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**FOX RIVER NAVIGATIONAL
SYSTEM AUTHORITY**

Summary of Proceedings

Fox River Navigational System Authority Annual Meeting
3:00 P.M. Tuesday, October 28, 2014
Authority Office
1008 Augustine Street, Kaukauna, WI

Authority Members in Attendance:

Ron Van De Hey, Outagamie County
Will Dorsey, Wisconsin Department of Transportation
Jean Rombach-Bartels, Wisconsin DNR
Tim Rose, Outagamie County
John Vette, Winnebago County
Diana Penkiunas, WHS
Bill Raaths, Winnebago County
Kathryn Curren Brown County

Authority Members Absent:

Bruce Enke, Brown County

Guests and Staff in Attendance:

Steve Lockhart, Friends of the Fox
Phil Ramlet, Omni
Tim Bolwerk, Omni
Harlan Kiesow, FRNSA CEO
Robert Stark, FRNSA COO
Rodger Urbanek, FRNSA Administrative Assistant
Candice Mortara Fox Wisconsin Heritage Parkway
Dennis Arnoldussen FRNSA Operations Manager

Chairman Ron Van De Hey called the meeting to order at 3:08 P.M.

1. Introductions

Chairman Ron Van De Hey asked all present to introduce themselves to the meeting.

a. New Board Appointments

Chairman Van De Hey introduced new Board Member Ms. Kathy Curran to Board. Ms. Curran gave a short outline of her experience.

2. Approval of Minutes of the September 2014 Authority Meeting

Chairman Van De Hey asked for a motion to approve the Minutes of the September Board Meeting. Tim Rose made a motion to approve the minutes. Motion seconded by Daina Penkiunas. Motion carried.

3. Financial Status Reports, T. Rose

a. Operational Budget

Treasurer Tim Rose reported that the Operational Budget showed lower utilities expense compared to last year. Tim pointed out that we have spent almost \$60,000.00 of the \$78,000.00 Lock Tender budget. Tim questioned whether we are going to go over budget in this category. Robert Stark pointed out that we have employees working on maintenance of the locks which is now coded into Lock Tenders category. At present the Lock Tenders aren't working and will return in May and June. We will be close on this budget item.

b. Capital Budget

c. Unlock the Fox Fund

Tim reported that our return on investments since inception took a hit last month. We went from 7.07% to 6.74%. Tim said that he thought that we will recover in the future. He also pointed out that our balance dropped \$1,000,000.00 due to spending and market activity.

Tim reported that he has worked on the idea of how we will accomplish the task of having the required abandonment funds. Tim presented to the Board a projection of how much funds would be required, as a segregated fund, to accomplish this goal. Tim presented to the Board projections of what \$6,000,000.00 would grow to by the year 2034. Discussion followed.

Tim Rose made the motion to approve the Treasurer's Report. Seconded by John Vette. Motion carried.

d. Corps Meeting/Funds Due Report

Robert Stark reported on the annual meeting with the Army Corps of Engineers. Corps voiced their plans on moving from the building. The Corps renewed their lease until February 2015. They will probably be out of the building in January of 2015. There was discussion on six parcels to be transferred to the Authority. These parcels have not been transferred because they need to be cleaned of hazardous materials. Two of the parcels are at Appleton Lock # 3 where the Visitor Center is to be located. One of the parcels is at this location. It covers the Dry Dock and shed area. Both of these areas need to be transferred soon so the Authority can go through with plans for these areas. There are two properties which have clouded deeds.

Another major item discussed was the \$2,100,000.00 (accrued interest) payment due the Authority. The original agreement stated that funds due the Authority would be paid on the bases of funds available. The Corps discussed a formula to get the funds paid. They have used this formula in the past. They talked about this formula being used at Port Washington for their harbor.

Robert reminded the Board that we have Quarterly Financial Meeting with the Community Foundation and Associated Bank this Friday, October 31, 2014, at the Oshkosh Community Foundation Office at 8:00 a.m. Any board members are welcome to attend.

