

People of the Lakes

A Guide for Wisconsin Lake Organizations

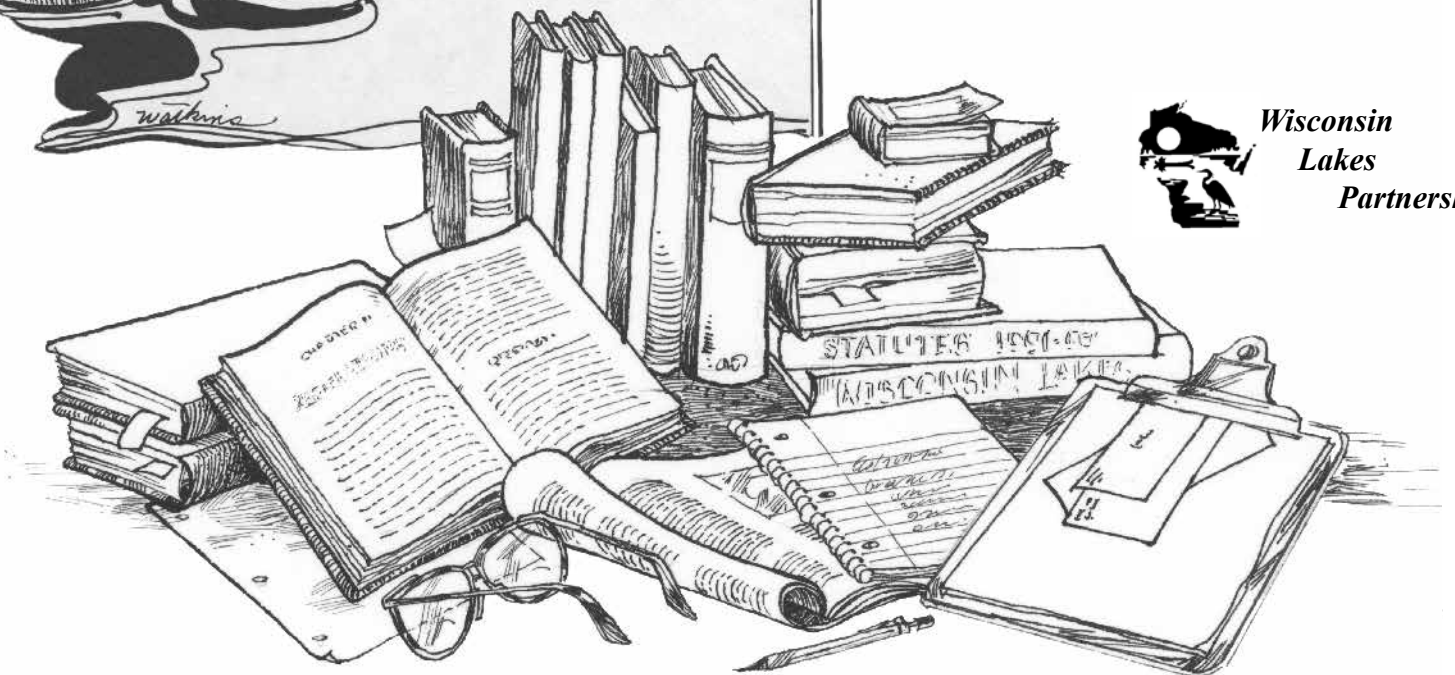


Lake Associations
& Lake Districts

12th Edition - 2018



Wisconsin
Lakes
Partnership





Wisconsin Lakes Partnership



University of Wisconsin-Extension Lakes Program
College of Natural Resources
University of Wisconsin-Stevens Point
800 Reserve Street
Stevens Point, WI 54481
www.uwsp.edu/cnr/uwexlakes
715-346-2116
uwexlakes@uwsp.edu



Wisconsin Lakes
716 Lois Dr.
Sun Prairie, WI 53590
www.wisconsinlakes.org
608-661-4313
wal@wisconsinlakes.org



Wisconsin Department of Natural Resources
101 S. Webster Street
PO Box 7921
Madison, WI 53707-7921
www.dnr.state.wi.us
608-261-6423

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12th Edition - 2018

by

Tiffany G. Lyden
UW-Extension, UW-Stevens Point

Robert M. Korth
UW-Extension, UW-Stevens Point

William P. O'Connor
Attorney, Madison, Wisconsin

Lowell Klessig
UW-Extension, UW-Stevens Point (emeritus)

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University of Wisconsin-Stevens Point • 2018

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Direct comments or inquiries to:

University of Wisconsin-Extension Lakes Program
University of Wisconsin-Stevens Point
College of Natural Resources
800 Reserve St.
Stevens Point, WI 54481
Phone: 715-346-2116
Email: uwexplakes@uwsp.edu

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University of Wisconsin-Extension Lakes Program
Wisconsin Association of Lakes
Wisconsin Department of Natural Resources

Preface

Welcome to the 12th edition of the lake organizations guide. For over 40 years, UW-Extension has published a guide book that has served as a fundamental tool for people creating a lake organization. Previous editions have been called *A Guide to Wisconsin Lake Management Law*.

The 11th edition represented major changes to the guide, and the continuing popularity of lake associations and lake districts in Wisconsin suggests that those changes were well received. This 12th edition is updated largely to reflect specific changes to the lake district law (Chapter 33 of Wisconsin Statutes) that affect the composition of the lake district board. These changes are reflected in Chapters 4 and 5.

Because new technologies and the growth of the web are changing the ways we get our information, online versions of the guide will be offered. You will be able to find the very latest version of this guide, laws, regulations, forms and contact information on the Internet (www.uwsp.edu/cnr/uwexplakes).

The guide is designed for those who would like to play a positive role in the fate of their lakes. It discusses the two major types of lake organizations operating in Wisconsin: Lake Associations (about 550) and Lake Districts (about 240). *A Guide for Wisconsin Lake Organizations* includes chapters on formation, operation, planning and insurance that may pertain to both types of organizations as well as chapters with information unique to each type.



This guide, *The People of The Lakes: A Guide for Wisconsin Lake Organizations*, can be freely downloaded at the UW-Extension Lakes website at www.uwsp.edu/cnr/uwexplakes.

To receive a copy, contact:
University of Wisconsin-Extension Lakes
715-346-2116 or uwexplakes@uwsp.edu

Contributors

Editors:

Tiffany G. Lyden
Robert M. Korth
Mary E. Pardee

Layout/Design:

Amy A. Kowalski

Like all projects undertaken by the Wisconsin Lakes Partnership, this guide relied on teamwork. We would like to thank those named below and those unnamed that shared their ideas, years of experience and their love of our lakes to bring this information to you.

Contributors:

Jeff Thornton
Tamara Dudiak
Elmer Goetsch
Bruce Mayer

Reviewers:

Jim Abbs	Meg Marshall
Sandy Anderson	Karen McNelly
Kim Becken	Ezra Meyer
John Behrens	John Molinaro
Elmer Goetsch	Peter Murray
Patrick Goggin	Karen Popple
Mike Jones	Lori Regni
Judy Jooss	Carroll Schaal
Sam Lewis	Jeff Thornton
Kevin MacKinnon	Roger Walsh
Peter Manley	Carol Wilson

Chapter 7 – Insurance:

Pages 99-110 were written and reviewed by attorneys:

Tim Mentkowski, Crivello, Carlson & Mentkowski S.C., Milwaukee

Julie Frymark Kirby, Crivello, Carlson & Mentkowski S.C., Milwaukee

Pages 111-116 were written and reviewed by:

Rob Mentzer, Bliss McKnight, Inc., Bloomington, IL

Steve Weston, Weston Insurance, Minocqua

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Introduction



A Legacy of Lakes

Protecting in Partnership

Volunteer organizations have been a part of the lake scene in Wisconsin for over a hundred years. By the turn of the 19th century, declining water quality and other human impacts on lakes were becoming apparent. People on Lake Geneva and the Lauderdale Lakes formed the first lake organizations in 1898 and 1902, respectively, to deal with the issues. The number of voluntary organizations concerned with the health of lakes continued to grow slowly over the years, but the issues facing lakes grew faster.

A growing sense of urgency caused more and more lake area residents to band together. They formed organizations aimed at finding solutions, but in some cases their success was limited by their lack of authority to deal with the issues at hand. Part of the problem was that lakes are round and governments are square. Some of the biggest challenges with lake management are that lakes do not fit neatly within the boundaries of local governments and governments often have other priorities.

Before 1974, Wisconsin did not have local public institutions designed to manage lakes. The first attempts at publicly administered lake management took place in the early 1930s. Several Wisconsin lake communities formed sanitary districts to focus on lake problems. These governmental bodies could be established with boundaries following the shape of the lake. As government bodies, they could levy taxes to spread the cost of operations equitably. However, there were shortcomings with sanitary districts. Their primary purpose was to provide sewer and water service for urbanizing areas, but in those early days they lacked the comprehensive power needed to address the complex problems involved in lake management.

In 1959, many of the lake associations in the state joined together to form the Wisconsin Federation of Lakes. Lake water quality was still declining and by the mid-1960s our nation saw environmental deterioration of lakes and rivers becoming commonplace. Polluted water caused algae blooms, excessive aquatic plant growth, and in some cases toxic contamination. In 1972, the Cuyahoga River in Ohio actually caught fire. Many lakes and rivers were unfit for swimming or fishing. The 1972 Federal Clean Water Act and other environmental laws set the stage for major cleanups of many sources of pollution. But these laws did little to address the unique challenges of managing inland lakes.

*Lakes are round
and governments
are square.*

In response to a growing awareness of the harmful effects of pollution and the decline of the quality of Wisconsin lakes, a major six-year demonstration project was conducted by the University of Wisconsin-Extension and the Wisconsin Department of Natural Resources (WDNR). In reply to the project's recommendations, the Legislature enacted a 1974 law aimed at solving lake issues. Chapter 33 of the Wisconsin Statutes was created to provide for the formation of a new kind of lake management organization - the public inland lake protection and rehabilitation district. Over the last thirty years, over 200 lake districts have been formed in Wisconsin. A state organization representing lake districts, the Wisconsin Association of Lake Districts, was formed in 1981.

The 1974 law also established a state educational assistance and cost-sharing program for lake management organizations. Over the years, program details and funding levels have changed, but this state/local partnership has continued to mature. In the 1990s, voluntary lake associations meeting certain standards (qualified lake associations) were added to the list of eligible lake grant participants.

In 1992, the Wisconsin Association of Lakes (WAL) was created through the merger of the Wisconsin Federation of Lakes and the Wisconsin Association of Lake Districts. The Wisconsin Association of Lakes, in partnership with the University of Wisconsin-Extension and the Wisconsin Department of Natural Resources, calling themselves the Wisconsin Lakes Partnership, has continued to follow the mission of preserving and protecting our legacy of lakes to this day.

The Wisconsin Lakes Partnership is proud to bring you this guide.



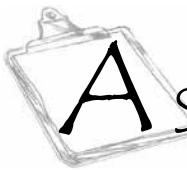
Lakes are an indispensable thread woven into the tapestry of land and water that makes Wisconsin an exceptional place to live. Our history of oblivious abuse and overuse of Wisconsin's lakes is a flaw in that tapestry. Our growing awareness, our capacity to weave partnerships and our collective wisdom will help remove past imperfections.

Chapter 1

Lake Organizations

Organizations created to help preserve and protect our lakes are not new to Wisconsin. The first ones formed in the late 1800s. Lake organizations have evolved into a few basic types over the years. Most types are voluntary, but one type called a lake district (*discussed in detail in chapters 5-6*) is not voluntary. A lake district is an actual unit of government run by the people living within the district.

Most lake organizations share the goals of preserving and protecting their lakes, but the abilities, authority and structure of the various groups can vary greatly. In this chapter, we will examine the different types of lake organizations.



A Special Trust

With so many lakes and so few people to look after them, Wisconsin has always depended on dedicated women and men willing to invest their efforts and dollars to assure a long lasting legacy of lakes. Those people willing to take on the duties of running a lake organization also take on some very special responsibilities to the citizens of this state. The waters of Wisconsin belong to all of us. Their management becomes a balancing act between what is required to assure that healthy lake ecosystems continue to exist, and the rights and demands of the public and those who own property on the water's edge.

There is a rich tradition of law known as the public trust doctrine which states that water is a public resource. The public trust doctrine is based on a body of law which establishes that navigable waters in Wisconsin are public waters to be enjoyed by all for swimming, fishing, and hunting as well as for navigation and the viewing of natural scenic beauty. The roots of the public trust doctrine can be traced back to the times of Roman law and today it is the basis for how we treat our waters. The U.S. Supreme Court has found that the people of each state hold the right to all navigable waters for their common use. Those who have decided to assist the state in managing our lakes are guided by this great trust and tradition.



What Can a Lake Organization Do?

Lake organizations, agencies, institutions and non-governmental organizations (NGOs) struggle with many issues in their continuing efforts to safeguard lakes. Today's issues can be complex, crossing political and natural

boundaries, requiring action and participation from individuals with a wide range of skills, and becoming increasingly demanding of time and financial resources. Increasingly complicated concerns require the involvement of those affected as well as the organizations and agencies appointed to deal with the issues. A lake organization can play a vital role in defining the future of your lake.

General activities for lake organizations:

- Develop a lake newsletter to keep members informed on local and state lake news
- Develop a website and an email list to keep members informed
- Hold meetings
- Identify people to speak for the group on common issues
- Form committees to research issues that may impact the lake and report on them to the group
- Survey the membership on their lake concerns and their lake use requirements
- Design educational programs for members and youth as well as those in the community that impact the lake and have an interest in the lake
- Help the membership deal with individual concerns
- Become an observer of the lake by joining the *Citizen Lake Monitoring Network*. (Equipment is free and instruction is available. Details can be found online at www.dnr.state.wi.us/org/water/fhp/lakes or by contacting the Lake Monitoring coordinator at UW-Extension Lakes, 715-346-2116)
- Monitor your boat landing for invasive species by becoming a *Clean Boats, Clean Waters* volunteer (www.uwsp.edu/cnr/uwexplakes)
- Apply for a lake management planning grant. State matching grants are available to qualified lake associations to pay up to 75% of the cost (see *Qualified Lake Associations, page 8*)
- Apply for state shoreland restoration and aquatic invasive species (AIS) grants
- Obtain a lake protection grant to purchase environmentally-sensitive areas such as wetlands. State matching grants are available to qualified lake associations and lake districts to pay up to 75% of the cost of implementing a lake protection project, including purchasing land or easements
- Communicate concerns to town and county officials and work with the local government whenever possible
- Get involved in lake issues on a state and national level. Join the Wisconsin Association of Lakes (WAL) at 1-800-542-LAKE(5253) or www.wisconsinlakes.org. The North American Lake Management Society (NALMS) at 608-233-2836 or www.nalms.org provides opportunities for citizens and scientists to work together to promote environmentally-sound policies and practices





Lake management activities for lake organizations:

- Develop a lake management plan
- Develop an aquatic plant management plan
- Develop a water recreation plan
- Contract for aquatic plant removal
- Buy and operate an aquatic plant harvester
- Improve fish habitat (with a permit from WDNR)
- Stock fish (with a permit from WDNR)
- Install and operate an aerator (with a permit from WDNR)
- Own and operate dams (with a permit from WDNR)
- Maintain lake access



Lake Associations

There are a number of types of voluntary organizations that get involved in the management and stewardship of our lakes. The oldest lake management organizations in Wisconsin are voluntary associations made up of private citizens. These voluntary groups are the most numerous lake management organizations in Wisconsin, with nearly 480 known to exist in the state. Their diversity is remarkable. Some are very informal neighborhood associations with minimal formal leadership. Others are chartered as nonstock (nonprofit) corporations and recognized by the State of Wisconsin as qualified lake associations. Lake associations can have opinions on what is done on the lake or on the land around the lake, but they have no regulatory power over any lake or land use activities.

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Unincorporated Lake Associations

Associations can be formed for any lawful purpose. Informal lake associations are probably among the earliest forms of environmental conservation organizations in the state. Some lake associations are formed as a mechanism for lakefront property owners to get acquainted. In time, these social interactions can lead to discussion of common interests and issues such as water quality, which can lead to programs and projects to protect or maintain lake quality.

These voluntary lake associations can structure their affairs as they choose. There really are no special rules governing their structure or operation. Some, but not all, adopt a charter including a statement of the organization's name, its purposes, and an outline of the governing structure. Some also adopt bylaws (*see Appendix A for model bylaws*) or rules of procedure to govern

their operations (such as Robert's Rules of Order, see www.robertsrules.com), set membership dues and provide for an election of a board of directors. Subject to the availability of financial resources, there are many lake management activities that may be undertaken by these associations, some are done alone and others in cooperation with local units of government.

Liabilities: Although they are easy to form, unincorporated associations have some significant disadvantages. One disadvantage involves exposure to risk from actions of the association. For most purposes, unincorporated associations are treated as partnerships, potentially exposing their members, directors and officers to liability in the event of damages resulting from activities of the association that cause injury or loss. Another disadvantage is the exposure of their members, directors and officers to financial and tax liabilities.

For these reasons, many lake associations incorporate under Chapter 181 of the Wisconsin Statutes, the Wisconsin nonstock corporation law. Incorporating is easy to do and not very expensive. A fee of \$35 is required with submission of the "articles of incorporation form" (*see Appendix B for a copy of the form*). Incorporation creates a "separate entity" and drastically reduces the exposure to liability for members, directors, officers and volunteers. In the event of a lawsuit, typically only the assets of the corporation are at risk.

Wis. Stat. § 181.0612

Wis. Stat. § 181.0855

Wis. Stat. § 181.0670

Unincorporated Lake Associations

Abilities:

- Require dues/raise funds
- Borrow money (loans will need to be secured by assets)
- Make contracts
- Acquire and sell property
- Sue and be sued
- Have educational programs
- Communicate with units of government & others
- Conduct lake management activities such as:
 - Monitor water quality
 - Inventory/monitor aquatic plants
 - Manage invasive/nuisance aquatic plants
 - Purchase lands to protect sensitive areas
 - Restore wetlands
 - Develop erosion control programs
 - Develop long-range lake management plans



Incorporated Lake Associations

Incorporation of a nonstock (or nonprofit) corporation is accomplished by filing “articles of incorporation.” The articles set forth the name of the corporation, its purposes, membership provisions (if any), the office address of the corporation and its registered agent, and the names and addresses of the initial board of directors. In addition, the articles may limit the period of the corporation’s existence and describe rights and classes of members or directors.

Wis. Stat. § 181.0120
Wis. Stat. § 181.0501
Wis. Stat. § 181.0601

Benefits: Nonstock corporation status provides many benefits to a lake association. Some of the most important of these relate to the personal liability of the members and officers of the corporation. Incorporating as a nonstock corporation creates a “separate entity” and drastically reduces the exposure to liability for volunteers, directors, officers and members. In the event of a lawsuit, typically only the assets of the corporation are at risk.

Wis. Stat. § 181.0670
Wis. Stat. § 181.0855
Wis. Stat. § 181.0612

Under Wisconsin law, volunteers of nonstock corporations (excluding employees) are “immune” from damages that may arise from their actions as a volunteer, although there are exceptions from this protection in the case of criminal acts, willful misconduct and other wrongdoing. The liability of nonprofit corporation directors and officers is similarly limited (subject to certain exceptions). Wisconsin law also limits the liability of nonstock corporations that own property used for recreational purposes.

Wis. Stat. § 181.0670

Wis. Stat. § 181.0855
Wis. Stat. § 181.0833
Wis. Stat. § 181.0872
Wis. Stat. § 181.0873

Wis. Stat. § 895.52

Incorporated Lake Associations

Abilities:

- Require dues/raise funds
- Borrow money (loans will need to be secured by assets)
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Wis. Stat. § 181.0122

Filing: The articles of incorporation are filed with the Department of Financial Institutions (DFI). The form DFI/CORP102 is available online at www.wdfi.org/corporations/forms/corp181forms.htm (Form 102) and is to be filed with the fee with DFI, PO Box 7846, Madison, WI 53703-7846, 608-261-7577. The filing fee currently totals \$35 *(see Appendix B for a copy of the form)*.

