the area.

Tina Miller asked if she attended extension programs, would I be supported by the expenses? Attorney Roberts said yes, that is part of the administrative expenses if approved by the Lake Board.

B) Chairperson

**Moved by Ambrose, Supported by Markham;
CARRIED 5-0; To nominate Tina Miller for Chairperson.**

**WALLED LAKE
LAKE IMPROVEMENT
BOARD MEETING MINUTES
February 27, 2020**

C) Secretary

Moved by Markham, Supported by Ambrose;

CARRIED 5-0; To nominate the Novi Representative to the Lake Board (Megan Mikus) be considered the Secretary.

D) Treasurer

Moved by Galloway, Supported by Ambrose;

CARRIED 5-0; To nominate the Novi Representative to the Lake Board (Megan Mikus) be considered the Treasurer.

Public Comment

No public comment at this time.

Public Comment Ended.

Other Business

Member Mikus- I would like to take the time to recognize Dave and his service to the board. He has served on the board since March 2009. He has been a good resource a great Riparian Representative when there has been an issue with a property owner on the lake. I could always lean on Dave to knock on their door and do a great job of allaying any kind of fears they had. And for being the check and balance when a invoice comes in. He was responsive and recommended when to get more clarification with the contractors on the bills. I made a small certificate for you to thank you for your service as Riparian Representative and Chairperson on the board. Thank you Dave.

Member Ambrose – From the City of Walled Lake, Thank you very much; It's been very appreciative.

Chairperson Galloway- I've appreciated that the lake board and the HOA worked together. When I move to this lake, it smelled like sewage and dead fish in front of us and there were stacks of dead weeds. Walled Lake was kind enough to pick up the weeds north 14 Mile. South of 14 Mile, Novi said nope, we don't do that. There were five or six guys in Walled Lake that were trying to get a lake board going. When they found out that I moved on E Lake Dr., they handed me a petition telling me to go get this filled. I ended up on the board. I enjoy the lake much better now than when I moved here. It has been a wonderful time. Thank you to the homeowners out there.

Member Ambrose- No question about it. That lake was on its last leg before the lake board was formed. And that lake board was no easy task forming. You had all the naysayers out there. We tried to form it twice, we got the formation together, got the letter out, enough people made enough noise to the different cities that they kind of balk there for a while; and some people were pulling back their signatures that they had

**WALLED LAKE
LAKE IMPROVEMENT
BOARD MEETING MINUTES
February 27, 2020**

signed on the petition. And we had to start all over again because there was bad information out there as we see all the time. The whole thing about taxation without representation and that they can tax you and levy you and assess you, we had to overcome all that. Fortunately, we had some good people that were already on board with other lake associations that could come and say these things have always been successful; they are monitored; they've never been abused. Fortunately, with some new elected officials bought into it we were able to push it forward. The results speak for themselves.

Member Markham- Has it been documented at all? Because it's a good story to tell. Ten years ago the lake was stinky and awful and we organized ourselves; did the right thing, and followed the statues and look how beautiful it is. That is a lesson for Walled Lake and our communities.

Chairperson Galloway- Riparian magazine periodically does an article on the history of the lake, which an article could be done on Walled Lake.

ADJOURNMENT: There being was no further business to come before the Lake Improvement Board; the meeting was adjourned at 3:06 PM.

The Board next meeting was tentatively scheduled for April 2, 2020 at 2:00 PM.

Megan Mikus
Secretary/ Treasurer

**WALLED LAKE IMPROVEMENT BOARD
QUARTERLY TREASURER'S REPORT**

June 30, 2020

BALANCE ON HAND:		03/31/20	\$157,520.74		
INCOME					
	Quarter	YTD	Budget	Variance	
Assessments (City of Novi)	\$ 1,405.68	\$ 37,999.75	\$42,014.79	(\$4,015.04)	
Assessments (City of Walled Lake)	\$ 25,421.39	\$ 25,421.39	\$25,421.00	\$0.39	
TOTAL INCOME	\$ 26,827.07	\$ 63,421.14	\$ 67,435.79	(\$4,014.65)	
EXPENSES					
Harvesting and Herbicide Treatments (including surveys, studies, etc.)	\$ 31,468.50	\$ 31,468.50	\$90,000.00	(\$58,531.50)	
Permit Fee	\$ -	\$ -	\$1,500.00	(\$1,500.00)	
Administrative & Legal	\$ 112.20	\$ 1,109.00	\$5,000.00	(\$3,891.00)	
Other	\$ -	\$ -	\$1,000.00	(\$1,000.00)	
TOTAL EXPENSES	\$ 31,580.70	\$ 32,577.50	\$ 88,050.00	(\$55,472.50)	
BALANCE ON HAND:		06/30/20	\$152,767.11		