4. Engineering Committee Report, *W. Dorsey*

a. Resolution 16-14: Approving Menasha Emergency Lock Repairs

Will Dorsey presented to the Board Resolution 16-14, Approving Menasha Emergency Lock Repairs. This also includes repairs to the upper gate at Menasha along with the emergency repairs done earlier this summer. Will reported that the Engineering Committee approved this resolution and now presents it to the full board. Motion made by Will Dorsey to approve Resolution 16-14. Motion seconded by John Vette. Motion carried.

b. Approve Lunda Menasha Lock Repair Invoice

Will Dorsey presented to the Board Lunda's invoice in the amount of \$44,882.61, for the emergency repairs to Menasha Lock. Engineering Committee has approved the invoice and now asks for the approval of the Board. Will Dorsey motioned to pay this invoice. Motion seconded by Daina Penkiunas. Motion carried.

c. Little Kaukauna Lock Maintenance Recommendation

Robert Stark reported that the Little Kaukauna Lock has been operating. However, there are six valves at the lock and only two are now operational. Should either of the remaining valves fail we would not be able to use the lock. There is also excessive leakage around the seals in the bottom of all of the gates. During the off season we need to work on these valves to prevent a failure. Will Dorsey motioned to approve the maintenance recommendation. Motion seconded by John Vette. Motion carried.

d. Menasha House Demolition Update

Menasha House is now demolished and they are now back filling the site. The next step is to develop a site plan for the property. Robert Stark reported that we are now working with East Central Wisconsin Regional Planning Commission and the City of Menasha. In January they are going to set up a listening session for input from the Community on the development of the site.

e. Approve Boldt Kaukauna Lock 1, 2, 3, and Dry Dock Invoice #011

Will Dorsey presented invoice # 11 from Boldt Construction in the amount \$277,389.63. The invoice was reviewed by Omni and is in line with the work that has been done. The Engineering Committee has reviewed the billing and presented it to the Board for approval. Motion made by Will Dorsey to recommend payment of Boldt invoice #11. Seconded by Tim Rose. Motion carried.

f. Approve Boldt Kaukauna Lock #5 Invoice #002, and #003

Will Dorsey presented Boldt Construction Invoice #2 in the amount of \$202,903.57 and invoice #3 in the amount of \$44,966.06. These are invoices for the work done on Kaukauna Lock # 5. The Engineering Committee has reviewed the invoices and recommend them for approval of the Board. Will Dorsey made a motion to approve invoice #2 and #3 for payment. Motion seconded by John Vette. Motion carried.

g. Approve Boldt Kaukauna Lock #5 Change Orders

Will Dorsey presented Boldt Construction change order in the amount of \$16,540.95. This change order is for Kaukauna Lock # 5. Tim Bolwerk from Omni Associates has reviewed the change order and it is in order. Will Dorsey motioned to approve the change order. Motion seconded by John Vette. Motion Carried.

Will presented change order from Boldt Construction for about a dozen gears that need to be replaced. The change order is in the amount of \$24,725.46. The gears will be ready for installation in the spring of 2015. The Engineering Committee has reviewed the change order and now brings it to the Board for approval. Will motioned to approve the change order for the gears. Motion seconded by Daina Penkiunas. Motion carried.

5. Property Committee Report, D. Penkiunas

a. Little Chute House Update, C. Mortara

Candice Mortara presented a slide presentation on information available on the Fox Wisconsin Heritage Parkway's website. People interested in the locks can go on this website and get information when they are planning a vacation in the area. Candice also talked about some tours they are planning. She presented slides on the progress being made on the Little Chute Lock Tenders house. The estimated completion of the project would be a soft opening fall of 2015 and hard opening spring 2016.

b. Lawe Street House Update

Robert Stark reported that they are working on the exterior. Painting after mildew removal. Base coat followed by the final coat. Will be doing some soffit repair also.

c. De Pere Lock Tender House, Restroom, and Lock Shack Repairs Update

Robert Stark reported on the maintenance of the Lock Tender House. There is painting going on the windows and window sills. Some water damage has been discovered where the soffits were leaking which will all be repaired. The Public Restroom had an ADA issue which has now been corrected. Now that the restroom has been corrected the City will provide maintenance of the restroom. The Lock Shack needs a lot of

exterior work. They are repairing and restoring the windows and siding. They have done some painting and should complete this painting shortly. We would like to replace the roof this fall. The Cops Construction Company is doing the work and have been able to repair those areas that have deteriorated over time.

d. Visitor Center Update, *T. Rose*

Tim Rose reported that we are still dealing with the property issues, at the site, where the center will be located. We have found a gentleman, Michael Gross, from the University of Wisconsin Sevens Point. Students at the University are trained in the interpretive issues. Michael spent some time with us about ten days ago and we came to the conclusion that instead of going down two parallel roads, one for the facility and one for the interior, we should merge the two committees into one. Dr. Gross has agreed to come in as a volunteer in the process.