Wis. Stat. § 181.0601

Wis. Stat. § 181.0801

Bylaws: Typical nonstock corporation bylaws include provisions specifying the operating procedures for the conduct of the corporation's business. They typically provide for membership categories and dues, election procedures and terms of office for the board of directors and officers, rights and qualifications of members, and other "nuts and bolts" procedures. Some provisions, including rights and classes of members or the number and manner of selection of directors, may be provided for either in the bylaws or in the articles of incorporation *(see Appendix A for model bylaws)*.

Qualified Lake Associations

Until the late 1980s only units of government and lake districts were eligible for state lake grants. Since 1989, certain voluntary lake associations have been eligible to receive funds through various state grant programs. Because tax funds are used to support these programs, private lake associations are required to meet specific standards in order to be eligible. Generally, these standards aim to ensure that associations are organized and operated for public benefit and do not unreasonably exclude participation. Associations that meet these standards are considered qualified lake associations. If the requirements for becoming a qualified lake association are not acceptable by the organization, it may still be worthwhile to incorporate under Chapter 181.

Qualifications: In order to be recognized as a state qualified lake association in Wisconsin, an organization must:

- Be incorporated under Chapter 181 Wisconsin Statutes for a least one year. (This is a good idea for other reasons, including the liability of the association and its officers)
- Declare in its Articles of Incorporation or bylaws that the main purpose of the organization is to support the protection or improvement of one or more inland lakes for the benefit of the general public *(see Appendix A for model bylaws)*
- Demonstrate that a substantial purpose of its past actions was to support the protection or improvement of one or more inland lakes for the benefit of the general public
- Allow any individual to be a member if they reside within one mile of the lake for at least one month each year
- Allow any individual to be a member if they own real estate within one mile of the lake
- Not have articles of incorporation or bylaws which limit or deny the right of any member or class of members to vote
- Have at least 25 members
- Require annual membership fees of not less than \$5 nor more than \$50

Wis. Stat. § 181.0721

Qualified Lake Associations

Abilities:

- Require dues/raise funds
- Be eligible for state lake grants
- Borrow money (loans will need to be secured by assets)
- Make contracts
- Acquire and sell property
- Sue and be sued
- Have educational programs
- Communicate with units of government & others
- Conduct lake management activities such as:
 - Monitor water quality
 - Inventory/monitor aquatic plants
 - Manage invasive/nuisance aquatic plants
 - Purchase lands to protect sensitive areas
 - Restore wetlands
 - Develop erosion control programs
 - Develop long-range lake management plans

Wis. Stat. § 181.0302



Lake Districts

While their activities are similar, lake districts operate in a different way than lake associations. *For detailed information on lake districts, see Chapters 4 and 5.* A lake district is a specialized unit of government designed to manage a lake or group of lakes. One of the major differences between lake districts and lake associations is that lake districts have the ability to tax property within the district. Legislation allowing the formation of public inland lake protection and rehabilitation districts was enacted in 1974. Since then, over 200 lake communities have formed lake districts.


Lake districts have a unique blend of powers and governance provisions tailored to fit the needs of local lake communities. A lake district's day-to-day operations are carried out by a board of commissioners composed of elected volunteers and local officials. The financial direction of the district is determined by district residents (electors) and property owners at an annual meeting. Unlike other governmental units like towns or sanitary districts, nonresident property owners have the right to vote in lake districts.

A lake district is not a club. Unlike a lake association, a lake district is a governmental body with statutory responsibilities to the resource, local citizens and taxpayers. Like all government entities, the powers and operations of a lake district are set by law with legal responsibilities and consequences designed to ensure that the rights and interests of the public are protected.

Wis. Stat. § 33.22(1)
Wis. Stat. § 30.30(4)(a)
Wis. Stat.
§ 33.22(2)(m)

Wis. Stat. § 33.31

Wis. Stat. § 33.32



Lake Districts

Powers:

- Levy taxes and impose special assessments and special charges
- Operate water safety patrols
- Enact boating regulations
- Exercise sanitary district powers
- Be eligible for state lake grants
- Borrow money (loans will need to be secured by assets)
- Make contracts
- Acquire and sell property
- Sue and be sued

Activities:

- Monitor water quality
- Inventory/monitor aquatic plants
- Manage invasive/nuisance aquatic plants
- Purchase lands to protect sensitive areas
- Restore wetlands
- Develop erosion control programs
- Develop long-range lake management plans
- Have educational programs
- Communicate with units of government & others



Sanitary Districts

Sanitary districts are specialized units of government established by town boards. Typically, sanitary districts are established to provide sewer and water service to a community. Historically, some lake communities established sanitary districts to undertake lake management activities before the existence of lake districts. Over the years, additional powers were granted to sanitary districts. Legislation in 1996 amended sanitary district laws to allow sanitary districts to exercise the powers of a lake district if the sanitary district includes at least 60% of a lake's shoreline and if no lake district is already in existence on the lake. Today there are approximately 20 sanitary districts in Wisconsin that work with lake management issues. *For more information on sanitary districts, see Chapter 6.*

One of the major differences between sanitary districts and lake districts is their method of governance. Lake districts share governance responsibility between the board of commissioners and residents and property owners at the annual meeting. Sanitary districts are governed solely by a three member board of commissioners. Both sanitary districts and lake districts have the ability to tax property within the district. Unlike lake districts, nonresident property owners cannot vote in sanitary districts.

A sanitary district is a governmental body with statutory responsibilities to the resource, local citizens and taxpayers. Like all government entities, the powers and operations of a sanitary district are set by law with legal responsibilities and consequences designed to ensure that the rights and interests of the public are protected.

Sanitary Districts

Powers:

- Levy taxes and impose special assessments and special charges
- Operate water safety patrols
- Provide sewer/water/solid waste collection services
- Require inspection of septic systems
- Provide money for the replacement of failing septic systems
- Exercise some lake district powers
- Be eligible for state lake grants
- Borrow money (loans will need to be secured by assets)
- Make contracts
- Acquire and sell property
- Sue and be sued

Activities:

- Monitor water quality
- Inventory/monitor aquatic plants
- Manage invasive/nuisance aquatic plants
- Purchase lands to protect sensitive areas
- Restore wetlands
- Develop erosion control programs
- Develop long-range lake management plans
- Have educational programs
- Communicate with units of government & others

Wis. Stat. § 60.77

Wis. Stat. § 30.30(4)(a)

Wis. Stat. § 33.32

Wis. Stat. § 60.782



Intergovernmental Commissions

An intergovernmental commission is another possible way of managing lakes. Under the state's broad "intergovernmental cooperation law", local units of government can work together to create an intergovernmental commission. (Lake Geneva has an intergovernmental commission called the Geneva Lakes Environmental Agency). This option is rarely used because it is complex and requires broad buy-in from numerous units of government. It is mentioned here briefly and it is not an entity which would be formed by private citizens.

Wis. Stat. § 66.0301



Nonprofit Conservation Organizations (NCOs)

Wisconsin law also recognizes that certain nonprofit conservation organizations may play a role in managing lakes. These NCOs are eligible to receive funds under the Lake Management Grant Program and under the state Stewardship Fund Program if their purposes include the acquisition of land for conservation purposes and if they are recognized as federal tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code. Under all of these programs, the Wisconsin Department of Natural Resources (WDNR) can award matching grants to these organizations for certain land or conservation easement purchases and for some habitat restoration activities.

Lake associations (whether incorporated or not) can qualify as NCOs if their purposes include the acquisition of land for conservation purposes and if they are recognized as federal tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code.

Nonprofit Conservation Organizations

Abilities:

- Require dues/raise funds
- Be eligible for state lake grants
- Borrow money (loans will need to be secured by assets)
- Make contracts
- Acquire and sell property
- Sue and be sued
- Have educational programs
- Communicate with units of government & others
- Conduct lake management activities such as:
 - Monitor water quality
 - Inventory/monitor aquatic plants
 - Manage invasive/nuisance aquatic plants
 - Purchase lands to protect sensitive areas
 - Restore wetlands
 - Develop erosion control programs
 - Develop long-range lake management plans





Which Organization is Right for Us?

As we have seen in this chapter, there are a variety of lake management organizations. Voluntary lake management organizations include lake associations and nonprofit conservation organizations. Public lake management organizations include lake districts, sanitary districts, and intergovernmental commissions.

The type of organization for your lake is determined by many factors: the lake community's long range goals, the number of people living on and using the lake, the size and type of lake, and the degree of urgency of threats to the health of the lake ecosystem. If your agenda is broad and ambitious, the more stable funding of a public organization may be essential.

Leaders of voluntary lake associations are sometimes frustrated by the lack of participation and financial commitment from those living on the lake who are not involved. In other communities, a voluntary association has genuine advantages over a public one. Voluntary associations may be able to act more quickly than governmental bodies on some issues. In addition, some communities may be willing to support a voluntary organization rather than forming a new unit of government, particularly one with taxing power. Lakes may have both an association and a district. If you are considering establishment of a lake management organization, the following are some issues and comparisons you might want to consider.

Formation

Lake districts, sanitary districts and intergovernmental commissions are established by orders or resolutions adopted by town, county or village boards or city councils. In some cases, more than one resolution is required. Typically, these lake organizations are formed at the request of interested citizens. In many cases, a formal petition is required. Lake associations are not required to meet any formal requirements to form. Many associations do incorporate under Chapter 181 of the Wisconsin Statutes and opt to meet the standards needed to be eligible for state cost-sharing grants.

Powers

Lake districts, sanitary districts, and intergovernmental commissions are governmental bodies. They have elected or appointed leaders and adopt annual budgets. Some may levy taxes, special assessments or other charges to support their operations. Voluntary associations have no powers over their membership or others using the lake; dues are voluntary. Some associations are created mainly for social purposes. Others are highly directed organizations seeking to address issues affecting lakes.

Regulatory Authority

None of these organizations have broad regulatory authority. Instead, they rely on the cooperation of general purpose units of government (cities, villages, towns, counties and tribes) to address many of the jurisdictional issues that affect the use of Wisconsin lakes. A lake or sanitary district may enact and enforce boating ordinances if the authority is delegated by a local unit of government. A sanitary district may require the installation and inspection of private sewage systems.

Geographical Scope

Most of the issues influencing Wisconsin lakes occur in the lake, along the shores or within the lake's watershed. Ideally, a lake management organization should incorporate all of the lands within its watershed. In many areas of the state, watersheds are quite large in relation to the surface water of the lake. Lake and sanitary district organizers find it politically difficult to include territory miles from the lake even though activities there may impact the lake. Voluntary organizations also face difficulty when soliciting membership away from the lakeshore.

Boundaries

Because lake districts, sanitary districts and intergovernmental commissions are governmental bodies, they are required to have strictly defined boundaries. The state statutes provide little guidance on the creation of these boundaries for lake districts, sanitary districts or intergovernmental commissions. None are required to include the entirety of a lake, lakeshore, or watershed. All may include more than one lake. In every case, an accurate legal description of the boundary of the proposed district is required. Lake management organizations established as intergovernmental commissions operate in areas deemed appropriate by the governmental units that establish them.

Voluntary lake associations are not required to establish boundaries. Most associations include riparians and those living or owning property on the lake or within a mile of the lake. The concept of lake stewardship seems to weaken with increased distance from the lake.

Financial Fairness

Lake and sanitary districts are equipped to ensure that the costs of local lake management are equitably shared by those who benefit. Funding for intergovernmental commissions comes from the participating local units who also appoint representatives to the governing body of the commission. A voluntary organization obtains its basic financial resources from donations by its members. As a result, the benefits of its work are enjoyed both by those who have contributed and those who have not.

Public Accountability

Lake districts, sanitary districts, and intergovernmental commissions are subject to state laws protecting public access to records, meetings and decision making. All districts and commissions must give advance notice of their meetings and hold them in public places. Districts and commissions must make their records available for inspection by any member of the public. This is appropriate, because these organizations raise and expend public funds. Voluntary organizations are not subject to open meetings or public records laws.

Availability of Funding

Lake and sanitary districts, intergovernmental commissions, qualified lake associations, nonprofit conservation organizations, towns, tribes, villages, cities and counties are all eligible to receive matching funds from the State of Wisconsin.

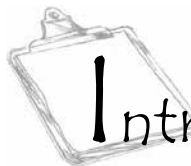


Lake organizations can take many forms. Sometimes different forms of lake organizations exist side-by-side in a lake community. Visit with and meet your neighbors in the field of lake management, be guided by their example and experience, but do not automatically assume that their organization type can be replicated in your community. In the end, the best lake organization for your community is the one that meets your particular local needs. Whether you choose to form a public or voluntary organization, it is possible to create an organization that can address most lake management challenges.

Chapter 2

Starting a Lake Organization

Congratulations – you have decided to dedicate some time and effort to your lake! If you are part of a lake community, your life encompasses some exceptional advantages. Lake living also comes with some unique responsibilities. Dealing with the broad range of issues and concerns that face our lakes can be an overwhelming task for an individual. Working with an organized group whose members share objectives, knowledge, skills and resources can make short work out of the most difficult problems.



Introduction

This chapter will walk you through all of the practical steps needed to form a lake organization, from deciding whether or not to organize to actually holding your initial informational meetings. Lake districts have certain legal requirements that lake associations do not (*lake districts are described in more detail in Chapters 4 and 5*). No matter which type of organization you have decided upon, the following advice will help assure the formation of your organization goes smoothly. This section reviews basic considerations, logistics and skills that will help when trying to bring a diverse group together.



Why Start an Organization?

From the start, any organization must have a purpose. Lake organizations are no different. Here are some reasons to form a lake organization in your community:

- Gain awareness of your neighbors' lake interests
- Develop a relationship with your lake neighbors
- Develop a relationship with units of government, state agencies and institutes charged with the management of lakes
- Develop a communications network for sharing lake information.
- Raise awareness of lake issues in the community
- Raise funds and apply for grants to preserve and protect the lake
- Develop a long-range lake management plan
- Act as a support group for members
- Focus the wide range of skills and know-how that a lake group possesses
- Gain support from numbers. The group's opinions and needs can be more effectively represented to local government officials or agencies
- Gather information and present educational programs for your membership and those living near the lake
- Conduct data collection programs covering a broad range of lake concerns (i.e. water quality, development, lake use conflicts, etc.)

- Gain a historical perspective from long-time residents
- Network with other lake organizations
- Assure the lake will be in good shape for generations to come
- Address ecological concerns around the lake



Considerations

If your lake has more than one landowner or user, you will probably find a divergence in philosophy and expectations over how the lake should be used or managed. It is a good idea to encourage and solicit these diverse ideas. Organizations formed for a single purpose or over a single issue rarely enjoy long-term success. Once that single issue is addressed or resolved, members may quickly lose interest and the organization may lose momentum.

Bring together those interested in your lake and ask them about their ideas and concerns. This list will often be broad, but having a wide interest base will build ownership for the issues and can help sustain an organization. Remember, an organization requires good management to prioritize the many issues in a satisfactory manner and to develop a sense of achievement.



An organization with the best chances of success:

- Has an eye toward the future
- Recognizes a broad range of issues and requirements
- Anticipates unforeseen occurrences that could change the lake
- Listens to others
- Encourages participation and diverse ideas
- Has respect for other viewpoints
- Balances the needs of today's lake community against the possibilities of tomorrow's
- Collaborates with other lake organizations
- Is well organized and managed

Where Do You Start?

Your success at organizing your lake neighbors may well depend on your talent as a communicator and negotiator. Be transparent! Make sure everyone with an interest has an opportunity to find out what is going on and understands the implications.

Do Your Homework

Contact your county UW-Extension Educator, the UW-Extension Lakes Program at UW-Stevens Point, your Wisconsin Department of Natural Resources (WDNR) Lakes Coordinator, or the Wisconsin Association of Lakes (WAL) to assist you. *See Appendix E for lake contacts.*

Unearth the History of Your Lake

- Are there any existing groups that represent lake interests?
- Have there ever been other lake organizations? If yes, what happened to them? Who were the officers? Do these folks still live at the lake?
- Have there been major management or research projects on the lake (fish stocking, aquatic plant harvesting)? Who was involved?
- Are there any government agencies or institutions involved in management projects on your lake?
- Are there any groups with a substantial interest in the management of the lake (resorts, lodges, marinas, industry, local government, large landowners, boaters, anglers)?
- Are there any political situations or prominent issues (development, use conflicts, plant harvesting) affecting your lake?

Recognize Differences

- If you are a “newcomer” (0-10 years of living on a lake), be sensitive to the views of people that have been on the lake for many years.
- Be aware of user groups in your watershed that may impact or benefit from the lake (resorts, industry, agriculture, etc.).
- Be sensitive to the distinctive requirements of year-round and seasonal residents.
- Be sensitive to various non-resident user groups and their expectations (boaters, anglers, seasonal users, park users, birdwatchers).
- Listen to other’s viewpoints and try to see the lake through their eyes.

Before the First Informational Meeting

- Assemble a nucleus of interested people. Try for a broad representation of people (a year-round resident, a long-time resident, a representative of any special interest groups) who live on or near the lake. Include anybody who wants to assist in the effort, and remember, the more people involved the better. (Your county UW-Extension Educator is often trained to help with this sort of endeavor.)
- List the reasons a lake organization would benefit the lake.
- Consider possible objections of an organization and how to address them.
- Gather information on issues or problems and potential solutions. This will aid in recruiting additional interested persons.

- Make sure you understand the specifics and ramifications of having a lake organization. Contact a lake professional through your county UW-Extension Educator, a UW-Extension Lakes Specialist, a WDNR Lakes Coordinator or a WAL representative who can explain the details. *See Appendix E for lake contacts.*
- Let your town and county officials know that you are considering forming a lake organization. Lake districts require participation by local government and it is wise to engage local government officials at whatever level they want to be involved. The support of local officials can be indispensable and play a positive role in your effort, so start building a relationship early.
- You may need some seed money for photocopying/printing and postage. People may consider “chipping in” some start-up money or you may consider asking some interested person or supportive business or organization (resort, chamber of commerce or other local business) to donate office support. Caution is advised if you accept help from a group that may be perceived as having a personal interest or other motive that might be contrary to your organization’s long-term interests, as the acceptance of such help may create an expectation of future support.
- If you are aware of a lake organization on a nearby lake, contact them for ideas on how they were created and how they operate (*see the Wisconsin Lake List Directory for a list of lake organizations and contacts at www.uwsp.edu/cnr/uwexlakes/lakelist*).

Preparing for the First Informational Meeting

Develop a plan for getting the information to the entire lake community. The amount and the expense of the effort needed will depend on the size of the lake and the number of people you need to reach. Be transparent with your information, allowing anyone that wants to help or comment to join in.

Three Months or More Before the Meeting

- Many groups begin by inviting lake professionals to speak, such as UW-Extension Lake Specialists, WAL representatives, county Land & Water Conservation staff, WDNR staff and others (*See Appendix E for lake contacts*). When planning an inaugural meeting you may also want to invite a representative from a neighboring lake organization.
- Select a time and day that does not conflict with other events and provides for good attendance by the people in your lake community. Summer is often the time to reach the greatest number of residents.
- Reserve a convenient location. A public place is best, like the town hall, a resort or school.
- Invite everyone living at and near your lake. Use tax rolls to develop your list; they are open to the public at reasonable times. (The town/county treasurer or clerk may help you get started.)
- Invite those groups that use the lake but may not be property owners, such as businesses, bird watchers, angling groups and water ski clubs.

One Month Before the Meeting

- Prepare an agenda noting time, place, date and subject to be discussed.
- Publicize the meeting.
- Prepare a news release for your local newspaper and buyers guide. Most papers are happy to print such notices. Send it out early (a month before the meeting is typical).
- Try to place a Public Service Announcement (PSA) on your local radio or TV station.
- Put posters in local grocery stores, community centers, sport stores, etc.
- Mail or email personal invitations to certain potential key members of the community. If your budget can afford it, send personal invitations to everyone.
- Post large signs (with permission) at strategic locations (road intersections, around the lake) announcing the meeting and welcoming the public.

At the First Informational Meeting

The size of the group and your time frame will determine what you can accomplish at the meeting. If the group is small (20-30), you may have the opportunity to hear from everyone. If the group is larger (30-60), there may not be time to hear from each person. Try and make sure that anyone who wants to be heard has the chance to be heard.