Notes

- 1 Novi payment includes assessments paid to date to Novi
- 2 Walled Lake has paid the assessment in full
- 3 2019 Delinquent Taxes (City of Novi)

INCOME DETAIL

<u>Description</u>	<u>Ref. Number</u>	<u>Entity</u>	<u>Amount</u>
2019 Delinquent Taxes (City of Novi)	24237	Oakland County	1,379.03

EXPENSE DETAIL

<u>Description</u>	<u>Invoice No.</u>	<u>Vendor</u>	<u>Amount</u>
Legal Services through 03/31/20	1380604	Secret Wardle	\$ 112.20
Study, Survey & Herbicide Treatment	5676	Savin Lake Services	\$ 31,468.50

Submitted by Megan K Mikus
Megan Mikus, Secretary/Treasurer
Walled Lake Improvement Board



3088 Hottis Rd. Hale, MI 48739 Hale: 989.728.2200 Clare: 989.386.0600 Fax: 989.516.5900

July 6, 2020

Walled Lake Improvement Board
C/O City of Novi
Attn: Megan Mikus
26300 Lee BeGole Dr.
Novi, MI 48375

2020 Walled Lake mid-season summary

May 11th, 2020

- Spring Water quality data collected
 - Water quality monitoring program collects data and monitors 9 different parameters relating to water quality at 3 sites on the lake in both the Spring and Fall each year
 - Parameters monitored are Conductivity, Total Dissolved Solids, Alkalinity, Phosphorus, Chlorophyll A, Secchi Disk, Temperature, Dissolved Oxygen, and pH.
- Spring Visual Survey
 - We traversed the lake in its entirety for vegetation.
 - There was still a lot of tanning in the water at this time and vegetation could not be seen visually in the areas deeper than 5 ft. but could be seen on our Sonar Equipment
 - Vegetation was present at the drop off around most of the lake. Most of the vegetation seen on Sonar equipment showed the weed growth ranged from 2- 5 ft. from the bottom of the lake.
 - Rake tosses confirmed vegetation growing was Curly Leaf Pondweed and Eurasian/Hybrid Milfoil
 - Spring Alga Blooms were present in many areas of the lake in small masses floating around below the water surface and laying on the lake bottom some shallow areas of the lake.
 - Based on survey results, water temperature, and slow weed growth treatment was scheduled for the first week in June.

June 3rd, 2020

- Initial treatment
 - 100 acres treated for Curly Leaf Pondweed and Eurasian Watermilfoil utilizing Diquat Dibromide and Chelated Copper.
 - All areas containing Curly Leaf Pondweed and Eurasian Watermilfoil were not treated during the June 3rd treatment.
 - Acreages requiring treatment were larger than we anticipated
 - Pre-approved acreages in 2020 recommendations were exhausted and we wanted to seek approval before treating the rest

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- Observations during treatment
 - No presence of Starry Stonewort was found
 - Water Clarity was the best I have ever seen it on the lake for this time of year. Which was a vast improvement when compared to Clarity during Survey.
 - Allowed us to visually see the vegetation growing in the water
 - Allowed Sunlight penetration in deeper water resulting in weed growth found in depths up to 19 ft.
 - Milfoil and Curly Leaf Pondweed was present in deeper water areas that showed no growth during Spring Survey
 - Vegetation was 1-3 ft. below the surface in most areas
 - Vast resurgence of Eurasian/Hybrid Milfoil this year.
 - Many areas of lake contained extremely dense Milfoil beds including areas treated systemically in 2018.
 - The Milfoil in the lake may have developed herbicide tolerance/resistance to 2,4-D
 - Treatments have resulted in the Milfoil treated dying and not returning that season and we see reduction the following year. However, 2 seasons after the treatment it seems to return in the same areas requiring treatment again.
 - Other Systemic Herbicide options for Milfoil are available and could potentially provide better control for longer periods of time.
 - Before continuing with additional 2,4-D applications I think we should discuss and evaluate other systemic herbicide options because we are no longer achieving the same results as we did when we first began treating the lake

June 22nd, 2020

- Second Treatment
 - We returned to lake to treat remaining areas containing Milfoil and Curly Leaf Pondweed that didn't get treated during initial application
 - 50 acres of the lake was treated with same herbicide/algaecide as initial treatment
 - All remaining areas of the lake containing Milfoil and Curly Leaf Pondweed were treated
- Observations during treatment
 - Initial treatment was very successful
 - Still no Starry Stonewort presence found this year

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I am currently planning on completing a mid-summer/post treatment survey on July 17th (weather permitting). After completion of survey I will notify the Improvement Board of survey results, make recommendations, and provide a tentative treatment schedule for the remainder of the season.