e. Appoint Visitor Center Planning/Interpretive Sub-Committee, *T. Rose*

Tim Rose proposed to the Board that we merge the two Visitor Center Sub-Committees into one committee. The committee members would be Bob Acord, Sue Bogenschutz, Nan Bunnow, Michael Gross, Nancy Johnshoy, Dan Meissner, Marlene Mielke, Tim Rose, Randy Stadtmueller, Bob Stark, Ron Van De Hey, John Vette, Ann Biebel, and Diana Penkiunas. Tim Rose moved to approve the committee as presented. Motion seconded by Jean Romback-Bartels. Motion carried.

f. Little Chute Outgrant Recommendations, *H. Kiesow*

No discussion or action today. Will discuss at a future meeting.

g. Corps Supplemental Lease Approval, *H. Kiesow*

Harlan Kiesow presented to the Board for approval the new lease with the Army Corps of Engineers. The lease expired in August and a new lease will take its place. The new lease will be adjusted for the increase in the utilities and will come in close to \$ 5,000.00 per month. We will be going on a month to month bases because the Corps has announced that they have secured a new building and will probably vacate this location in January or February of next year. The main reason for the Corps moving is the heighten security requirements at all facilities. Diana Penkiunas made motion to approve the lease. Motion seconded by Jean Romback-Bartels. Motion carried.

h. Foremost Property Lease Recommendation, *H. Kiesow*

Harlan Kiesow reported on the Foremost Property Lease. A developer wants to lease a strip of land the Authority has in Appleton. The purpose the developer has for the land is to provide for the extension of a public trail and also space for their development. We are now in discussion with the developer and need to establish a value of the strip of land. The real estate people at the DNR are trying to come up with what the value of the land would be. We will come back to the Board with a recommendation.

6. Rapide Croche Transfer Environmental Assessment Status, *R. Stark*

Robert Stark reported that the Environmental Assessment has been completed by the DNR office in Green Bay. The assessment was sent on to the Secretary's Office for their process in Madison. Robert asked Jean Romback-Bartels to give a report on the progress being made.

Jean reported that last Friday she called a meeting with the Administration to discuss the plan and if they may have any questions. There are a couple of items that came up during that meeting. One of the areas of discussion was the differing science of the temperature and length of time for the hot water bath. The second was that at present we are basing our plan on the known species. The question was asked, do we have a mechanism to deal with control of future species that may appear? Jean will be scheduling a meeting between the DNR Administration and the D.O.A., to discuss the project, and prevent any misunderstandings keeping everyone informed. Jean said that the Secretary has received many letters in opposition to Rapide Croche. But when you compare the amount of letters received on Rapide Croche against similar projects the responses to Rapide Croche are not significant.

Tim Rose said that we should consider having a program to educate the citizens on the Rapide Croche project. Discussion followed about developing a marketing plan for the promotion of FRNSA and Rapide Croche project. A motion was made by Will Dorsey to hire a consultant to develop a marketing plan promoting FRNSA and the Rapide Croche project. Motion seconded by John Vette. Motion Carried. Jean Romback-Bartels abstained from the vote.

7. Operations Report, *D. Arnoldussen*

a. Operations Report

Dennis Arnoldussen reported on the 2014 School group Tours and courtesy Lockages. We had 52 tours with a total of 974 guests. The tours per lock are as follows: Menasha 18, Appleton 5, Cedars 1, Rapide Croche 1, De Pere 27. Courtesy Lockages were Fox River Heritage 12 lockages with 49 passengers, Law Enforcement 42 lockages with 86 passengers, Kayaks 4 lockages and 151 passengers.

8. Communications

None

9. Other

a. Approve Coast Guard Lower Fox River Locks Bridge Rule Recommendation, *W. Raith, R. Stark*

Robert Stark reported that the Coast Guard is looking for input of the Board for the Bridge Rule. Robert introduced Walt Raith. Walt reported that his investigation has shown that most records are out of date and need to be updated. The Bridge Rule is in need of updating. Coast Guard is looking at FRNSA's Lock Operation Season schedule to develop and determine the Coast Guard's Bridge Rule.

Next Board meeting to be established. It was decided to schedule the next Board meeting for Tuesday December 9, 2014. Motion made by Jean Romback-Bartels to schedule the next Board Meeting on Tuesday December 9, 2014. Motion seconded by Will Dorsey. Motion carried.

Board Chairman Ron Van De Hey adjourned the meeting at 5:05 p. m.