- Inspect the venue and meeting logistics (i.e. number of chairs, A/V equipment, food, drinks, light switches, paper, pencils, parking, darkening the room, refreshments, etc.). Do this inspection far enough before the meeting starts to correct any deficiencies.
- Have extra copies of the agenda.
- Have a sign-in sheet for names and addresses and provide name tags.
- Start on time and stay on schedule.
- Introduce yourself, your committee and any guest speakers.
- Explain why you feel there is a need for an organization.
- Ask people to share why they enjoy living on the lake and what they see as issues important to them.
- Allow plenty of time for questions and answers and getting feedback.
- Let people know that anyone at the meeting and those people interested in lakes are welcome to sign up to receive Wisconsin's lake newsletter, Lake Tides, at no cost in hard copy or electronic format. Send or email a list of addresses and email addresses to UW-Extension Lakes at 800 Reserve Street, UW-Stevens Point, Stevens Point, WI 54881 or uwexplakes@uwsp.edu.

Confirmation

- After all the information has been presented and all the questions have been satisfactorily answered, you will need to confirm the desires of the group to move forward on the formation of an association or a district.
- You may want to take a straw vote. If the group decides to form an association, elect temporary officers and agree on a date for a first annual meeting. If your group is considering a lake district, the process is more complex and must follow certain legal requirements (*see Chapters 4 and 5*).
- If the group is not sold on the idea of forming an organization, you may choose to form an ad-hoc committee to explore the idea further, answer questions that may have come up or set up another informational meeting.
- If enough people are interested, you could also opt to form an association among those who agree with the idea and seek to include others as the association grows into the future. (This would not hold true with a lake district.)
- If there is little interest (less than 40% of those attending) you may consider dropping the idea entirely. The process can always be repeated at another time.



Guiding Principles

Once a lake organization is formed there are many good things you can accomplish. Following these guiding principals may help your mission be successful:

- Remember the waters of Wisconsin belong to all of us. Their management sometimes becomes a balancing act between what is good for the lake ecosystem and the rights and demands of the public and those who own property on the water's edge.
- Think long-term and big picture for the lake. What we leave for others should be more important than "what is in it for me."
- Be transparent. Make sure whatever you do as an organization is open to everyone interested in the lake. Strive to make sure that if anybody wants to know about your organization they can find information easily. Invite and encourage participation.
- Listen to all those interested in the lake. Even if you disagree with people, they deserve to be heard and respected.
- Work toward building good relationships with local units of government, state government officials, businesses and community leaders. Let them know what you are about and what you would like to do for the lake. Build trust.

Chapter 3

Operating a Lake Association

Voluntary lake associations in Wisconsin have tremendous opportunities to address lake and watershed management issues. The Wisconsin Legislature has consistently recognized their potential by making qualified lake associations and nonprofit conservation organizations eligible for cost sharing funds and other state assistance. Federal tax-exempt status makes contributions to lake associations tax deductible and helps win support from businesses, individuals and foundations.

When a voluntary association has a substantial agenda, it can organize in such a way as to qualify as tax-exempt and meet the qualifications of a nonprofit conservation organization. When an organization plans extensive political and lobbying activities, exempt status should not be sought.

Chapter 1 gave you an idea of the types of lake associations that can be formed and the activities in which lake associations become involved. Unlike a lake district, once a voluntary lake association is formed there are few legal or formal requirements. If you have decided to incorporate under Chapter 181 of the Wisconsin Statutes or become a 501(c)(3) tax-exempt organization, there are certain requirements to keep those designations current. Other than those few requirements, how you decide to operate day-to-day is up to the members of your organization. Many organizations develop bylaws (*see Appendix A for model bylaws*) and many follow Roberts Rules of Order to run their meetings. (*For more information on Roberts Rules of Order, see www.robertsrules.com*). Beyond that, there are few requirements, but there are some helpful hints.



So Where Do We Start?

There may be some time that passes between deciding to form an association and the first formal meeting. If that is the case, think about selecting an initial steering committee to govern until an election can be held at an official first meeting.

There are certain things you may want to accomplish at the first formal meeting or within the first year of existence. Developing a well thought-out, organized plan of action and a solid set of protocols and procedures under

which to operate should go a long way toward assuring you reach your lake organization goals. Make sure this is done with the input of any and all people interested in being involved.

- Form a committee to start the process of developing bylaws so they can be approved by the membership at the first official meeting. Bylaws establish the formal structure and procedures of the association, and include: the stated purpose of the association; the date of the annual meeting; the numbers and appointments of officers and directors; the election procedures; and the formal committee structure, etc. *(see Appendix A for model bylaws)*
- Consider becoming a Qualified Lake Association *(see Chapter 2)*
- Consider incorporating as a Wisconsin nonprofit, non-stock corporation under Chapter 181, Wisconsin Statutes. The process is relatively inexpensive and straightforward to do. A lawyer is not usually necessary. The articles of incorporation are filed with the Department of Financial Institutions (DFI). The form DFI/CORP102 is available online at www.wdfi.org/corporations/forms/corp181forms.htm (Form 102) and is to be filed with the fee with DFI, PO Box 7846, Madison, WI 53703-7846, 608-261-7577. The filing fee currently totals \$35 *(see Appendix B for a copy of the form)*
- Consider using Robert's Rules of Order. *For more information on Robert's Rules of Order, see www.robertsrules.com.* Most organizations operate using Robert's Rules, which helps the organization be fair and complete in conducting its meetings. Officers and members of your group can easily obtain a copy. Behind Robert's Rules are many years of experience with meetings, so the guidelines anticipate most questions that will arise
- Nominate and elect officers
- Form any other standing committees that you feel are important. Examples of the topics lake association committees typically address include: aquatic plant and aquatic invasive species management; education; water quality; volunteer lake monitoring; shoreland development; water recreation; public relations; government relations; and grants and fundraising

Wis. Stat. § 181.0122



By their very nature, lake organizations are involved with money. They often need to help pay for some lake management techniques and do it through fundraising events, dues, grants and other methods. If your association is involved with employees, grants, fundraising or collects more than \$5,000 a year, it is a good idea to contact a professional accountant and make sure your organization is complying with federal and state tax laws. It is also a good idea to have someone check the various tax laws from time to time for changes and updates.

Typically, lake associations are considered exempt from paying federal and state income tax if they have annual gross receipts of less than \$5,000. If your association receives monies exceeding \$5,000 per year, or \$15,000 over a three-year period, you may want to speak with an accountant (be sure they are familiar with nonprofit organizations). You may want to research the benefits of having the Internal Revenue Service (IRS) officially recognize your organization as having tax-exempt status. To establish exemption with the IRS, your organization should file for official recognition. More information can be found below.

Federal Tax-Exempt Status

Some associations may consider filing for federal tax-exempt status. Many people confuse nonprofit with tax-exempt organizations. Not all nonprofit groups are exempt from federal or state income tax. Typically, lake associations are considered exempt from having to file federal and state income tax returns if they have annual gross receipts of less than \$5,000. If your association receives monies exceeding \$5,000 per year, or \$15,000 over a three-year period, contact an accountant familiar with nonprofit organizations.

To establish official exemption with the IRS, your association should file for federal tax-exempt status. Governmental units, including lake districts, enjoy the advantages of being exempt from federal income tax automatically.

Federal tax-exempt status provides several advantages:

- The organization is not subject to federal or state income tax
- A person that gives a gift to a qualifying tax-exempt organization is eligible to claim a tax deduction, which may encourage people to give money to the organization
- Tax-exempt organizations can obtain bulk postal rate privileges
- Because most foundations are also tax-exempt organizations, they often can only award grants to groups recognized as tax-exempt

Although there are various types of tax-exempt organizations, a typical lake association would seek status as a “charitable, scientific or educational” organization under Section 501(c)(3) of the Internal Revenue Code. To qualify as an exempt organization under Section 501(c)(3), an organization must be structured and operated exclusively for “exempt purposes.” These may include scientific, educational and charitable activities. Water pollution prevention and control, land protection, and other activities of many lake associations are considered “charitable” under federal tax law. The IRS has specifically recognized that an organization formed to preserve a lake as a public recreational facility and to improve the condition of the water in the

IRS Rev. Rule 70-186

lake is operated exclusively for charitable purposes.

Federal tax-exempt organizations are also subject to important limitations on their activities under Section 501(c)(3). The IRS requires that these specific limitations on powers be included in the organization's articles of incorporation or other charter. The most important of these are:

1. No part of the net income or earnings of the organization may be distributed to any director, member or other individual. (This does not prohibit compensation for services performed.)
2. Exempt organizations may not engage in political activity and are sharply limited in their authority to undertake lobbying activities.

Not all Section 501(c)(3) organizations are created equally. Federal tax law makes a distinction between "private foundations" and "publicly supported charities." Both are exempt from taxation, but public charities offer donors greater tax benefits. In general, an organization is considered to be publicly supported if it normally receives at least one-third of its total support from the combination of government or public contributions. The law on exempt organizations, including private foundation determination, is complex and may be difficult to understand. This section is not intended to go beyond a very general description of these provisions.

In order to obtain tax-exempt status under Section 501(c)(3), an organization is required to file IRS Form 1023 and related schedules and exhibits, copies of the organization's Articles of Incorporation, bylaws, and financial records including a two-year budget for new organizations and other materials. These documents are intended to explain the organization's proposed activities in order to demonstrate that it meets the requirements for exemption. Wisconsin organizations file these papers with the IRS Exempt Organization Office in Chicago. *For a brochure on applying for tax-exempt status, see www.irs.gov/pub/irs-pdf/p4220.pdf. For detailed information on public charities and forms, see www.irs.gov/charities/charitable.*

From the date of filing, it typically takes about six months to obtain a determination letter. The IRS review is quite detailed, and will usually return an incomplete or improperly prepared application, rather than request specific modifications. A nonrefundable determination user fee is payable at the time the application is filed. These user fees range from \$150 to \$500 depending on the expected annual receipts of the applicant organization. Some organizations recruit knowledgeable volunteers to develop the tax-exempt status application, others obtain professional assistance from an experienced attorney or accountant. Attorneys' fees may vary depending on the amount of work needed to prepare the application materials and obtain federal tax-exempt status.

If you want to find out more about federal tax-exempt status, contact an accountant or the IRS Tax Exempt and Government Entities Division at 1-877-829-5500.

Most banks will require your organization to have an EIN in order to open a bank account.

If you plan on applying for federal tax-exempt status under Section 501(c)(3), you will need to obtain an Employer Identification Number (EIN), also known as a Federal Tax Identification Number. Most banks will require your organization to have an EIN in order to open a bank account. An EIN is a nine-digit number that the IRS uses to identify nonprofit organizations, government entities, trusts and estates, and other business entities. To obtain an EIN, an organization can apply to the IRS using Form SS-4, Application for Employer Identification Number. *For more information see www.irs.gov/businesses or call 1-800-TAX-FORM for a copy of the form.*

State Sales Tax-Exempt Status

Rarely does a lake organization purchase enough items subject to state sales tax to make exempt status worthwhile. If yours does, you may want to look into applying for state sales and use tax-exempt status. To obtain state sales tax-exempt status, an organization may apply with the Wisconsin Department of Revenue for a Certificate of Exempt Status (CES) using Form S-103, Application for Wisconsin Sales and Use Tax Certificate of Exempt Status. Lake associations will need to be recognized by the IRS as having tax-exempt status and submit required documentation. If approved, the department will issue you a CES number to exempt you from sales tax when making purchases. Lake districts, since they are governmental units, will not need to demonstrate their qualifications as nonprofit organizations, but should use the form to receive a CES number. *For more information and a copy of the form, contact the Wisconsin Department of Revenue or their website at www.dor.state.wi.us.*

Fundraising

Sometimes lake organizations will have special fundraising campaigns in which they solicit donations from people on the lake as well as the general public. If you plan to raise significant funds, you may want to consider applying for status as a 501(c)(3) charitable organization. If donations to your organization (not including dues) exceed \$5,000 in a year, you will need to register with the Wisconsin Department of Regulation and Licensing. This agency oversees the regulation of charitable organizations and licensing of business professions in Wisconsin. *For more information, see <http://drl.wi.gov/prof/char/cred>.*

If you are going to be raising significant funds, contact an accountant, attorney, the Wisconsin Department of Regulation and Licensing or the Wisconsin Department of Revenue for assistance.



Financing

Having the dollars to do the needed work and keeping good records is crucial to any lake organization. There may be numerous sources of dollars and partners to help in keeping your lake healthy.

- Consider the organization's general approach to business
- Collect first dues/contributions
- Create an initial budget; consider revenue and debt. The starting date of the fiscal year is up to the organization. Some select January 1, others select a date that corresponds with their annual meeting. *See the sample lake association budget on the next page*
- Create a bank account, line of credit and any other fiscal business (any loans or lines of credit will need to be secured). Most banks will require an Employee Identification Number (EIN) in order to open a bank account. *For information on obtaining an EIN, see the previous section on Taxes or go to www.irs.gov/businesses*
- Plan alternative sources of revenue. These sources may include fundraisers, grants, dividend income, gifts, retail sales and others
- It may be a good idea to do an informal audit from time to time depending on the amount of money with which you are dealing
- Agree on a general plan of action for the association, including any regular business and social meetings, fundraising events, etc.
- Set a system in place to ensure accurate recordkeeping (grants, budgets, meeting minutes, resolutions). Arrange to keep the records in a secure place. Consider asking your public library to create a lake section to showcase meeting minutes, lake-related publications, and other materials relevant to your community
- Consider applying to the IRS for tax-exempt status. *See previous section on Federal Tax-Exempt Status*

Sample Lake Association Budget**Pretty Lake Association
20__ Budget Summary**

	Current Year <i>Budgeted</i>	Current Year <i>Actual</i>	Next Year <i>Proposed</i>
Revenues:			
Dues/Memberships	\$2,500	\$2,300	\$2,500
Interest Income	\$ 0	\$ 50	\$ 50
Fund-Raising	\$1,000	\$ 650	\$1,000
Total Revenue:	\$3,500	\$3,000	\$3,550
Expenses:			
Newsletter, Printing, Postage	\$ 500	\$ 450	\$ 500
Clean Boats Clean Waters Boat Landing Watch	\$ 300	\$ 280	\$ 300
Sensitive Area Buoy Markers	\$ 500	\$ 380	\$ 500
Dissolved Oxygen Meter for Lake Monitoring	\$ 0	\$ 0	\$ 920
Insurance	\$ 500	\$ 490	\$ 530
Total Expenses:	\$1,800	\$1,600	\$2,750
Cash Excess/Deficit:	\$1,700	\$1,400	\$ 800

**Pretty Lake Association
20__ Statement of Cash Position**

Beginning Cash Balance	\$1,000
Cash Excess/Deficit	\$1,400
Ending Cash Balance	\$2,400



Grants

Some projects that you wish to undertake may require more capital than your organization is able to raise. If that is the case, you may consider applying for one or more lake grants. DNR lake coordinators will work with Qualified Lake Associations to award state funds to assist with meeting the costs of eligible projects.

Qualified lake associations are eligible to receive state grant funds for certain projects under the Lake Management Planning Grant Program. They are

Wis. Stat. § 144.253
Wis. Stat. § 144.254
Wis. Stat. § 30.92

also eligible to receive state matching funds under the Lake Management Protection Grant Program and Aquatic Invasive Species grants. In addition, qualified lake associations are eligible for grants for certain recreational boating projects, including the purchase of capital equipment for aquatic plant harvesting, for public boat launch facilities and for navigational buoys. *For detailed information on lake grants, see www.uwsp.edu/cnr/uwexplakes.*



Insurance

The topic of insurance coverage can be a difficult one for lake organizations to address. The costs of insurance may vary greatly between lake organizations, depending on their size and activities. Should these smaller groups not buy insurance coverage? Are they at risk? Your lake association may face these questions as you examine your budget and strive to make the best use of the dollars available. *For more information about insurance, see Chapter 7.*




Getting Connected

Being aware of issues that face your lake compel you to be connected. Local issues may require you to have detailed knowledge of people and their viewpoints; regional or statewide issues may require you to have a broader understanding of the implications of different issues and how they affect others. It is important to stay connected, not only around your lake, but also in your county, your region, and across the state. To get connected:

- Develop a way to communicate with your membership, other stakeholders, state government and other lake organizations such as the publication of a newsletter, email or development of a website
- Use the Lake List Directory (*see box on next page*) to identify and include neighboring lake organizations
- Consider developing a logo or stationery for the organization to help create a professional presence
- Contact local government officials, the WDNR, UW-Extension Lakes Program and WAL and let them know you exist

The Lake List Directory



Lake organizations do best when they stay in touch with their neighbor organizations and keep a finger on the pulse of town, county and state policies and issues that impact lakes. Who could be better than another lake organization to help answer your questions on how much insurance costs, who is a good contractor, or how neighboring lakes deal with aquatic invasives? The state keeps contact information and some other pertinent information on lake organizations, as well as businesses providing services to lakes, in a directory called the Lake List. The directory can be found at www.uwsp.edu/cnr/uwexlakes. Contact the UW-Extension Lakes Program at 715-346-2116 or uwexlakes@uwsp.edu when you form an association and to update contact information on an annual basis. The Lake List Directory is the most comprehensive directory of lake organizations in Wisconsin.



Developing a Vision

Lake organizations that have taken the time to articulate their vision have a better track record of accomplishing their goals. The clearer your vision of your lake's future, the easier it will be to develop and follow a roadmap to your destination.

- Start to formulate the purpose of the association. This may take the form of a mission statement. For assistance with development of a mission statement, contact your county UW-Extension Educator
- Start thinking about how to prioritize any lake issues
- Develop a plan to recruit new members
- Start the process of arranging for a pre-planning, or "futuring," meeting where all members and those interested in the lake can be heard. Such a process can help the organization to prioritize issues and help to craft a vision for the lake. (You may consider using a facilitator to assist you in developing an inclusive process that is respectful of the many points of view that frequently exist in lake communities; trained individuals can be engaged through your county UW-Extension Educator)
- Have a plan. A sound written plan that all interested parties have contributed to can benefit your lake community and the lake in many ways. It will be the short and long-term "road map" that will determine where your efforts and funding will go. A lake management plan can present a coordinated strategy and assure that everyone knows what is planned for your lake. It can enhance communication, build consensus, assure that you will be cost effective with your projects and make sure you comply with state and federal laws and local considerations. A written plan can communicate your vision for the lake to new members of the community, and provide the basis for checking progress toward your lake protection goals

The Seven Step Plan

What are the steps in creating a plan? No matter what type of plan you are developing for your lake organization, the basic steps in planning remain the same. While the specifics and details vary depending on lake size and management issues, the process of planning (and a plan) typically includes the following general steps:

1. Goal setting – Organize the effort, identify issues to be addressed, and agree on the goals
2. Inventory – Collect base information to define past and existing conditions
3. Analysis – Synthesize the information, quantify and compare current conditions to desired conditions, research opportunities and constraints, and set directions to achieving goals
4. Alternatives – List all the possible management alternatives and evaluate their strengths, weaknesses and general feasibility
5. Recommendations – Prioritize and select preferred management options, set objectives based on priorities and assets, then draft the plan
6. Implementation – Formally adopt the plan, line up funding, and schedule activities for taking action to achieve the goals
7. Monitor & Modify – Develop a mechanism for tracking activities and adjust the plan as it evolves

While each step is necessary, the level of effort and detail for each step will vary depending upon the project's goals, size of the lake, and number of stakeholders. For many Wisconsin lakes, there may be a number of plans that fold into a whole lake management plan. Lake organizations can develop plans to deal with water recreation or aquatic plant management, which should fit easily into a whole lake plan. You should carefully assess your lake's needs and then consider the detail required for each step in the process. A rule of thumb may be that the more complex the issue, and the larger the lake and population, the more comprehensive the plan will need to be. *(For more details on planning, contact your county UW-Extension Educator.)*

Learning About Your Lake

Wisconsin is fortunate to have over 15,000 lakes and a great network of people to help you get the answers you need. There is probably someone out there who has dealt with the same issue, can help with funding or has developed educational materials on the subject. Take the time to learn about the assets that the Wisconsin Lakes Partnership can bring you:

- Attend the annual Wisconsin Lakes Convention in the spring, and/or attend one of the numerous regional Wisconsin lake education events sponsored by area lake organizations. Agenda items and displays usually include a lot of “how-to-do-its” and “how-they-did-its” on various lake issues. Most importantly, you get to meet and talk with others who share common lake interests. Information on upcoming events is posted on the web at www.uwsp.edu/cnr/uwexplakes
- Make use of the resource organizations described at the beginning of this guide, including UW-Extension Lakes, your county UW-Extension Educator, Wisconsin Lakes and your DNR Lakes Coordinator.
- Get on the mailing list of Lake Tides, the free quarterly newsletter published by UW-Extension.
- Consider joining the Wisconsin Lakes, and subscribe to their email lists. Find more information at www.wisconsinlakes.org
- Subscribe to the bimonthly DNR magazine, Wisconsin Natural Resources, at PO Box 7191, Madison, WI 53707, 800-678-9472.