If you have any questions, comments, or require any additional information, please feel free to contact us.

Sincerely,

Paul Barber - Operations Manager
Savin Lake Services Inc.
3088 Hottis Road
Hale, Michigan 48739
Hale Office: 989-728-2200
Clare Office: 989-386-0600
Toll Free: 877-SAV-LAKE
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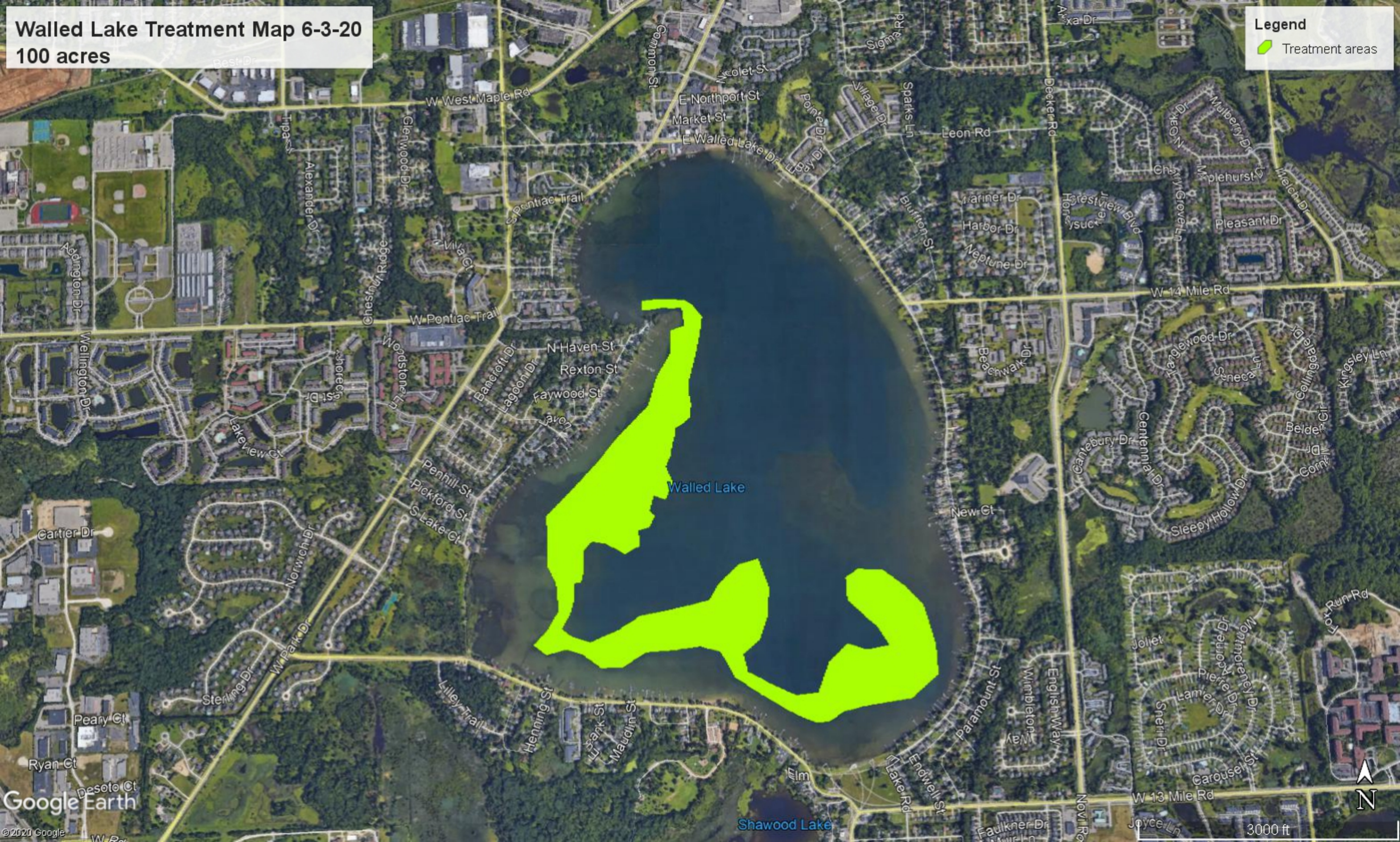
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Walled Lake Treatment Map 6-3-20

100 acres

Legend

- Treatment areas



Walled Lake Treatment Map 6-22-20

50 acres

Legend

- Treatment areas



MEMORANDUM

TO: WALLED LAKE IMPROVEMENT BOARD

FROM: MEGAN MIKUS, SECRETARY/ TREASURER

SUBJECT: FINANCIAL PROJECTION FOR WALLED LAKE ASSESSMENT

DATE: JUNE 18, 2020

The current assessment roll, which was adopted by the Lake Board on June 3, 2015, was for a period of five years (Project years 2016-2020; taxes are collected on the December tax bill of the previous year for use in the next). It is estimated the Lake Board will have a balance of approximately \$95K at the end of 2020.