Finding a Rhythm

There you have it! It can be a lot of work but something that most people feel is well worth the effort. As the years pass, your organization will probably find a rhythm. Local folks, members, local businesses and government people who know the lake will develop a certain level of trust for your mission and work. Some may become active partners in implementing your program. Revisit your plan to see how closely you have been able to follow it. Identify those priorities that may have changed; a plan should evolve and change as the lake and needs of the community evolve and change. Make sure people stay engaged in this process, and that they are able to understand how their actions play a role in the health of the lake and the lake community. It is important that everyone understands, and relates to, the issues and priorities of the lake and its surrounding community.

Chapter 4

Forming a Lake District

This chapter explores the formation of public inland lake protection and rehabilitation districts – better known as lake districts or lake management districts. In some communities, lake districts operate side by side with voluntary associations. Most lake organizations share the goals of preserving and protecting their lakes but the abilities, authorities and structures of lake districts and voluntary groups can vary greatly. *See Chapter 1 for an overview of different lake organizations and Chapter 2 for information about initial strategies to follow when starting any lake organization.*

Are you considering forming a public inland lake protection and rehabilitation district around your lake? Are you a lake district commissioner or are you considering running for election as a new commissioner in an existing lake district? If any of these situations apply to you, this chapter and the next will help you understand how lake districts are created, how they operate, and what responsibilities these governmental bodies have and can undertake.



So What is a Lake District?

A lake district is a specialized unit of government designed to manage a lake or group of lakes. One of the major differences between a lake district and a lake association is a lake district's ability to tax property within the district. Since 1974, when Wisconsin passed legislation allowing the formation of lake districts, over 200 lake communities have formed lake districts.

Lake districts have a unique blend of powers and governance provisions tailored to fit the needs of local lake communities. A lake district is guided and operated by those that live in or own property in the district. A lake district's day-to-day operations are carried out by a board of commissioners composed of elected volunteers and local officials. The financial direction of the district is determined by district residents (electors) and property owners at an annual meeting. Unlike other governmental units, such as towns or sanitary districts, nonresident property owners have the right to vote and hold office in lake districts.

Lake districts in Wisconsin have tremendous opportunities to address lake and watershed management issues. The Wisconsin Legislature has consistently recognized their potential by giving lake districts legal standing, the ability to tax, and eligibility for cost sharing funds and other state assistance. Governmental units, including lake districts, enjoy the advantages of automatically being exempt from federal income tax.

One of the major differences between a lake district and a lake association is a lake district's ability to tax property within the district.

Unlike other governmental units, such as towns or sanitary districts, nonresident property owners have the right to vote and hold office in lake districts.

Since the 1970s, lake districts have shown that small public institutions can achieve remarkable results when it comes to lake management. A key to lake district success is a core of dedicated volunteer leaders willing to learn and work hard to maintain their lake. Through the work of these individuals, Wisconsin communities have identified and addressed threats to water quality, restored habitat, improved recreational boating and generally enhanced the vitality of inland lakes in the state.

Unlike a lake association, a lake district is a governmental body with statutory responsibilities to the resource, local citizens and taxpayers.

A lake district is not a club. Unlike a lake association, a lake district is a governmental body with statutory responsibilities to the resource, local citizens and taxpayers. Like all government entities, the powers and operations of a lake district are set by law with legal responsibilities and consequences designed to ensure that the rights and interests of the public are protected.

The laws governing lake districts can be found in chapter 33 of the Wisconsin State Statutes. Those legal questions that lake districts may have which are not addressed in Chapter 33 are often covered under the same body of municipal laws that govern Wisconsin towns and counties.

Statutory Responsibilities

Various laws have been enacted to encourage good government in Wisconsin. These laws include ethical standards for government officials, requirements for all meetings to be open to the public, and guaranteed access to public records. Lake district commissioners as well as residents within a district should make sure they fully understand the public obligations undertaken by those serving on the board of commissioners. For more information see:

Ethics for local government officials:	Wis. Stat. § 19.59
Open meetings:	Wis. Stat. § 19.81-19.98
Public records:	Wis. Stat. § 19.31-19.39

To assist communities and governmental bodies in meeting the requirements of these laws, the Wisconsin Attorney General's Office (Department of Justice) produces compliance guides and resources on open meetings and public record requirements.

These are available from:

Wisconsin Department of Justice
P.O. Box 7857
Madison, WI 53707-7857
Phone: 608-266-1221
www.doj.state.wi.us





Good Idea

Forming a lake district is a complex and extensive process which often requires a certain understanding of a variety of laws and legal concepts. Some lake districts have formed with little or no legal assistance. Others have opted to retain some level of professional help. You should consider whether you feel comfortable trying the process alone or if you should obtain some level of professional or legal advice and assistance. There may be someone within your proposed district who has the needed skills and willingness to assist.



Definition of Public Lakes

In Wisconsin, lake districts may only form on lakes that are publicly accessible. Lake districts are formed to undertake the protection, rehabilitation and recreational improvement of all or part of one or more “public inland lakes.” A “public inland lake” is a lake, reservoir or flowage within the boundaries of the state that is “accessible to the public via contiguous public lands or easements giving public access.” The access need not be developed with docking, launching or parking facilities. If a public user can reach the lake without trespassing on private land, the lake is a public inland lake.

Lake districts may only form on lakes that are publicly accessible.

Wis. Stat. § 33.01(8)



General Principles on Boundaries

Once you have decided to go ahead with the official process of forming a lake district, you will need to consider what lands should be included in the district boundaries. The larger the district, the better opportunity you have to include properties that can impact the lake. As you get further from the lake, you lessen the likelihood that folks will perceive themselves to be associated with the lake and therefore may be less interested in supporting a lake district. Deciding the initial boundaries is often a balancing act. Suggestions for working out lake district boundaries are given in the box on the next page.

The organizers typically make the initial decision on the proposed boundaries of a lake district. The final decision is made by the county or town, and the boundary is established when the official order to establish the district is adopted.



Good Idea

Suggested inclusions for a lake district:

- Include all riparian parcels (those touching the water), because they are the most directly benefited from the lake
- Include parcels which are not on the lake but their use is assumed to be benefited by the proximity of the lake (recreation-oriented businesses, marinas, hotels, etc.)
- Include all of the territory to be included in any proposed service area (for example, where sewer or water utility service is contemplated)
- Include properties that have deeded lake access or shared access lots
- Include parcels whose characteristics or location are linked to the lake (for example, businesses that rely on the lake)
- Include entire parcels of land as they are listed on the tax roll. (This is necessary, since taxes and special assessments must be levied on whole tax parcels. There is no mechanism to allocate tax on a parcel that is only partly within the district)



Developing Proposed Boundaries

The tax listing office in your county courthouse maintains large-scale maps showing tax parcels and it is a good place to start to develop a proposed district boundary. County mapping or land information departments may also be good places to obtain maps and tax parcel information. Your county Land and Water Conservation Department may be able to help sketch a map of the lake's watershed or drainage basin. Knowing what lands drain to the lake, viewing the road system surrounding your lake, and having a knowledge of the numbers of properties that could potentially be included in your proposed district are valuable pieces of information to be considered when defining lake district boundaries. *See Appendix C for a sample map and description of proposed boundaries.*

District Size

A larger district with more homes is able to spread the costs of lake management activities over a larger tax base and include more of the watershed area that affects the lake. However, a larger district may also mean more difficulty in organizing and reaching consensus on issues. A smaller district may not include all of the areas affecting the lake, but is typically easier to organize. If need be, district boundaries can be changed after they have been formed (*see Changing Lake District Boundaries, page 82*).

The Laws on Boundaries

The law provides only limited guidance on boundaries for lake districts:

- The district may only include territory found to be benefited by the establishment of the district *(see box on page 51)*.
- The district may not include any portion of a city or village without the approval of the city council or village board.

Wis. Stat. § 33.26(3)

Wis. Stat. § 33.24(2)



Formation Process

Typically, lake districts are formed by the action of county boards in response to a petition from landowners wishing to form a lake district. In some cases, lake districts can be formed by a town board receiving a petition through the same process, but only if the entire frontage of the lake is included within the town. Lake districts can also be formed by resolutions adopted by city councils or village boards or through the conversion of sanitary districts *(for details see page 56)*.

A lake district can be formed in any one of four ways:

- By landowners petition to the county board
- By landowners petition to the town board
- By resolution of municipal governing body
- By conversion of a sanitary district

Wis. Stat. § 33.23(1)

Districts Created by County Boards

In this section we will focus on the most common process for lake district formation – a petition to the county board from landowners wishing to form a lake district. Although this is by far the most common method of lake district formation, a town board may play the role of the county board by receiving the petition and establishing the district when the lake is located totally within its town boundaries *(see Districts Created by Town Boards, page 55)*. (A lake community wishing to form a lake district which is located totally within a single town may opt to petition the county board or the town board.) When a lake extends across several communities, the petition must be sent to the county board.



Key Point



Organizing districts within city or village limits

Wis. Stat. § 33.24

If the proposed district includes any lands that are within a city or village, the petitioners must approach the city council or village board to negotiate inclusion of all or part of its territory within the proposed district.

The city or village may decide on one of three options.

- Vote not to include its lands within the proposed district. In this case the city or village territory could not become part of the district.
- Vote to give its permission to allow all or part of its territory to be included within the proposed district. In this case, petitioners could approach landowners within the city or village for petition signatures.
- Vote to give its permission to allow all or part of its territory to be included within the proposed district and sign the petition on behalf of all landowners within its jurisdiction (*see An Alternative to Individual Signatures, page 47*).

Wis. Stat. § 33.25(1)

There are no clear guidelines as to whether you should approach landowners in the city or village for petition signatures before or after approval by city council or village board. If approval is granted, it is a good idea to ask for a copy of the approval from the city or village for your records.

Organizing districts across county lines

Wis. Stat. § 33.37

When the proposed district lies in more than one county, the law gives jurisdiction for receiving the petition to the county with the highest equalized valuation within the proposed district.

The Petition Process

Making sure that people can make an informed decision is vital to the lake community and the whole process of petitioning. If people agree that what you are proposing is best for the lake and lake community, they will be more likely to support your efforts.

There are a few steps you might consider even before you start the petition process. Build a relationship with local units of government and any other key groups and individuals. Arrange a visit, ask them about their lake concerns, tell them what you are considering and why you think it is a good idea. Ask for ways you can help make their work easier and work together. If a city or village may become part of your district, you will need to request their approval (*see Organizing districts within city or village limits, page 40*). You will need to be able to articulate why a lake district will be an asset to the local unit of government.

In circulating the petition, it may be helpful to include a cover letter with the petition describing what a lake district is and why you feel a lake district will be beneficial for the lake, property owners, residents and the lake community.



Key Point

A petition to form a lake district must include:

- The proposed name of the district
- Statements about the necessity and benefit of the district
- A description of the boundaries of the proposed district
- A plat or sketch indicating the approximate area and boundaries
- Signatures of petitioners
- Verification of the signatures

Each of the petition components is described in detail below.

Wis. Stat. § 33.25

Proposed Name of the District

Wisconsin Statutes do not require a lake district to include “Public Inland Lake Protection and Rehabilitation District” or “Inland Lake District” as part of its official name, although many districts are named as such. Some lake districts prefer a simpler name, such as the *Blue Lake District*. The petitioners propose a name, but the county (or municipal) board that establishes the district actually gives the district its name.

Wis. Stat. § 33.26(3)

Statements

The petition needs to set forth specific information:

- That the proposed district is necessary.
- That the public health, comfort, convenience, necessity or public welfare will be promoted by the establishment of the district.
- That the lands to be included will be benefited by such establishment.

Wis. Stat. § 33.25(2)

Describing the Boundaries

The initial boundaries of the proposed district need to be described accurately. It is important that boundaries be clearly stated and easily identifiable. In describing the boundaries, it is important to use landmarks that last over time, such as section lines or parcel boundaries, so that future generations can accurately locate the district boundary should the need arise. You may consider engaging a professional to write a description of the proposed boundaries. Some groups petitioning for the formation of a lake district have submitted a listing of tax parcel numbers.



Good Idea

It is recommended that you talk with staff of the county government who will be receiving the petition and ask them what they will need in regards to describing the district boundaries. Many counties use parcel identification numbers (PIN) or property identification numbers that you may be able to use to describe the properties in the proposed district. Often, listing the parcel numbers can help with mapping the lands proposed for inclusion in the district as these numbers often form the basis for county and local government mapping systems.

See Appendix C for a sample description of lake district boundaries.

Plat/Sketch

A plat or sketch is required to indicate the approximate area and the boundaries of the proposed district. With current mapping technologies available to many counties and local governments, obtaining and using an accurate map of the lands proposed to be included within the district may be a straightforward task. Visit with your county land information or mapping department or register of deeds office to see if they can assist you in obtaining or creating such a map. The map should be used to show the proposed lake district boundary in as accurate a manner as possible. *See Appendix C for a sample map.*

Wis. Stat. § 33.25(3)

Signatures

The petition should include lines for signatures and addresses for the landowners. Each page of signatures should have a verification component, which includes a signature line for the petitioner who is certifying the petition (*see Verification, page 47*). The petition may be reproduced on several separate sheets for convenience in circulation. Some districts add the name of the circulator on each page that they distributed. A sample petition is included below.

Sample Petition

page 1

PETITION TO ESTABLISH _____ DISTRICT

We, the undersigned landowners (the “Petitioners”) hereby petition the Board of Supervisors of the County of _____ to establish a public inland lake protection and rehabilitation district, pursuant to the authority vested in Chapter 33, Wisconsin Statutes, and state that:

1. The district, if established, shall be known as the _____ District (“The District”).
2. The District is necessary.
3. Establishment of The District will promote the public health, comfort, convenience, necessity and public welfare.
4. The lands to be included within The District will be benefited by the establishment of The District.
5. The boundaries of the proposed district are as follows:

Beginning at the intersection of Upper Red Lake Road and County Road G being the NE corner of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 34 T.28N R.14E and the Point of Beginning; Thence in a Southerly direction on an imaginary line to a point which is on the south side of Hill Street Section 3 T.27N R.14E.; Thence Easterly along...

The boundaries of the land described above are shown on plat/sketch shown in Exhibit 1, attached hereto, indicating the approximate area and boundaries of the proposed district.

See Appendix C for a sample map and description of lake district boundaries.

Sample Petition

The persons signing this Petition requesting the Board of Supervisors of _____ to establish _____ District state that they own land, or are authorized to sign on behalf of entities owning land, within the boundaries of the proposed district.

<u>Signature*</u>	<u>Name</u>	<u>Property Address</u>	<u>Date</u>	<u>Parcel ID Number**</u>
<i>John Smith</i>	John Smith	123 Lake Rd.	6/6/06	03 83 4 42 00000
<i>David Bell</i>	David Bell	456 Lake Rd.	6/6/06	03 83 4 42 00010
<i>Mary Bell</i>	Mary Bell	456 Lake Rd.	6/6/06	03 83 4 42 00010
<i>James Murray</i>	James Murray	789 Lake Rd.	6/7/06	03 83 4 42 00020
<i>Susan Murray</i>	Susan Murray	789 Lake Rd.	6/7/06	03 83 4 42 00020
<i>Michael Mason</i>	Michael Mason	1 West Shore Dr.	6/7/06	03 83 4 43 00000
<i>John Meyer</i>	John Meyer	2 West Shore Dr.	6/9/06	03 83 4 43 00050
<i>Mary Fee</i>	Mary Fee	2 West Shore Dr.	6/9/06	03 83 4 43 00050
<i>Carl Hill</i>	Carl Hill	2 West Shore Dr.	6/9/06	03 83 4 43 00050
<i>John Wilson</i>	John Wilson	6 West Shore Dr.	6/9/06	03 83 4 43 00045
<i>Ted Williams</i>	Ted Williams	708 Sunset Ln.	6/9/06	03 83 4 43 10002
<i>George Olson</i>	George Olson	710 Sunset Ln.	6/15/06	03 83 4 43 10003
<i>Ryan Peters</i>	Ryan Peters	712 Sunset Ln.	6/15/06	03 83 4 43 10006
<i>Kyle Adams</i>	Kyle Adams	756 Sunset Ln.	6/15/06	03 83 4 43 10026
<i>Robert Jones</i>	Robert Jones	802 Sunset Ln.	6/15/06	03 83 4 43 10035

Circulated by***: _____

I, (name), being duly sworn, state that I am the person described herein and hereby certify that the signatures on the petition attached hereto are true and correct to the best of my knowledge.
 _____ (signature of person certifying petition pages)

STATE OF WISCONSIN ss.
 COUNTY OF _____
 Subscribed and sworn to this ___ day of _____, 200__.
 _____ (signature of notary public)
 Notary Public, State of Wisconsin
 My Commission Expires _____.

* The signature is the only required element of the petition, but it is a good idea to include other information to help the county determine if the petition has enough eligible signatures.

** May be referred to as a Property ID Number or Tax Parcel Number or something similar. This is not a required element of the petition. If your municipality has a numeric coding system in place, it can be an easy way to identify specific parcels of land and locate them on a map.

*** Some lake districts find it helpful to include a line on the signature pages indicating who circulated each page, for ease in tracking the petition drive. Each petition page will still need to be certified in front of a notary by the person verifying the entire petition.

Number of Signatures Required

In order for a county board to create the lake district, the petition must be signed by either:

- 51% of the owners of land within the proposed district, or
- the owners of 51% of the land area within the proposed district

Wis. Stat. § 33.25(1)

Typically lake districts are formed by petitions signed by 51% of the owners of land. Occasionally, where a few large properties comprise most of the proposed area, it is possible that the petition can be signed by the owners of 51% of the land area.

Who Signs the Petition?

The petitioners need to determine that the petition includes the required number of signatures (at least 51%). Only certain owners of land are qualified to sign a lake district petition:

- Each person whose name appears as an owner of real property on the previous year's tax roll¹ is qualified to sign.
- The spouse of a person named on the previous year's tax roll² is eligible to sign the petition, provided that the spouse is "referred to on the tax roll." For example, some tax rolls include the terms "John Smith and spouse" or "John Smith et ux," which refer to the spouse even though that person is not explicitly named.
- Ownership of more than one parcel of real estate within the proposed district does not entitle the individual to sign more than once. An individual signs the petition only once for all of the parcels he or she may own within the proposed district
- A partnership, corporation, trust, foundation, association or local unit of government is treated as a single owner of property entitled to one petition signature. In these cases, the petition must be signed by the authorized representative.³ State and federal governments are not eligible to sign the petition.

Wis. Stat.
§ 33.01(9)(am)(1)

Wis. Stat.
§ 33.01(9)(am)(2)

Wis. Stat. § 33.25(1)

In the case of condominiums or shared access lots, only those people whose name(s) appear on the tax roll are eligible to sign.

Example determination of the number of eligible signatures for each property:

<u>Name on Tax Roll</u>	<u>Number of eligible signatures</u>
John Smith	1
David and Mary Bell	2
James Murray <i>et ux</i>	2 * (includes wife)
Michael Mason et al	1 **
John Meyer, Mary Fee, Carl Hill	3
Wilson Family Foundation	1
Williams Revocable Trust	1
George and Judith Olson Trust	1 ***
J&M Partnership	1
Adams LLC	1
Co-Tech Inc.	<u>1</u>
Total eligible signatures	15

- * an abbreviation for the Latin term “et uxor” meaning “and wife.” Used in deeds and tax rolls
- ** only persons specifically referred to on the tax roll can sign
- *** only one person can sign for a trust



Good Idea

To meet the 51% of the owners requirement, it is helpful to first count the potential number of eligible signatures in the proposed district, and then calculate the minimum number of signatures you will need. In counting potential eligible signatures, remember that a name which appears on the tax roll more than one time (someone who owns more than one piece of property) can only be counted as one potential signature for purposes of the petition.



Good Idea

The purpose of the petition is to determine whether a majority of property owners support the formation of the district. Even though 51% is the legally required minimum, it stands to reason that the larger the percentage of petitioners that support the formation of a district, the more likely the county board will support the wishes of the petitioners. The number of signatures gathered is a reflection of the community support for the formation of the proposed district—which will be important at the public hearing on the proposed district formation.



The number of signatures gathered is a reflection of the community support for the formation of the proposed district.

Obtaining only 51% percent of needed signatures may not be sufficient because some signatures may end up not being accepted as valid. Such occurrences can diminish the number below the required 51%, preventing the county from considering or establishing the district.

It does not matter whether the qualified signers move out of the district or are not living when the petition is considered, provided their names appear on the tax roll at the time the county board considers the petition. The law specifies that the applicable tax roll is the one used to prepare the previous year’s tax bills.⁴



Good Idea

From a practical perspective, some signatures may become “stale” if the petitioning process extends from summer through winter and into spring; properties may be sold, title deeds changed, or trusts established that result in changes to the tax roll changing the validity of specific signatures. Gathering additional signatures beyond the specified 51% provides some “assurance” if the validity of specific signatures is denied due to a new tax roll having been published during the petitioning process.



An Alternative to Individual Signatures: As an alternative to obtaining the signatures of individual owners of land, city councils, village boards, and town boards may by resolution represent all persons owning lands within those jurisdictions and sign the petition on behalf of all qualified landowners.

Wis. Stat. § 33.25(1)

Verification



Key Point



One of the petitioners must verify that the petition and the signatures are true and correct to the best of his or her knowledge and sign under oath in the presence of a notary public.

The Wisconsin Court of Appeals upheld the following verification to a lake district petition.⁵

(Name), being duly sworn, states that he/she is the person described herein. This is to certify that the signatures on the petition attached hereto are true and correct to the best of his/her knowledge.

The verification component should be reproduced on each sheet of the petition. See sample petition on pages 43-44.

The same person needs to certify all signature sheets of the petition. This person need not be present when each individual actually signed the petition, but this person should have been in charge of the petition drive, and if petitions are returned by mail, this person should have directly received them.

Expense

The petitioning process will incur some cost. The initial expense of the petition process depends on many factors including the size of the proposed district and the effort involved in contacting landowners and circulating petitions. Typically the majority of these expenses are borne by the petitioners. If the lake district is formed, initial expenses incurred after formation can be covered from district funds (see page 54).

Presumption

Wis. Stat. § 33.25(4)

Every petition is presumed to have been signed by the person whose signature appears on it, until proven otherwise.

Filing the Petition

Wis. Stat. § 33.25

After it has been circulated and verified in the presence of a notary public, the petition is filed with the county clerk. Some lake district petitioners request the clerk to date-stamp a duplicate copy of the petition to confirm the filing date.

When a petition is presented which includes signatures of at least 51% of the owners or the owners of 51% of the land area in the proposed district, the county board must consider and act on the petition.

Once the petition has been filed, there are several actions which are required by law to take place within specified time periods. The maximum time frame for these occurrences are explained in the subsequent pages and marked on the timeline below.

Timeline for Lake District Petitioning Process

File petition
with clerk

Report of hearing to county board
within 3 months of hearing

Hearing
*within 30 days of filing
the petition*

Decision by county board
within 6 months of hearing

(Withdrawing from Petition -
at least 10 days before hearing)

Withdrawing from the Petition

A person who has signed a petition may withdraw from the petition by filing a written notice of withdrawal with the county clerk at least ten days before the hearing on the petition. A withdrawal, like the original petition, must be verified.⁶

Wis. Stat. § 33.25(5)

Hearing

The county board is required to appoint a committee to conduct a public hearing on the formation of a proposed lake district. Frequently, this committee is the committee of the county board tasked with land and water resource conservation. The hearing must be held within 30 days of the date the petition is filed with the clerk.

Wis. Stat. § 33.26(1)

Any person is entitled to appear at the public hearing and testify on matters pertinent to the formation of the proposed lake district. In addition, any person opposing the organization of the district may file objections with the county clerk prior to the date of the hearing.

Wis. Stat. § 33.26(1)

Notice of the Hearing

The county must:

- Publish notice of the hearing, stating the boundaries of the proposed lake district, in a newspaper of general circulation in the county. This is called a Class 1 notice.⁷ A map showing the proposed boundaries may be published, although this is not required.
- Mail notice of the hearing, stating the boundaries of the proposed lake district, to the last-known address of each landowner within the proposed district.
- At the time the hearing date is set, provide written notice of the hearing to the Department of Natural Resources.⁸

Wis. Stat. § 33.26(2)

Wis. Stat. § 33.26(2)

Wis. Stat. § 33.26(5)

Appointment
& Appeal
*within 30 days
of decision*

Organizational meeting of
initial lake district board
*within 90 days of decision
(unless appealed)*

Preparing for the Hearing



Good Idea

Whether you are in favor of the district or against it, it is a good idea to take some time to prepare for the hearing on the proposed district formation:

- Have prepared statements on why you feel the district will be advantageous or not for the lake and the community
- Be aware of possible reasons for support of, or opposition to the district and be prepared to speak to them
- Be ready to justify your reasons for including certain parcels or areas
- Be appreciative and listen to other concerns and opinions that may not coincide with yours
- Encourage people in the proposed district to attend the hearing



Report of the Hearing

Wis. Stat. § 33.26(3)

The committee is required to report its findings to the county board within three months of the hearing. Typically, these committee reports identify the time, date and place of the hearing; include information on persons who attended or testified at the hearing; summarize the verbal testimony presented at the hearing; describe written comments received from residents and other persons at or prior to the hearing; and set forth the committee's findings and recommendations on the petition to the county board.

Decision

Wis. Stat. § 33.26(3)

Within six months of the hearing, the county board is required to issue an order granting or denying the petition to form a lake district. The county board should take into consideration the committee's report, and may review other evidence relevant to the findings it is required to consider.



Key Point



Wis. Stat. § 33.26(3)

The county board is required to issue a decision based on these four findings:

1. That the petition is signed by the requisite number of owners
2. That the district is necessary
3. That the public health, comfort, convenience, necessity or public welfare will be promoted by the establishment of the district
4. That the property included in the district will be benefited by the district's establishment

What does it mean for land to “benefit” from inclusion in a lake district?

The question of benefit is not a simple one. Generally, a county board’s finding that property to be included in a special district is “benefited” is considered to be a “legislative” decision. It is the kind of judgment and policy call that is entrusted to elected officials, taking into account their knowledge of the community.

The Wisconsin courts have broadly interpreted the “benefit” standard in cases involving lake districts and sanitary districts. The Courts have held that, where the lands proposed to be included within the district will benefit *as a whole*, the district can be formed.⁹ Parcels of land need not be excluded because the owner objects to inclusion.¹⁰ It is not required that each individual parcel of land be benefited or be located in the lake’s watershed. The county board need not examine parcels individually.

The Wisconsin Supreme Court considered the question of lake district “benefit.” *Donaldson v. Rock-Koshkonong Lake District*, 2004 WI 67. When the county board initially formed the lake district it concluded that the property proposed to be included in the district benefited. Years later, an owner petitioned the lake district board of commissioners to “detach” his property from the district. The lake district board rejected the petition because the landowner conceded that there had been no change in circumstances since the county board had made its formal finding that the land within the district’s proposed boundary would be benefited by the establishment of the district. The Court of Appeals agreed with the district, holding that detachment could only be granted when a petitioner can show a change in circumstances since the district was established.

The Supreme Court disagreed. Its decision was based on its conclusion that the county board had not examined each and every parcel to make its benefit determination when it created the lake district. The Court held that when an owner petitions to detach his property, the lake district board must determine whether the particular parcel is “benefited by continued inclusion” in the district, unless the county board made a “particularized” determination on the parcel. The Supreme Court’s decision recognizes the authority of lake district boards to determine whether property is benefited, but (in this case) found that the lake district board did not consistently apply criteria the district had established to determine “benefit.”



Boundary Changes

In issuing its order creating the district, the county board may remove lands proposed in the petition. However, new lands can only be added if another public hearing is held and owners of the property in the proposed addition have received notice of the hearing.

Wis. Stat. § 33.26(6)



Good Idea

Boundary changes should only be made at the edge of the district. Deletions should not create holes in the district and noncontiguous property should not be added.



Adopting and Filing the Order

If the county board finds that the proposed district meets the four criteria /see *Decision, page 50*) for the creation of a lake district, it is required to:

- adopt a formal order which:
 - declares its findings
 - establishes the district's boundaries
 - gives the district a name
 - declares the district organized
- Upon adoption of this order, the district formation is legally complete.
- appoint four of the five members of the initial board of commissioners of the lake district, to include:
 - three owners of land within the district (at least one should be a resident of the district¹¹)
 - one member of the county land conservation committee (or someone nominated by the county land conservation committee)

Wis. Stat. § 33.26(3)

Wis. Stat. § 33.27(1)

Wis. Stat. § 33.27(1)

Wis. Stat. § 33.28(2)(a)

The county clerk should notify the city, village or town with the largest assessed value of property within the district of their obligation to appoint the fifth representative to the board of commissioners within 30 days of the lake district's establishment.

Wis. Stat. § 33.27(2)

Denying the Petition

If the evidence does not support the formation of a lake district, the county board should deny the petition to form a district. The county board is required to issue an order stating why it is denying the petition. The county board's order should specifically state why the lake district could not be formed.

Wis. Stat. § 33.26(3)

Appeal

Any person aggrieved by the county board's action may petition for circuit court review within thirty days of the board's decision.

Wis. Stat. § 33.26(7)

Initial Board of Commissioners

When a county board finds in favor of creating a lake district, the county board is responsible for appointing four of the five initial board members. For districts created by county board order, the initial board of commissioners consists of:

- three owners of land within the district, appointed by the county board. At least one of the property owners should be a resident of the district.¹²
- one member of the county land conservation committee (or someone nominated by the county land conservation committee), appointed by the county board.
- one member appointed by the governing body of the town, village, or city having the largest assessed value of property in the district. This member must either be a resident of the district or a member of the governing body. If possible, this member should own property within the lake district.¹³

Wis. Stat. § 33.27(1)

Wis. Stat. § 33.27(1)

Wis. Stat. § 33.28(2)(a)

Wis. Stat. § 33.27(2)
Wis. Stat. § 33.28(2)(b)

Except for the commissioner from the land conservation committee and the commissioner from the town, village or city, the terms of these initial commissioners expire at the first annual meeting of the district.

What Next? The Life of a New Lake District

For lake districts created by county board order, the initial board of commissioners is charged with the responsibility of getting the district up and running and preparing for the first annual meeting. The initial lake district board of commissioners needs to:

- Ensure that a copy of the county board's order, along with a legal description of the district boundary, is recorded with the register of deeds office in each county where the lake district is located. The board may need to enlist the help of the county surveyor or another professional in preparing a legal description of the district boundary. *See Appendix C for a sample legal description.*
- Ensure that a copy of the order and a legal description of the district boundary is filed with the Wisconsin Department of Revenue¹⁴ and the Wisconsin Department of Natural Resources.¹⁵
- Hold an organizational meeting of the initial board within 90 days after the adoption of the county board's order. (If the county board's order is challenged in court, the organizational meeting may be postponed to a date not later than 60 days after the final judgment in any such appeal.) At the organizational meeting, the initial board of commissioners:
 - selects temporary officers from the initial board of commissioners to serve until the first annual meeting
 - commences conducting the affairs of the district.
- Set the first annual lake district meeting date (required to be between May 22 and September 8)

Wis. Stat. § 33.265

Wis. Stat. § 33.265

Wis. Stat. § 33.27(3)

- Prepare a proposed budget, agenda, ballots, and other materials for the annual meeting. (Approval of a budget and election of new commissioners need to occur at the annual meeting)
- Mail written notice at least 14 days in advance of the annual meeting to all residents and property owners within the district and to the Wisconsin Department of Natural Resources.¹⁶ Notice of the meeting must include the:
 - time
 - date
 - place
 - agenda, which includes a list of each item proposed for consideration at the meeting
 - proposed annual budget

Wis. Stat.
§ 33.30(2m)(b)
Wis. Stat.
§ 33.30(2m)(a)

For more detailed information on annual meetings, see Annual Meetings, page 70.



Good Idea

It is a good idea to talk with the clerk or treasurer of each town, village and city within the district to ensure that they have what they will need to correctly assess any tax authorized by vote at the annual meeting to the appropriate properties.



The initial board of commissioners can expend necessary funds required to conduct the affairs of the district until the first annual meeting. Typically, these expenses include the costs of posting and mailing notice of the annual meeting to the residents (electors) and property owners of the district, costs associated with the noticing and recording of any board of commissioner meetings, and related administrative expenses. Generally, this initial board does not engage in the conduct of projects, although they may consider application for lake management grants or other items that involve local cost. The initial board of commissioners may recoup these costs through an initial assessment of all taxable property within the district.

Wis. Stat. § 33.27(4)

Contact local government officials, your WDNR Lakes Coordinator, WAL, and the UW-Extension Lakes office to let them know you exist. The UW-Extension Lakes office can include you in the statewide directory, the *Lake List* (www.uwsp.edu/cnr/uwexlakes/lakelist).

Districts Created by Other Entities

Although the most common process for lake district formation is a petition from landowners to a county board, there are other ways that lake districts can be created.

Districts Created by Town Boards

If a lake is located totally within a single town's boundaries (except any portions outside the State of Wisconsin), the town board may play the role of a county board by receiving a petition from landowners wishing to form a lake district. If a lake extends across several towns, however, the petition must be sent to the county board (*see Districts Created by County Boards, page 39*).

Wis. Stat. § 33.23(1)

When a petition is submitted to a town board, the process is the same as when a petition is submitted to a county board, with the following exceptions:

Wis. Stat. § 33.23

- the town clerk performs the functions of the county clerk
- the town board performs the functions of the county board
- the town board is required to conduct the hearing
- when a town finds in favor of creating a lake district, the town board serves as the board of commissioners, similar to lake districts created by city or village resolution.

Since the town board serves as the board of commissioners, the town board is charged with the responsibility of getting the district up and running, preparing for the first annual meeting, and conducting the subsequent affairs of the lake district. These districts are otherwise governed like other lake districts, with an annual meeting of electors and property owners determining the district's budget and tax levy.

The lake district members can petition the town board to allow for the election of lake district members as commissioners. For an election of the board of commissioners to occur, a petition requesting that form of governance must be filed with the town. That petition must be signed by at least 20% of property owners within the district. Upon presentation of such a petition, an election must be held at the next annual or special meeting of the district, whichever occurs first. In that case, the new board of commissioners will consist of elected representatives as well as two appointed representatives, one from the county and one from the town (*see Board of Commissioners, pages 63-66*).

Wis. Stat. § 33.23(3)

Districts Created by Cities or Villages

A city or village may establish a lake district by a simple resolution, provided that all the frontage of the lake is within the city or village, (except any portions outside the state of Wisconsin).

Wis. Stat. § 33.23(1)

A petition of property owners is not required for the creation of a district by a city council or village board. The resolution establishing the district is adopted in the same manner as resolutions for other municipal business. The law does not require a public hearing to be held in connection with establishing the district. However, most incorporated municipalities do schedule a public hearing or informational meeting on creation of a lake district in order to provide an opportunity for public comment, in the interest of fairness and open government.

When a district is established by a city or village, the city council or village board generally serves as the board of commissioners. These municipal districts are otherwise governed like other lake districts, with an annual meeting of electors and property owners determining the district's budget and tax levy.



Good Idea

In situations where the governing body of a city or village serves as the board of commissioners of a lake district, they sometimes consider establishing a citizen advisory committee or other structure to include citizen input.



The city council or village board is required to provide for an election of the board of commissioners if a petition requesting that form of governance is filed. The petition must be signed by at least 20% of property owners within the district. Upon presentation of such a petition, an election must be held at the next annual or special meeting of the district, whichever occurs first. In that case, the new board of commissioners will consist of elected representatives as well as two appointed representatives, one from the county and one from the city or village (*see Board of Commissioners, pages 63-66*). The new board of commissioners will become effective immediately after the election (unless there is a challenge to the election results initiated in circuit court within 14 days of the election).

Wis. Stat. § 33.23(3)

Districts Created by Conversion of a Sanitary District

Sanitary districts may be converted into "restructured districts" to allow district members to have direct input into the district by voting at annual meetings.

Wis. Stat. § 33.235

Although a lake district may only be formed on a lake that is accessible to the public, there is no such restriction for a sanitary district, consequently, a restructured district created by conversion of a sanitary district does not carry the requirement that the lake be accessible to the public. *For more information on sanitary districts, see Chapter 6.*

When the Sanitary District Encompasses All the Frontage

If the sanitary district encompasses all the frontage of a lake, the town board may, by resolution, convert the sanitary district into a restructured district with the same boundaries. The restructured district automatically assumes all the rights and liabilities of the sanitary district.

The sanitary district commissioners serve as the initial board of commissioners until the first annual meeting of the restructured district, at which time three (or five if approved at the annual meeting) commissioners are elected and two commissioners are appointed (one each by the county and town), as for any other lake district (*see Board of Commissioners, pages 63-66*).

Wis. Stat.
§ 33.235(1m)

When the Sanitary District **Does Not** Encompass All the Frontage

If the sanitary district **does not** encompass all the frontage of a lake, the commissioners of the sanitary district may (with approval of the town board) petition the county board for conversion of the sanitary district into a restructured district. The restructured district includes all of the territory of the pre-existing sanitary district and any additional frontage on the lake deemed appropriate by the commissioners. The commissioners may sign the petition for the landowners within the existing sanitary district, while the owners of the additional lands would be invited to sign the petition in the same manner as required for the formation of a new lake district by a petition. This petition would then be presented to the county board and considered in the same manner as a petition to create a new lake district (*see Districts Created by County Boards, page 39*).

Wis. Stat. § 33.235(2)

Wis. Stat. § 33.25

A restructured district created by a county board assumes all the rights and liabilities of the pre-existing sanitary district, but the method of apportioning the rights and liabilities within the restructured district must be set out in the county board order creating the district.

Wis. Stat. § 33.235(2)



Endnotes

Wis. Stat.
§ 33.01(9)(am)

¹ The tax roll delivered on or before the 3rd Monday in December of the previous year.

² Ibid

³ Signature power can vary greatly in these cases. Whenever an entity other than an individual is the owner of land, care should be taken to ensure the petition is signed by an official representative, officer or employee who is authorized to sign on behalf of the entity.

Wis. Stat.
§ 33.01(9)(am)

⁴ The tax roll delivered on or before the 3rd Monday in December of the previous year.

⁵ Nielsen v. Waukesha County Board of Supervisors, 178 Wis.2d 498, 504 N.W.2d 621, (Ct. App. 1993).

⁶ Ibid

Wis. Stat. § 985.07

⁷ Class 1 notice – A legal notice published in a newspaper that is required to be inserted one time.

⁸ Hearing notice should be sent to the Wisconsin Department of Natural Resources, Lakes Management Section, 101 S. Webster Street, Box 7921, Madison, WI 53707-7921

⁹ Haug v. Wallace Lake Sanitary District, 130 Wis.2d 347, 387 N.W.2d 133 (Ct. App. 1986).

¹⁰ Fort Howard Paper Company v. Town of Ashwaubenon, 250 Wis. 145, 26 N.W.2d 661(1947)

Wis. Stat. § 33.27(1m)

¹¹ If no resident is willing to serve, this requirement is waived.