Based on the February 27 meeting discussion, the estimated expenses for the next five years of assessment is \$515K. Reserve funds of \$19K would be used towards reducing the assessment amount, which would leave contingency funds of ~\$76K at the end of the project, which is slightly less than 15% of the total project cost. Revenue of \$496K would need to be collected over the five year period. The assessment would increase from \$133.17 per year per unit to \$196.34, which is an increase of 47%. The increase in the assessment is due to the rising treatment costs and in the last project renewal, the entire balance was applied to the current assessment, which reduced the revenue requirement on the assessment 30%. The attached financial reports provide additional detail on current and future financial status.

The table below shows the estimated assessment per year for each type of lot based on the current assignment.

	Units of Benefit	Current Assessment per Project Year	Proposed Assessment per Project Year
Condominium parcels with lake access	0.1	\$13.32	\$19.63
Lake access parcels	0.2	\$26.63	\$39.27
Waterfront condominium properties	0.75	\$99.87	\$147.26
Residential riparian parcels with up to 95 feet of lake frontage	1.0	\$133.17	\$196.34
Residential riparian parcels with more than 95 feet of lake frontage	1.5	\$199.75	\$294.51
Commercial riparian parcels	3.0	\$399.50	\$589.02

The new assessment roll would require a mailing to each property owner, a public hearing in front of the Lake Board, and a resolution by the Lake Board to proceed with the new assessment roll pursuant to the requirements in the statute.

**FINANCIAL SUMMARY OF CURRENT FIVE-YEAR ASSESSMENT
WALLED LAKE IMPROVEMENT BOARD**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	ESTIMATED <u>2020</u>	<u>TOTAL</u>
INCOME						
Assessments (City of Novi)	\$46,202.45	\$43,470.34	\$41,402.36	\$42,014.79	\$42,014.79	\$215,104.73
Assessments (City of Walled Lake)	\$25,421.39	\$25,421.39	\$25,421.39	\$25,421.39	\$25,421.39	\$127,106.95
TOTAL INCOME	\$71,623.84	\$68,891.73	\$66,823.75	\$67,436.18	\$67,436.18	\$342,211.68
EXPENSES						
Herbicide and Harvesting (including studies and surveys)	\$68,299.43	\$75,553.78	\$86,011.87	\$79,695.92	\$90,000.00	\$399,561.00
Permit Fee	\$3,000.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$9,000.00
Administrative & Legal	\$34.20	\$1,006.80	\$1,136.60	\$2,821.40	\$5,000.00	\$9,999.00
Other	\$0.00	\$764.43	\$761.23	\$799.40	\$1,000.00	\$3,325.06
TOTAL EXPENSES	\$71,333.63	\$78,825.01	\$89,409.70	\$84,816.72	\$97,500.00	\$421,885.06
BALANCE ON HAND	\$175,251.49	\$165,318.21	\$142,732.26	\$125,351.72	\$95,287.90	Final Balance

**PROPOSED BUDGETS FOR NEW FIVE-YEAR ASSESSMENT 2021-2025
WALLED LAKE IMPROVEMENT BOARD**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>TOTAL</u>
INCOME						
Assessments (City of Novi)	\$61,090.71	\$61,090.71	\$61,090.71	\$61,090.71	\$61,090.71	\$305,453.54
Assessments (City of Walled Lake)	\$38,109.29	\$38,109.29	\$38,109.29	\$38,109.29	\$38,109.29	\$190,546.46
TOTAL INCOME	\$99,200.00	\$99,200.00	\$99,200.00	\$99,200.00	\$99,200.00	\$496,000.00
EXPENSES						
Herbicide and Harvesting (including studies and surveys)	\$95,000.00	\$95,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$490,000.00
Permit Fee	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$7,500.00
Administrative & Legal	\$1,500.00	\$1,500.00	\$1,500.00	\$3,000.00	\$5,000.00	\$12,500.00
Other	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$5,000.00
TOTAL EXPENSES	\$99,000.00	\$99,000.00	\$104,000.00	\$105,500.00	\$107,500.00	\$515,000.00
BALANCE ON HAND	\$95,487.90	\$95,687.90	\$90,887.90	\$84,587.90	\$76,287.90	

14.8% Contingency Funds