¹² Ibid

Wis. Stat. § 33.28(2)(d)

¹³ If the district includes a lake controlled by a dam that is not located in the town, village, or city within which the largest portion by valuation of the district lies, then the governing body that would normally make an appointment can defer to the governing body of the town, village, or city within which the dam is located. The person appointed shall be a resident of the district who owns property within the district if possible or shall be a member of the governing body of the town, village, or city within which the dam is located.

¹⁴ Wisconsin Department of Revenue, Local Government Services, Box 8971, Madison, WI 53708

¹⁵ Wisconsin Department of Natural Resources, Lakes Management Section, 101 S. Webster Street, PO Box 7921, Madison, WI 53707-7921

¹⁶ Ibid

Chapter 5

Operating a Lake District

A lake district is a special purpose unit of government with powers focused on lake management and the provision of services to property located within its established boundaries. A lake district operates on its own, independent of its creating entity, in accordance with its statutory powers.

Wis. Stat. § 33.21
Wis. Stat. § 33.22

The laws governing the formation and operation of lake districts can be found in Chapter 33 of the Wisconsin State Statutes. Those legal questions that lake districts may have which are not addressed in Chapter 33 are often covered under the same body of municipal laws that govern Wisconsin towns and counties.

Lake districts can work cooperatively with other government bodies and private organizations to carry out authorized activities. Wisconsin local governments (including lake districts) have broad powers to undertake cooperative efforts with other government bodies and Indian tribes. For example, some lake districts construct and operate public sewer systems within their boundaries and jointly own and operate wastewater treatment plants with adjacent cities or villages. Other lake districts work cooperatively with counties or other government bodies on boating law enforcement, erosion control, and other programs important to the lake or its watershed. Lake districts can also work cooperatively with nonprofit organizations on conservation projects beneficial to the lake and the district's mission.

Wis. Stat. § 66.0301

Wis. Stat. § 33.22(4)(r)



General Management

Activities

Lake districts can conduct a broad range of activities to manage and enhance the lake or lakes they are organized around. Some typical activities include:

1. Understanding the lake's water quality and its ecosystem by:
 - Monitoring water quality
 - Inventorying and monitoring aquatic plants
 - Mapping the lake's watershed
 - Identifying pollution sources
 - Developing long range lake management plans
2. Protecting lake habitat through:
 - Educational efforts
 - Wetland restoration
 - Acquisition of land or conservation easements to protect sensitive areas
 - Erosion control programs
 - Invasive or nuisance aquatic plant management programs (like harvesting, chemical treatment and education)

Wis. Stat.
§ 33.22(2)(m)

3. Maintaining water levels through dam ownership and/or operation
4. Enhancing recreational boating and boater safety through:
 - Boating ordinances
 - Operation of water safety patrols
 - Boating safety classes
 - Developing water trails
 - Developing informational/educational tools (such as boat landing signs, brochures, or maps)
5. Providing public services such as:
 - Sewer and water
 - Solid waste/recyclable collection

Powers

Wis. Stat. § 33.22(1)
Wis. Stat. § 30.30(4)(a)
Wis. Stat. § 33.32
Wis. Stat. § 33.31

The legislature has given lake districts a broad range of financial and administrative powers to undertake lake management programs. All lake districts have been granted the power to:

- Levy taxes and impose special charges and special assessments
- Borrow money
- Disburse money
- Make contracts
- Accept gifts
- Buy, hold, and sell property
- Undertake projects to enhance recreational uses, including recreational boating facilities (such as boat launches or breakwaters)
- Sue and be sued
- Take other acts necessary to carry out a program of lake protection and rehabilitation

Specialized Powers

The following powers require special authorization from electors (resident voters) and property owners at an annual meeting or from other local government bodies:

Public Water and Sanitation Programs

Wis. Stat. § 33.22(3)(b)

The electors (resident voters) and property owners at the annual meeting can authorize a lake district to exercise some or all of the statutory powers of a sanitary district, which chiefly relate to sewer and water systems.¹ Some of the most important of these are the authority to: (1) require the inspection of septic systems; (2) provide financial assistance for the replacement of failing private septic systems; and (3) plan, construct and operate public sewer or water systems.

Wis. Stat. § 60.77

A lake district that has been granted the powers of a sanitary district continues to exercise its own lake district financing powers and does not assume authority to levy additional taxes.



Key Point

The exercise of sanitary district powers are often complex undertakings that require professional legal and engineering assistance.

Recreational Boating Regulations

All lake districts have the authority to establish water safety patrols and contract with certified law enforcement officers to enforce state boating laws and any local boating ordinances that affect the lake. Lake districts that operate water safety patrols are eligible for state aid. *(For more information on state aid for water safety patrols, see www.dnr.wi.gov/org/caer/cfa/Grants/safetypatrols.html).*

Wis. Stat. § 30.79(2)

Wisconsin law generally gives towns, villages and cities the authority to enact local boating regulations. In some communities, this power has been delegated to a lake district. For a lake district to enact a boating ordinance, it must be authorized by resolutions adopted by at least one-half of the cities, villages and towns having frontage on the lake, the approving units of government must include at least 60% of the lake's frontage, and the entire lake must be within the district's boundaries.

Wis. Stat.
§ 30.77(3)(am)(1)

Whether a boating ordinance is adopted by a lake district, city, village or town, various statutory requirements must be met. The adopting local government (including a lake district) must take into account local conditions in developing boating ordinances, including the lake's size and shape, environmental features and the extent of congestion and conflict among boaters. There are also detailed procedural requirements, including published notices, public hearings, DNR advisory review and other steps.

Wis. Stat.
§ 30.77(3)(cm)

The Legislature has expressly authorized boating regulations that restrict speed or establish time or location standards for different types of boating activities. Boating ordinances may not be inconsistent with state boating law, but may generally be more restrictive than state laws. If a lake district enacts boating ordinance provisions that conflict with town, village or city boating ordinances, the lake district provisions supersede the local conflicting provisions. Local boating ordinances may be enforced by citations, similar to "traffic tickets."

Wis. Stat.
§ 30.77(3)(cr)



Good Idea

Lake districts considering a boating ordinance should work with an experienced attorney to make sure that the proposed regulations are realistic, enforceable and do not run afoul of the constitutional interests of boaters.



For more information on the subject of boating, see *How's the Water? Planning for Recreational Use on Wisconsin Lakes & Rivers* and *Local Boating Regulation in Wisconsin: A Guide for Lake Management Organizations* (see *Appendix D* for ordering information).

Seaplanes and Icebound Waters Regulations

All local governments (including lake districts) may enact ordinances to regulate seaplanes and travel on icebound lakes by boats and other craft, including snowmobiles and other motor vehicles. A lake district may enact icebound waters ordinances only if the entire lake is within its boundaries and each town, village and city on the lake has adopted a resolution authorizing the lake district to do so.

Wis. Stat. § 30.78

Wis. Stat. § 30.81

Conservation Initiatives

All lake districts have authority to acquire land and other interests in property. If authorized by electors (resident voters) and property owners at an annual meeting, a lake district may also appropriate money for use by nonprofit organizations to undertake conservation efforts that benefit the district. For example, some lake districts work closely with nonprofit organizations to protect wetlands and other open space lands through acquisition of land or conservation easements that contribute to the lake's ecosystem. State funds are available for some of these activities through the lake management grant program or the Knowles-Nelson Stewardship Fund, a program aimed at the acquisition and protection of land for nature-based outdoor recreation purposes. For more information on conservation initiatives, see www.gatheringwaters.org or www.dnr.state.wi.us.

Wis. Stat. § 33.22(4)(r)

Wis. Stat. § 281.69

Wis. Stat. § 23.0915



Governing



Key Point



The authority to govern a lake district is shared by the board of commissioners and the electors (resident voters) and property owners at the annual meeting. The board of commissioners has general responsibility for conducting the business of the district. The district's electors and property owners control major policy matters by electing commissioners, setting the annual budget and exercising other powers at an annual or special meeting.

Wis. Stat. § 33.28

Wis. Stat. § 33.30

Wis. Stat. § 33.305

When a new lake district is created by a county board, the board appoints an initial board of commissioners to operate the district until the first annual meeting. City councils or village or town boards do not need to appoint any commissioners because the members of the governing body themselves serve as lake district commissioners (unless a petition requesting the standard form of lake district governance is presented). *For more information on initial boards of commissioners, see Initial Board of Commissioners, page 53.*

Wis. Stat. § 33.23

Board of Commissioners

Composition

Five commissioners: Most lake districts have five commissioners. Three members are elected from the residents or property owners within the district. The other two commissioners are appointed by the local units of government. One of the appointed members is selected by the county board of supervisors. (If the district includes territory in more than one county, this appointment is made by the county with the highest equalized valuation in the district). The other appointed member is selected by the governing body of the town, village or city with the highest valuation in the district.

Wis. Stat. § 33.28(2)

Seven commissioners: The electors (resident voters) and property owners at the annual meeting may choose to permanently increase the number of elected commissioners from three to five to provide for a seven-member board of commissioners. Although the law does not set forth a detailed procedure for approving the expansion to a seven-member board, it is a good idea to put the proposal in the form of a written resolution (rather than just a motion) for consideration at the annual meeting. *More information on resolutions and motions can be found in Robert's Rules of Order, see www.robertsrules.com or Appendix D.*

Wis. Stat.
§ 33.28(2m)(a)

Board of Commissioners for Districts Created by Towns, Villages or Cities

In districts created by a city council or village board, the city council or village board constitutes the board of commissioners. *See Districts Created by Cities or Villages, page 56.* However, these districts must convert to the standard lake district commission (with the elected and appointed membership described above) if a petition requesting that form of governance signed by at least 20% of the property owners within the district is presented.

Wis. Stat. § 33.23

Although town boards can also create lake districts, they may do so only upon presentation of a landowner petition. *See Districts Created by Town Boards, page 55.* When a town board establishes a lake district, the board itself constitutes the district's board of commissioners.

All municipally created districts (city, village, and town) must convert to the standard form of lake district governance (with the elected and appointed commissioners described above) if a petition is presented that is signed by at least 20% of the property owners within the district.

Wis. Stat. § 33.23



Good Idea

Where a city council or a village or town board serves as a lake district board of commissioners, they often establish a citizen advisory committee to provide for more direct involvement of district residents and property owners.



Elected Commissioners

Wis. Stat. § 33.01(9)(b)
Wis. Stat. § 6.10

Qualifications: To serve as an elected lake district commissioner, a person must be a U.S. citizen, eighteen years of age or older, and either an elector (resident voter) or an owner of property within the district. In order to qualify as an elector, a citizen must be a resident of the district. A person who is an official representative of an organization which is an owner of property may hold office as a commissioner even though the person does not own property within the district or qualify as an elector.

Wis. Stat. § 33.285

Wis. Stat.
§ 33.28(2m)(b)

At least one commissioner must be a district resident, unless no resident is willing to serve. If no resident is willing to serve, this requirement is waived until the end of that term.

Wis. Stat. § 33.28(2)(c)

Elections: Commissioners are elected at the annual meeting by secret ballot to serve for staggered three-year terms. The use of staggered terms ensures that the board of commissioners will have some institutional memory as leadership evolves over the years. Commissioners' terms of office expire at the conclusion of the annual meeting at which their successors are elected.

In order to stagger the terms of commissioners, the three commissioners elected at the first annual meeting serve for terms of one, two and three years. (The length of the term is sometimes determined by the number of votes each receive, the most votes gets the three-year term, second most the two-year term and so on.) As these initial terms expire, successor commissioners are elected to regular three-year terms. This means that an election for one commissioner is held at each annual meeting, except in cases where the lake district has expanded the number of elected commissioners. If the annual meeting expands the size of the board of commissioners, one of the newly created seats expires in two years and the other in three years. In subsequent years, these districts hold elections for two commissioners each year, except every three years, when only one commissioner is elected. When their initial terms expire, all five commissioners are elected for regular three-year terms.

Wis. Stat. § 33.30(3)(a)
Wis. Stat. § 33.30(2)(b)



Key Point

Chapter 33 does not set detailed election procedures, but it does mandate the use of secret ballots and prohibits the use of absentee ballots and proxies. Electors (resident voters) and property owners are eligible to vote in lake district elections only if they are physically present at the annual meeting. *For more information on voter eligibility, see Voting, page 73.*



Good Idea

Most lake districts permit nominations from the floor or submitted to the board of commissioners before the annual meeting. Many provide an opportunity for candidates to briefly address the voters at the annual meeting before the vote. Typically, the district chair appoints two or more canvassers to count the ballots and announce the election results. Some lake districts have adopted more detailed procedures for nominations, acceptance and voting.



Good Idea

Oath of Office

Lake district board of commissioners are elected government officials, similar to town and county supervisors, city alderman, or village trustees. Although the law does not require that commissioners take an oath of office,² many do so to acknowledge the importance of serving as elected officials for the lake district. Some lake districts invite the town or county clerk, a dignitary, or community leader to publicly administer an oath of office at the annual meeting. *See Oath of Office, page 95.*

Vacancies: If a vacancy occurs with an elected commissioner, the district chairperson appoints a successor to serve the remainder of the unexpired term, subject to approval by the majority vote of the board.

Wis. Stat. § 33.28(7)

Appointed Commissioners

The appointment of commissioners by counties and municipalities helps promote harmony and coordination among local governments and the district. Members of lake district boards appointed by a county, town, village or city serve at the pleasure of the appointing authority, rather than for fixed terms. They can be replaced whenever the appointing authority chooses.

Qualifications: The county appointee needs to be either a member of the county land conservation committee or nominated by the county land conservation committee and then appointed by the county board. Town, village, or city appointees must either be members of the governing body that appoints them or residents of the district, and if possible, owners of property within the district³.

Wis. Stat. § 33.28(2)

Chapter 33 does not establish further qualifications for appointed commissioners, giving local governments broad discretion to select persons they consider suitable. Typically, these appointed commissioners live or own property within the district or have a known interest in lake and water management.

Voting: Appointed commissioners have the same voting power on the lake district board as the elected commissioners. However, they are not eligible to vote at the annual meeting unless they qualify as a lake district property owner or elector.

Wis. Stat. § 33.28(7)

Vacancies: Vacancies in the offices of appointed commissioners are filled by the appointing city council or village, town or county board.

Officers

Immediately following each annual meeting, the board of commissioners is required to meet to elect a chair, secretary and treasurer from the board members to serve for one-year terms. Only commissioners may hold these offices.

Wis. Stat. § 33.29(3)



Good Idea

Lake district boards may create positions such as a recording secretary and bookkeeper, however, these positions are not considered officers and are not voting board members.

The chairperson presides at all meetings and public hearings held by the board of commissioners and at the annual and special meetings. The secretary keeps minutes of all meetings of the district and is responsible for the preparation and distribution of meeting notices.

Wis. Stat. § 33.29(a)

Wis. Stat. § 33.29(3)(b)

The treasurer is responsible for the receipt of monies due to the district, the payment of district liabilities upon order of the board of commissioners and for certifying taxes and assessments levied by the annual meeting to the clerks of each town, village or city within the district for collection.

Wis. Stat. § 33.29(3)(c)

Wis. Stat. § 33.30(4)(a)

Compensation

Commissioners shall be paid actual and necessary expenses that they incur while conducting the business of the district. They may also be paid additional compensation if that compensation is established by the annual meeting.

Wis. Stat. § 33.28(5)

Responsibilities

The board of commissioners is broadly responsible for the governance of the lake district. Except for powers reserved to the electors and property owners at the annual meeting, all of the powers of the lake district are exercised by the board of commissioners.

Wis. Stat. § 33.29

Wis. Stat. § 33.28(1)

Powers

The board of commissioners has the specific power to:

- Initiate and coordinate research and surveys for the lake
- Plan lake protection and rehabilitation projects
- Cooperate with other units of government in enacting ordinances as needed.
- Adopt and carry out lake protection and rehabilitation plans
- Maintain liaisons with state government officials involved in lake protection and rehabilitation and provide the Department of Natural Resources with the names and addresses of current commissioners
- Control the fiscal matters of the district, subject to the powers and directives of the electors and property owners at the annual meeting

Wis. Stat. § 33.29(1)
Wis. Stat. § 33.29(2)

If the district has been authorized to exercise sanitary district powers or adopt boating ordinances, these powers are generally exercised by the board of commissioners.

Duties

The board of commissioners is legally required to carry out specific duties:

- Schedule the annual meeting of the lake district between May 22 and September 8 (unless a majority vote at the previous meeting scheduled a time outside those dates)
- Prepare an agenda and proposed budget for the annual meeting
- Have an audit prepared at the end of each fiscal year for the annual meeting. *For more information see Audit, page 75.*
- Mail a written notice (including the agenda and proposed budget) of the annual meeting (and any special meetings) at least 14 days in advance to:
 - each owner of property (as listed on the tax roll)
 - each elector whose address can be ascertained with reasonable diligence⁴
 - the Department of Natural Resources⁵
- Conduct the annual meeting (and any special meetings or public hearings). This is the responsibility of the chairperson
- Immediately following the annual meeting, select a chairperson, secretary and treasurer from among the commissioners
- Take charge of the finances of the district, including delivering certified statements by November 1st of any tax levied at the annual meeting to the clerk of each municipality in the district for collection (responsibility of the treasurer)
- Schedule special meetings, if needed
- Appoint persons to fill vacancies in the board as needed (responsibility of the chairperson)
- Meet at least quarterly as a board. The secretary is responsible for posting notices and keeping minutes of board meetings and any hearings held by the board. The chairperson is responsible for presiding at board meetings

Wis. Stat. § 33.29(1)(f)
Wis. Stat. § 33.30(1)
Wis. Stat. § 33.29(1)(g)

Wis. Stat. § 33.29(2)

Wis. Stat. § 33.30(2)(a)

Wis. Stat. § 33.29(3)

Wis. Stat. § 33.29(3)(c)
Wis. Stat. § 33.30(4)(a)
Wis. Stat. § 33.305(1)

Wis. Stat. § 33.28(7)

Wis. Stat. § 33.28(6)
Wis. Stat. § 33.29(3)

Ethical Standards

Lake district commissioners are government officials, subject to various laws intended to protect the public interest and ensure accountability. Commissioners should become familiar with Wisconsin laws that regulate the conduct of public officials and government bodies. Like other elected officials, commissioners have a duty to act in the best interest of the district.

Lake district commissioners are subject to ethical standards relating to conflicts of interest and other matters under Wisconsin's codes of ethics for local government officials. As local government officials, lake district commissioners are prohibited by Wisconsin law from:

Wis. Stat. § 19.59

- taking any action on something in which they, or their immediate family, or an organization with which they are associated, have a substantial financial interest
- accepting a gift that could be expected to influence their vote, action, or judgment on an issue
- using their position to obtain financial gain for themselves, their immediate family, or an organization with which they are associated
- using their position in a way that provides a substantial benefit to themselves, their immediate family, or an organization with which they are associated

For more detailed information, see section 19.59 of the Wisconsin Statutes.

Meetings of the Board of Commissioners

Chapter 33 requires the board of commissioners to meet at least quarterly. The chairperson or any three commissioners may call meetings at other times.

Wis. Stat. § 33.28(6)

Most decisions and actions of the board of commissioners can be taken by consideration and adoption of motions. If a motion is of considerable importance or length, it may be helpful to put the motion in writing in the form of a resolution. *More information on resolutions and motions can be found in Robert's Rules of Order, see www.robertsrules.com or Appendix D.*

Quorum: Three commissioners constitute a quorum to conduct business on behalf of a five-member board of commissioners. (Although it is not expressly addressed in Chapter 33, lake districts with seven-member boards generally recognize that four members represent a quorum.)

Wis. Stat. § 33.28(3)

Notices and Postings: Meetings of the board of commissioners are public meetings, subject to the Wisconsin Open Meetings Law. Among other things, this requires that meetings of the commissioners must be held in a place accessible to the public unless a specific exception authorizes a closed meeting.

Wis. Stat. § 19.85(1)

Notice of meetings should include essential information on agenda items. The information needs to be sufficient to allow an individual to understand the issue and decide whether or not they want to attend the meeting.

Notice should be posted at least 24 hours before the meeting in three locations likely to be seen by the general public. (Alternatively, the board of commissioners may give notice by paid publication in a news medium likely to give notice in the area, such as the local newspaper.) In addition, the secretary must mail copies of the notices to any media source that requests them. *For more detailed information on the open meetings law, see sections 19.81-19.98 of the Wisconsin Statutes and the Attorney General's Open Meetings Law Compliance Guide found at www.doj.state.wi.us.*

While the open meetings law grants citizens the right to attend and observe meetings of the board of commissioners, it does not grant citizens a right to participate in those meetings. The board is free to determine for itself whether to allow citizen participation, however, most boards allow some time for public comment during the board of commissioner meetings. Any committees established by the board of commissioners are also subject to open meetings law requirements.

Records: The records of the board of commissioners are public records, subject to the Wisconsin Public Records Law. That law generally requires that the district promptly provide a requester with any record in the commissioners' possession relating to the district's activities, subject to narrow exceptions.

The secretary is required to keep minutes for each meeting including a record of motions and votes. All records of the district must be available for public inspection. *For more detailed information on the public records law, see sections 19.31 - 19.39 of the Wisconsin Statutes and the Attorney General's Public Records Law Compliance Outline found at www.doj.state.wi.us.*

Wis. Stat. § 19.88(3)
Wis. Stat. § 19.21

Annual Meetings

Wis. Stat. § 33.30(1)

Every lake district, regardless of how it was formed, must hold an annual meeting of electors (resident voters) and property owners. The first such meeting must be held between **May 22 and September 8**. Subsequent annual meetings must be held during the same time period, unless the preceding annual meeting sets a different date. The statutes do not specify the location of the meeting; however, meetings should be held in an accessible public place.

Wis. Stat. § 33.29(3)(a)

The chairperson of the board of commissioners presides at the annual meeting, all special meetings, and any public hearings held by the board.

Most districts use Robert's Rules of Order for running meetings and conducting deliberations. Some districts have adopted bylaws or rules of procedure in addition to Chapter 33; others just use Chapter 33 as their guide. Bylaws are not required, but compliance with Chapter 33 is essential. *For more information see Bylaws, page 82.*

Notice

Wis. Stat. § 33.30(2)(a)

The district secretary is responsible for preparing and mailing written notice of the annual meeting at least 14 days in advance of the meeting to all district property owners and electors. The district is required to use "reasonable diligence" to ascertain mailing addresses. As an alternative to mailing notice to the electors, the district may publish notice of the meeting in two successive issues of the local newspaper (known as a Class 2 notice⁶).

Wis. Stat. § 33.30(2)(a)

The district is also required to mail notice of the annual meeting to the Wisconsin Department of Natural Resources.⁷

To comply with Wisconsin open meetings law requirements, the district should also post the meeting notice at least 24 hours before the annual meeting in three locations likely to be seen by the general public. (Alternatively, the district may give notice by paid publication in a news medium likely to give notice in the area, such as a local newspaper.) In addition, the secretary must mail copies of the notice to any media source that requests them. *For more detailed information on the open meetings law, see section 19.81-19.98 of the Wisconsin Statutes and the Attorney General's Open Meetings Law Compliance Guide found at www.doj.state.wi.us.*

Wis. Stat. § 19.84

Notice of the meeting must include the:

- time
- date
- place
- agenda, which includes a list of each item proposed for consideration at the meeting (*see Agenda, page 71*)
- proposed annual budget (*see Budget, page 74*)

Wis. Stat.
§ 33.30(2m)(b)



Wis. Stat.
§ 33.30(2m)(a)

Agenda

It is the board of commissioners' responsibility to develop the agenda for the annual meeting. The agenda should include essential information on items that may require action. That information needs to be sufficient to allow an individual to understand the issue and decide whether or not they need to attend the meeting to voice their opinion and vote.

Typically an agenda will include such items as:

1. Call meeting to order
2. Approve minutes of last year's annual meeting
3. Chairperson and committee reports
4. Treasurer's report
5. Presentation and submission of the annual audit
6. Report on/consideration of projects or other actions *(list specific items and what is being proposed)*
7. Review and consider approval of proposed budget *(see Budget, page 74)*
8. Consider approval of corresponding tax levy
9. Election of commissioners
10. Old business *(no action can be taken unless specific items are listed)*
11. New business *(no action can be taken unless specific items are listed)*
12. Adjourn meeting


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Key Point

Unless an item has been specifically listed on the agenda, no action can be taken on that issue at the annual meeting. However, discussion and advisory voting (if deemed appropriate) can occur.

Certain items require specific notices on the annual meeting agenda:

- Any authorization to borrow money
- Any proposal to dissolve the district
- Any items proposed for consideration at the annual meeting that are submitted by a petition to the board at least 30 days before the annual meeting, signed by at least 20% of the number of parcels in the district (provided the item relates to an issue that is within the district's authority)

Wis. Stat. § 33.31(4)

Wis. Stat. § 33.35

Wis. Stat.
§ 33.30(2m)(c)

Actions

Required Actions

The lake district law requires that the electors and property owners at the annual meeting:

1. Conduct an election to fill vacancies in the positions of elected commissioners by secret ballot (except where the town board, village board or city council serves as the district's board of commissioners) *(See Elections, page 64)*, and
2. Approve a budget for the coming year *(See Budget, page 74)*

Wis. Stat.
§ 33.30(3)(a)

Wis. Stat.
§ 33.30(3)(b)

Additional Actions

In addition to these required actions, the electors and property owners at the annual meeting are authorized to take any of the following actions:

Wis. Stat. § 33.30(4)(a)

Wis. Stat. § 33.31(4)

Wis. Stat. § 33.28(2m)(a)

Wis. Stat. § 33.22(3)(b)

Wis. Stat. § 33.22(4r)

Wis. Stat. § 33.30(4)(d)

Wis. Stat. § 33.30(4)(c)

Wis. Stat. § 33.30(1)

Wis. Stat. § 33.35

- Vote a tax on all taxable property within the district. Except for taxes levied to repay debt, and for “capital costs,” the annual meeting may not levy a tax up to 2.5 mills (\$2.50 per \$1,000 of equalized value of property)
- Approve borrowing
- Permanently increase the number of elected members of the board of commissioners from three to five
- Authorize the assumption of sanitary district powers⁸
- Appropriate money for the conservation of natural resources or for payment to a nonprofit organization for the conservation of natural resources within the district or beneficial to the district
- Create a non-lapsible fund to finance specifically identified capital costs and for maintenance of capital equipment
- Establish any compensation to be paid to the district board of commissioners
- Change the annual meeting date
- Dissolve the district



Key Point



These discretionary powers may only be used by the electors and property owners. These actions cannot be taken by the board of commissioners without authorization by the electors and property owners at the annual meeting or a special meeting.



Good Idea

Most decisions and actions at the annual meeting can be accomplished by consideration and adoption of motions. If a motion is of considerable importance or length, it may be helpful to put the motion in writing in the form of a resolution. Some actions, such as the adoption of sanitary district powers, require adoption of a resolution. *More information on resolutions and motions can be found in Robert’s Rules of Order (see www.robertsrules.com or Appendix D).*



Wis. Stat. § 33.22(3)(b)

Voting

Who Can Vote?

To vote at annual meetings of the lake district, a voter must be a U.S. citizen over 18 years of age who is either:

1. An elector (a qualified voter who resides in the district)⁹
2. An owner of property within the district:
 - A person whose name appears as an owner of real property on the tax roll¹⁰
 - A person who owns title to real property even though the person's name does not appear on the tax roll (i.e. a spouse)
 - A person who is the official representative, officer or employee authorized to vote on behalf of a trust, foundation, corporation, association or other organization owning real property in the district

Wis. Stat.
§ 33.01(9)(ar)
Wis. Stat. § 33.30(3)

Wis. Stat.
§ 33.01(9)(ar)(1)

Wis. Stat.
§ 33.01(9)(ar)(2)

Wis. Stat.
§ 33.01(9)(ar)(3)

Determining Qualifications for Property Owners

In order to determine the qualifications of property owners for voting purposes, the district should obtain a copy of the tax roll and have it available at the annual meeting. Eligible voters can be checked off as they arrive and given a colored card or other identification to indicate their qualification to vote. Persons whose names appear on the tax roll are qualified to vote. If a person is not named on the tax roll, it is up to that person to provide evidence to the district that he or she is an owner of property or a designated representative of an organizational property owner. Wisconsin law does not define what evidence of ownership is sufficient for a person not named on the tax roll or for an official representative of an organization. Some lake districts require prospective voters who are not named on the tax roll to provide either: (1) a copy of a deed indicating ownership of the property; or (2) a letter on the stationery of an organization owning property which clearly authorizes the person to vote on behalf of that organization. Notification of the district's policy regarding proof of eligibility to vote should be included in the notice of the annual or special meeting.

Voting Details

Each qualified voter is entitled to cast one vote at the annual meeting. Ownership of more than one parcel of real estate within the district does not entitle the owner to more than one vote. Corporations, governmental bodies and other organizational owners are treated as single owners with one vote.

Commissioners appointed by the county or town/village/city are eligible to vote at the annual meeting only if they qualify as lake district property owners or electors.

Wis. Stat.
§ 33.01(9)(ar)
Wis. Stat. § 33.30(3)

Chapter 33 does not specify voting procedures such as a voice vote or show of hands, except that:

- Elections of commissioners must be done by secret ballot
- No absentee ballots or proxies are permitted

Wis. Stat. § 33.30(3)(a)
Wis. Stat. § 33.30(2)(b)

There is no quorum requirement for the annual meeting.

Special Meetings

Wis. Stat. § 33.305(3)

In addition to the annual meeting, the electors and property owners may conduct business at special meetings. Any action that can be taken at an annual meeting may be taken at a special meeting, except as follows:

1. No motion to consider the dissolution of the district may be taken up at a special meeting
2. The annual budget may not be approved at a special meeting (although it may be amended)
3. The special meeting may not consider any matter that was resolved during another special meeting held since the previous annual meeting

Wis. Stat. § 33.305(1)

A special meeting may be called at any time by a majority of the board of commissioners. In addition, the board is required to schedule a special meeting if at least 10% of the persons qualified to vote at the annual meeting so request.

Wis. Stat. § 33.305(2)

Notice and voting requirements for special meetings are the same as for annual meetings.

Wis. Stat. § 33.305(4)



Budget and Financing

The management activities undertaken by Wisconsin lake districts vary widely. Some focus chiefly on water quality monitoring and educational efforts carried out through the efforts of lake district commissioners and volunteers. Other lake districts, especially those that collect solid waste and recyclables or operate public sewer or water systems, require paid staff or contractors. Even volunteer-operated lake districts sometimes undertake relatively large-scale projects.

Budget

The lake district board of commissioners is responsible for the preparation of the proposed annual budget. Typically, the treasurer prepares the proposed budget as recommended by the board so it can be included in the meeting notice. *See Appendix F for a sample lake district budget.*

Wis. Stat. § 33.29(1)(g)

The proposed annual budget presented to the annual meeting must include all of the following:

- The actual revenues and expenditures for the preceding year
- The actual revenues and expenditures for at least the first six months of the current year. (If the annual meeting is held before July 1, the lake district should show revenues and expenses to a date as close as possible to the date the notice of the annual meeting is mailed)
- The estimated revenues and expenditures for the balance of the current year
- A list of all existing indebtedness and all anticipated revenue from all sources for the ensuing year

- A list of all proposed appropriations for each department, activity and reserve account for the ensuing year
- For informational purposes by fund, all anticipated unexpended or unappropriated balances and surpluses

The statutes also require that the budget specify any item with a cost to the district in excess of \$ 10,000 and separately identify capital costs and costs of operation of the district.

Wis. Stat. § 33.30(3)(b)

Capital costs - the costs of acquiring equipment and other capital assets, including sewerage system capital costs, for a program undertaken by the lake district.

Wis. Stat. § 33.01(1c)

Costs of operation of the district - all costs of a program undertaken under section 33.001 to 33.37 of the Wisconsin Statutes, except capital costs.

Wis. Stat. § 33.01(1g)

The electors and property owners may propose, consider and vote on amendments to the budget before approving the budget. However, the authority of the annual meeting to amend the budget is limited. For example, the electors and property owners may not eliminate a mandatory portion of the budget, such as an irrevocable tax levied in order to secure repayment of a district debt, or where a payment in the current budget is required by contract.

Once the budget has been approved at the annual meeting, amendments may be considered and voted on at a special meeting */see Special Meetings, page 74/*. Chapter 33, however, does not specify whether or not lake district commissioners can change the budget without authorization from the electors and property owners. Municipal law suggests that a governing body may change the appropriations by a 2/3rds vote of the board of commissioners, provided a notice has been published 10 days before the vote. Lake district commissioners may want to consider potential political ramifications and challenges if they change the budget in a significant way.

Wis. Stat. § 33.305(a)

Wis. Stat. § 65.90(5)



Good Idea

The statutes do not specify the date a lake districts budget should start. Most lake district budgets operate on the calendar year.

Audit

The board is required to have an audit of the financial transactions of the district prepared at the close of each fiscal year. The audit must be presented and submitted to the annual meeting.



Good Idea

The law does not specify further requirements for an audit. Most districts have audits performed by an accounting firm or by an internal committee.

Wis. Stat. § 33.29(2)

Raising Funds

In order to provide lake districts with the resources they need, the Legislature has authorized them to use a wide variety of funding mechanisms, including general property tax, special charges and assessments, saving and borrowing, grants and gifts. Some projects and activities are funded with a combination of different revenue sources. Some are used only occasionally when large-scale capital projects are being undertaken. The discussion that follows focuses on lake districts, but also generally applies to sanitary districts.

General Property Tax (Mill Levy)

Lake districts have the power to levy a general property tax on all taxable property within the district. General property taxes are typically used for operating expenses, such as administrative costs (like bookkeeping, printing and postage), lake studies and monitoring and other general government activities. General property taxes are applied as a tax rate that must be uniformly imposed on each taxable parcel within the district.

Wis. Stat. § 33.30(4)(a)

Lake district taxes are capped at the rate of 2.5 mills or \$2.50 per \$1,000 of equalized valuation. This cap applies only to the costs of operation, it does not apply to taxes levied to pay principal and interest on debt. All property subject to general taxes is taxable by the lake district. Public and other property exempt from taxes may not be taxed by a lake district.

General property taxes are apportioned among the municipalities (cities, villages and towns) within the district on the basis of equalized valuation.¹¹ Each October, the Wisconsin Department of Revenue is required to send each lake district a “certificate of equalized value.” This certificate shows the percentage of total assessed value of district property within each city, village and town, as adjusted or “equalized” by the Department of Revenue. The lake district is required to apportion the tax levy to each town, village and city within the district, according to its relative proportion of the district’s tax base as shown on the certificate. Prior to the last working day in October, the lake district treasurer is required to deliver a certified statement¹² of the tax to each municipal clerk.

Example: The Blue Lake District includes territory in the Towns of Trout and Bass. The July 4 annual meeting of the District approved an annual budget that included a tax levy of \$30,000. The “Certificate of Equalized Value” provided by the Department of Revenue shows that the equalized value of lake district property within the Town of Trout is \$5,000,000 and that within the Town of Bass is \$10,000,000. On October 15, the district treasurer sends a certified statement to the Trout Town Clerk reporting a lake district tax levy of \$10,000 (or 1/3 of the total amount approved by the annual meeting). The treasurer sends a certified statement to the Bass Town Clerk reporting the district’s tax levy within that Town of \$20,000 (or 2/3 of the amount approved by the annual meeting).

The overall tax levy in this case is \$30,000 for \$15,000,000 of equalized valuation, or 2.0 mills.

The property tax approved by the annual meeting is included in the tax bills sent out in December by the treasurers of the towns, villages and cities with territory in the district. The taxes are then collected by the municipal treasurers and distributed to the lake district. Taxes collected before January 1 are distributed by January 15. Taxes received in the month of January are distributed by February 15. All remaining taxes are paid to the district in the final August 15 settlement date.

Wis. Stat.
§ 74.23-74.29

Special Charges

Lake districts are also authorized to impose special charges for services identified in the annual budget. These special charges are typically used to pay for services that benefit individual properties, such as sewer or water service, aquatic plant harvesting, algae control and garbage pickup. Special charges imposed for sewerage system service are subject to special procedural requirements.

Wis. Stat. § 33.32(5)

Wis. Stat. § 66.0821

Lake district special charges may not exceed the rate of \$2.50 per \$1,000 of assessed valuation. This special charge cap applies to the total amount of the special charge as a proportion of the total assessed value of the district, not to the special charge on a particular parcel.

Wis. Stat. § 33.32(5)

Although special charges may be collected directly by the lake district, most districts certify the special charge to the local municipal treasurers using the process described above so they can be billed and collected with property taxes. The special charges are then collected by the municipal treasurers and the funds paid to the districts through the tax settlement process.

Wis. Stat. § 33.32(5)
Wis. Stat. § 66.0627(4)

The electors and property owners may specify how special charges are allocated by approving a resolution at the annual meeting or a special meeting. Otherwise, the board of commissioners is responsible for allocating the charges in a manner prescribed by them. The charges can vary from one category of property to another, depending on the benefit or service received. Special charges are often used by districts where lake district services will similarly benefit properties of widely varying value.

Wis. Stat. § 33.32(5)

Certain activities, like aquatic plant harvesting, provide both general community benefits and special benefits to specific property owners. In these cases, some lake districts finance these activities using a combination of a general tax levy and a special charge on benefited properties.

Special Assessments

Wis. Stat. § 33.32(1)
Wis. Stat. § 33.32(2)
Wis. Stat. § 60.77(5)(f)
Wis. Stat. § 66.0703

Special assessments are typically used for larger capital projects. Special assessments may only be levied against benefited property. The procedures for special assessments are quite complex, including required notices, reports and public hearings. Special assessments may be imposed in a lump sum, or may be made payable in up to ten annual installments. Like with special charges, most districts certify special assessments to the local municipal treasurers for collection.



Good Idea

Districts should use an attorney when arranging for financing for large projects.



How to Assess

After approval of a project at an annual or a special meeting, the board of commissioners determines the local share of the cost of the project and the benefited property to be subject to special assessments. County and municipally-owned real estate within the district may be included, but state and federally owned property within the district is not subject to special assessments. Size, proximity to the lake, present and potential use of the land including zoning regulations and other factors, may be considered in selecting a method of making assessments.

Wis. Stat. § 33.32(3)
Wis. Stat. § 33.32(1)(b)
Wis. Stat. § 33.32(1)(b)

Notice of Assessment

Notice of the assessment must be mailed to every person having an interest in an affected parcel within the lake district. The district is required to use “reasonable diligence” to ascertain mailing addresses. As a practical matter, notice is typically sent to the person(s) whose name appears on the tax roll with instructions to share it with anyone else with an interest in the property.

Wis. Stat. § 33.32(1)(c)

The notice must include:

- a statement of the assessment
- a location where a report of all the assessments may be reviewed for a period of 30 days
- a date (not more than 3 days after the 30 day review period) when the board of commissioners will hold a hearing on objections to the assessments

The lake district must also publish a notice of the assessment twice in a newspaper of general circulation in the area, which is called a Class 2 notice.¹³ A report of the assessments must be filed in the county clerk’s office.

Hearing

During the hearing the board of commissioners may review, modify and correct the assessments as they deem appropriate. At the conclusion of the hearing, the board shall make a final determination of the assessments.

Wis. Stat. § 33.32(d)

If, as a result of the hearing, an assessment is increased, additional notice and a new hearing must be provided.

Wis. Stat. § 33.32(d)

Final Notice

Once a final determination has been made, the lake district secretary must mail a notice specifying the amount of assessment to every person having financial interest in an affected parcel. The secretary must also publish a notice of the final determination once in the local paper (a Class 1 notice¹⁴).

Wis. Stat. § 33.32(e)

Appeal

Affected persons have 40 days within which to appeal to circuit court.

Wis. Stat. § 33.32(1)(f)

Saving and Borrowing

At times, lake districts undertake projects that are simply too large to be funded in a single year. The costs of major projects can be spread out over a longer period if the electors and property owners at the annual meeting vote either to save money for a future purchase or to authorize borrowing.

Saving for a Future Expense

Generally, lake districts and other local governments are required to apply any surplus funds they have at the end of the year to the next year's annual budget. Although the law does not permit lake districts to retain surplus funds for general purposes, the annual meeting is authorized to establish a non-lapsible fund in order to finance specifically identified capital costs and for the maintenance of capital equipment.

Wis. Stat. § 33.30(4)(d)

A non-lapsible fund must be established by the annual meeting. However, the board of commissioners may propose a budget that includes creation of a non-lapsible fund for consideration at the annual meeting.

Wisconsin law regulates the placement of local public funds in depository institutions. Many districts place saved funds in the state's local government pooled investment fund. *For more information on saving funds, see www.ost.state.wi.us/home/lqip.htm.*

Wis. Stat. § 25.50

Borrowing

Wis. Stat. § 33.31

Wis. Stat. § 33.31(4)

Lake districts are generally authorized to borrow money and use other municipal financing methods prescribed by law. Whenever a lake district is considering borrowing, notice of the proposed borrowing must appear in the notice of the annual or special meeting at which it will be considered.

Wis. Stat. § 33.31(3)

Whenever a lake district borrows money, the electors and property owners are required to levy an annual, irrevocable tax to pay the principal and interest on the indebtedness when they are due. Taxes levied to pay debt are not subject to the tax levy limit described above in the general property tax section.

Wis. Stat. § 67.03(1)(a)

Like other local governments, lake districts are subject to a debt limit equal to five percent of the equalized valuation of the district.

Wis. Stat. § 24.61

Lake districts are authorized to borrow funds from the State Board of Commissioners Public Lands. Many lake districts have borrowed funds from the State Board because it offers attractive interest rates to governments and the application procedure is relatively simple. *For more information on borrowing these funds, see www.bcpl.state.wi.us.*

Wis. Stat. § 33.31(2)

Wis. Stat. § 67.12

Lake districts are also authorized to borrow money when in temporary need under the municipal borrowing laws.

Grants, Gifts, and Cooperative Agreements

There are occasions when lake organizations take on projects or become involved in matters that require more funding than they possess. Grants, gifts, and cooperative agreements are tools that districts may use to raise needed capital or undertake projects.

Grants can be used for a wide variety of needs, usually to supplement local funding for projects. Funds are often used for public works projects, but may also be used for educational materials or programs, research, planning, or other projects.

The majority of grants given to Wisconsin lake districts in the 1980s and 1990s have been Lake Planning and Lake Protection Grants from the Wisconsin Department of Natural Resources. Lake districts also receive grant funding from federal agencies like the Environmental Protection Agency (EPA) and other international, state, and private sources. Funding usually comes from governments but can also be obtained through foundations, corporations, individuals, educational or research institutions or special interest groups.



Some grant sources include:

Lake planning and protection grants:
dnr.wi.gov/aid/surfacewater.html

Knowles Nelson Stewardship Program grants:
dnr.wi.gov/topic/Stewardship/Grants/

Recreational Boating Facilities grants:
dnr.wi.gov/aid/rbf.html

Voluntary contributions to lake districts are generally deductible as charitable contributions, like contributions to churches and other charities.

In addition to grants and gifts, lake district resources can sometimes be leveraged by entering into cooperative agreements with town, county or other local governments. In many cases, lake projects benefit not only the district property owners, but the general community. Many lake districts have successfully worked with county and other local governments to undertake projects to enhance lake water quality, reduce pollution and enhance recreational boating opportunities.

Other Considerations

Bids

Whenever a lake district enters into a contract for the performance of any work or the purchase of any materials that exceeds \$2,500, contracts for the work must be let through a public bidding process. The board of commissioners is required to award the work to the lowest responsible bidder. Although the statutes do not specify the procedure for soliciting bids, most lake districts and sanitary districts typically prepare a written request for proposals, specifying the work or material required and prescribing a deadline for bids. These notices are typically published in local newspapers and distributed to contractors or vendors. More formal bidding procedures should be followed for large-scale projects, including detailed plans and specifications for the work and the use of specially prepared bidding documents.

Wis. Stat. § 33.22(1)

Taxes

Governmental units, including lake districts, enjoy the advantages of being exempt from federal and state income tax automatically.

Lake districts that purchase items subject to state sales tax (in quantities large enough to have significant cost savings), may want to look into applying for state sales and use tax-exempt status. Lake districts should apply with the Wisconsin Department of Revenue for a Certificate of Exempt Status (CES) using Form S-103, Application for Wisconsin Sales and Use Tax Certificate of Exempt Status. The department will issue a CES number to exempt a lake district from sales tax when making purchases. *For more information and a copy of the form, contact the Wisconsin Department of Revenue or see www.dor.state.wi.us.*

Insurance

Decisions regarding insurance coverage can be complex for lake districts. The costs of insurance can range greatly, depending on the lake district's size and activities. *For more information about insurance, see Chapter 7.*

Bylaws

Most districts rely on Chapter 33 and other state statutes to guide their rules of procedure. A lake district should only develop bylaws if it has the need for more specific rules of order. For example, some lake districts having multiple lakes may use bylaws to add representation requirements for the elected members of the board of commissioners.

If bylaws are used, they need to comply with Chapter 33. In the event of a conflict between the bylaws and Chapter 33 (or another state statute), the statutes control. Bylaws should avoid addressing issues already covered by statute. Districts that do adopt bylaws should take care to insure that the bylaws are periodically updated to reflect state law requirements.

Alternatively, lake district policies can be adopted for specific areas of procedure that are not addressed in the statutes. Often, these are more easily changed and provide a better alternative to lake district bylaws.

Changing Lake District Boundaries

After a lake district has been established, its boundaries may be expanded or reduced.

Attachment

Contiguous territory may be attached in two ways:

1. A landowner may request attachment by petitioning the board of commissioners. The board may accept the request for attachment by majority vote.
2. The board of commissioners may initiate attachment proceedings by notifying the owners of the affected land and petitioning the county board. The county board proceeds with notice, hearing, and decision in the same manner used to establish the districts. The same rights of appeal also apply.

Detachment

Upon petition of a landowner or motion of the commissioners, territory may be detached from a district if the commissioners find that the territory is not benefited by continued inclusion in the district. The board's decision can be appealed.

Wis. Stat. § 33.33(3)

Some lake districts have established procedures to consider detachment requests that provide for notice and a hearing where the petitioning landowners and others can testify and provide evidence on the benefit question.

Some districts have established criteria they will review when they consider detachment requests. Views, access and proximity to the water may be important factors for the board to consider in determining benefit. It may also be important to consider whether there has been a change in circumstances affecting the property since the district was created. However, sometimes detachment may be warranted even where there has not been any significant change since the county (or town) board established the lake district and found that the property within its boundaries would be benefited. In 2004, the Wisconsin Supreme Court found that a lake district incorrectly declined to detach two parcels. The Court's lengthy decision included considerable discussion about the determination of benefit and stated that detachment did not require a change in circumstances since the lake district was created. *For more information see "Benefit" box, page 51, or Donaldson v. Bd. of Commissioners, 276 Wis. 2d 32 (2004).*

Merger of Two Lake Districts

Any district may be merged with a contiguous district. First, a merger resolution must be passed by four-fifths of the members of each board of commissioners. Then the merger must be endorsed by a majority of electors and property owners who are present and voting at the next annual or special meeting, whichever occurs first. Upon ratification, the board of commissioners shall be constituted in the following manner:

Wis. Stat. § 33.33(1)

1. The two boards act jointly as the governing body of the merged district until the next annual or special meeting.
2. At the first annual or special meeting of the merged district, three commissioners are elected for staggered, three-year terms.
3. The representative of the county and the representative of the town, village or city having the largest portion by valuation within the merged district shall remain on the board of the merged district.

A lake district and a sanitary district may also merge if their boundaries are identical or contiguous. The procedures listed above would be followed except that the merger resolution would need to be passed by two-thirds of the sanitary district commissioners and ratified by majority vote in a sanitary district referendum. In addition, town board approval would be necessary. All the rights and liabilities of the sanitary district would be assumed by the lake district, but the method of discharging such rights and obligations would need to be set out in the merger resolution.

Wis. Stat. § 33.235

Filing Changes

Wis. Stat. § 33.265

When the boundaries of a lake district are altered, the board of commissioners must file a copy of the authorizing document and legal description of with the register of deeds in each county where the district is located. The board must also file the document and legal description with the Wisconsin Department of Revenue and Wisconsin Department of Natural Resources.

Dissolution

Wis. Stat. § 33.35

An existing lake district may be dissolved. To dissolve a lake district, the issue must first be placed on the annual meeting agenda by one of the following:

1. A majority vote of the members present at the previous annual meeting.
2. Unanimous vote of the commissioners.
3. Notification of the commissioners by an individual voter at least 90 days prior to the annual meeting.

The notice of the annual meeting must include a statement that a petition to dissolve the district will be considered. A two-thirds vote of the electors and property owners present at the annual meeting is required to decide to dissolve the district and forward the petition on to the county board for an official dissolution order. The county board may order dissolution following receipt of the petition. The order shall be conditioned on petition to the circuit court for appointment of a receiver to conclude the affairs of the district under court supervision. The dissolution becomes complete upon the final order of the circuit court.

Staying Connected

It is a good idea for lake districts to stay connected locally and regionally. Local issues may require detailed knowledge of people and their viewpoints; regional or statewide issues may require a broader understanding of the implications of different issues and how they affect others. It is important to stay connected around the lake, but also in the county, region, and across the state. To stay connected:

- Develop a way to communicate with the membership, other stakeholders, state government and other lake organizations such as the publication of a newsletter, email, or website
- Use the Lake List Directory (see box) to identify and include neighboring lake organizations
- Consider using a logo or stationery for the lake district to help create and maintain a professional presence
- Contact local government officials, the DNR, UW-Extension Lakes Program and WAL to keep them informed of district activities

The Lake List Directory



Lake organizations do best when they stay in touch with their neighbor organizations and keep a finger on the pulse of town, county and state policies and issues that impact lakes. Who could be better than another lake organization to help answer questions on how much insurance costs, who is a good contractor, or how neighboring lakes deal with aquatic invasives? The state keeps contact information and some other pertinent information on lake organizations, as well as businesses providing services to lakes, in a directory called the *Lake List*. The directory can be found at www.uwsp.edu/cnr/uwexplakes. Contact the UW-Extension Lakes Program at 715-346-2116 or uwexplakes@uwsp.edu to update contact information on an annual basis. The *Lake List* is the most comprehensive directory of lake organizations in Wisconsin.

Developing a Vision

Lake districts that have taken the time to articulate their vision have a better track record of accomplishing their goals. The clearer your vision of your lake's future, the easier it will be to develop and follow a roadmap to your destination.

- Prioritize lake issues.
- Start the process of arranging for a pre-planning, or "futuring," meeting where all district members and those interested in the lake can be heard. Such a process can help the district to prioritize issues and help to craft a vision for the lake. (You may consider using a facilitator who can assist you in developing an inclusive process that is respectful of the many points of view that frequently exist in lake communities; trained individuals can be engaged through your county UW-Extension Educator.)
- Have a plan. A sound written plan that all interested parties have contributed to can benefit your lake community and the lake in many ways. It will be the short and long-term "road map" that will determine where your efforts and funding will go. A lake management plan can present a coordinated strategy and assure that everyone knows what is planned for your lake. It can enhance communication, build consensus, assure that you will be cost effective with your projects and make sure you comply with state and federal laws and local considerations. A written plan can communicate your vision for the lake to new members of the community, and provide the basis for checking progress toward your lake protection goals.

The Seven Step Plan

What are the steps in creating a plan? No matter what type of plan you are developing for your lake district, the basic steps in planning remain the same. While the specifics and details vary depending on lake size and management issues, the process of planning (and a plan) typically includes the following general steps:

1. **Goal setting** – Organize the effort, identify issues to be addressed, and agree on the goals
2. **Inventory** – Collect base information to define past and existing conditions
3. **Analysis** – Synthesize the information, quantify and compare current conditions to desired conditions, research opportunities and constraints, and set directions to achieving goals
4. **Alternatives** – List all the possible management alternatives and evaluate their strengths, weaknesses and general feasibility
5. **Recommendations** – Prioritize and select preferred management options, set objectives based on priorities and assets, then draft the plan
6. **Implementation** – Formally adopt the plan, line up funding, and schedule activities for taking action to achieve the goals
7. **Monitor & Modify** – Develop a mechanism for tracking activities and adjust the plan as it evolves

While each step is necessary, the level of effort and detail for each step will vary depending upon the project's goals, size of the lake, and number of stakeholders. For many Wisconsin lakes, there may be a number of plans that fold into a whole lake management plan. Lake districts can develop plans to deal with water recreation or aquatic plant management, which should fit easily into a whole lake plan. You should carefully assess your lake's needs and then consider the detail required for each step in the process. A rule of thumb may be that the more complex the issue and the larger the lake and population, the more comprehensive the plan will need to be. *(For more details on planning, contact your county UW-Extension Educator)*

Learning About Your Lake

Wisconsin is fortunate to have over 15,000 lakes and a great network of people to help you get the answers you need. There is probably someone out there who has dealt with the same issue, can help with funding or has developed educational materials on the subject. Take the time to learn about the assets that the Wisconsin Lakes Partnership can bring you:

- Attend the annual Wisconsin Lakes Convention in the spring, and/or attend one of the numerous regional Wisconsin lake education events sponsored by area lake organizations. Agenda items and displays usually include a lot of “how-to-do-its” and “how-they-did-its” on various lake issues. Most importantly, you get to meet and talk with others who share common lake interests. Information on upcoming events is posted on the web at www.uwsp.edu/cnr/uwexplakes
- Make use of the resource organizations described at the beginning of this guide, including UW-Extension Lakes, your county UW-Extension Educator, WAL and your WDNR Lake Coordinator.
- Get on the mailing list of Lake Tides, the free quarterly newsletter published by UW-Extension Lakes, on the web at www.uwsp.edu/cnr/uwexplakes/laketides
- Consider joining Wisconsin Lakes and subscribe to their email lists. Find more information at www.wisconsinlakes.org
- Subscribe to the bimonthly WDNR magazine, Wisconsin Natural Resources, at PO Box 7191, Madison, WI 53707, 800-678-9472

Finding a Rhythm

There you have it! It is a lot of work but something that most people feel is well worth the effort. As the years pass, your lake district will probably find a rhythm. Local folks, members, local businesses and government people who know the lake will develop a certain level of trust for your mission and work, some may become active partners in implementing your program. Revisit your plan to see how closely you have been able to follow it. Identify those priorities that may have changed; a plan should evolve and change as the lake and needs of the community evolve and change. Make sure people stay engaged in this process, and that they are able to understand how their actions play a role in the health of the lake and the lake community. It is important that everyone understands, and relates to, the issues and priorities of the lake and its surrounding community.



Endnotes

- Wis. Stat. § 60.75 ¹ Through approval of a resolution at the annual meeting.
- Wis. Stat. § 32.28(2)(d) ² An oath of office is required for sanitary district commissioners.
- Wis. Stat. § 985 ³ If the district includes a lake controlled by a dam that is not located in the town, village, or city within which the largest portion by valuation of the district lies, then the governing body that would normally make an appointment can defer to the governing body of the town, village, or city within which the dam is located. The person appointed shall be a resident of the district who owns property within the district if possible or shall be a member of the governing body of the town, village, or city within which the dam is located.
- ⁴ A legal notice published two times in a newspaper of general circulation in the area (known as a Class 2 notice, may be substituted in lieu of sending written notice to electors (resident voters).
- ⁵ Wisconsin Department of Natural Resources, Lakes Management Section, 101 S. Webster St., Box 7921, Madison, WI 53707-7921
- ⁶ A resolution is required for this action.
- Wis. Stat. § 985.07 ⁷ Class 2 notice – a legal notice published in a newspaper of general circulation in the area, required to be inserted two times
- ⁸ Wisconsin Department of Natural Resources, Lakes Management Section, 101 S. Webster Street, PO Box 7921, Madison, WI 53707-7921
- Wis. Stat. § 6.10 ⁹ In order to qualify as an elector, a citizen must be a resident of the district. The qualifications of electors are set forth in the Wisconsin Statutes.
- ¹⁰ The tax roll delivered before the 3rd Monday in December of the previous year.
- ¹¹ Equalized value is derived by using the assessed value multiplied by a ratio of market value to assessed value. This equalizes assessments and gives the value of the property to which the tax rate is applied.
- ¹² A certified statement is typically a signed letter to the clerk indicating the total amount of the tax to be levied in that municipality for the district.
- Wis. Stat. § 985.07(2) ¹³ Class 2 notice – A legal notice published in a newspaper that is required to be inserted two times.
- Wis. Stat. § 985.07(1) ¹⁴ Class 1 notice – A legal notice published in a newspaper that is required to be inserted one time.

Chapter 6

Sanitary Districts

This chapter provides an overview of town sanitary districts as they relate to lake management. In some communities, town sanitary districts (commonly referred to as sanitary districts) may operate side by side with lake districts and/or voluntary lake associations. Most lake organizations share the goals of preserving and protecting their lakes but the abilities, authority and structure of sanitary districts, lake districts and voluntary groups can vary greatly. See *Chapter 1 for an overview of different lake organizations and Chapter 2 for information on initial strategies to follow when starting a lake organization. For information on forming and operating a lake district see Chapters 4 and 5.*

The laws governing the formation and operation of sanitary districts can be found in Chapter 60 of the Wisconsin State Statutes. Legal issues which are not addressed in Chapter 60 are often covered under the same body of municipal laws that govern Wisconsin towns and counties.



Background/History

The first attempts at publicly administered lake management took place in the early 1930s when several Wisconsin lake communities formed sanitary districts to focus on lake issues. These governmental bodies could be established with boundaries following the shape of the lake. As government bodies, they could levy taxes to spread the cost of operations equitably. But, especially in the early days, sanitary districts were chiefly empowered to provide sewer and water service for urbanizing areas. Over the years, additional powers were granted to sanitary districts. Many of these related to lake management, including authority to suppress “swimmers’ itch, algae and other nuisance-producing growths.” However, they lacked the comprehensive powers needed to address lake management. Legislation in 1996 amended sanitary district laws to grant sanitary districts additional powers to undertake lake management activities. That law generally authorized a sanitary district which included at least 60% of a lake’s shoreline to exercise the powers of a lake district if no lake district had been established on the lake.

Wis. Stat. § 60.77(4)

1995
Wisconsin Act 349

Wis. Stat. § 60.782



Comparison to Lake Districts

Both sanitary districts and lake districts have evolved over the years. The two types of districts continue to share many characteristics. Both rely on citizen petitions to initiate district formation. Both have a board of commissioners.

In both cases, the district boundaries may be adapted to include the area benefited by the district, although a sanitary district may not include territory located within a city or village. Both have taxing power and powers that include borrowing, special assessments, and special charges.

A major difference between lake districts and sanitary districts is their method of governance. While a lake district is governed by a board of commissioners and electors at the annual meeting, a sanitary district is governed by its board of commissioners who may be appointed or elected. Non-resident property owners and electors are able to vote for lake district commissioners, budgets and other lake district business at annual meetings. By contrast, non-resident property owners do not enjoy these rights in a sanitary district.

Lake districts can only be formed on lakes that are publicly accessible. Sanitary districts do not carry this requirement.



Formation

Wis. Stat. § 60.71(2)(a) As with lake districts, the formation of a sanitary district is usually initiated by a landowner petition.



A petition to form a sanitary district must set forth:

- The proposed name of the district
- A statement of the necessity for the proposed work
- A statement that the public health, safety, convenience or welfare will be promoted by the establishment of the town sanitary district and that the property to be included will be benefited by the proposed district
- A legal description of the boundaries of the proposed town sanitary district
- A plat or sketch showing the approximate area and boundaries of the proposed town sanitary district
- A general description of the proposed improvements

Like a lake district petition, a petition to form a sanitary district must be signed by at least 51% of the landowners or the owners of at least 51% of the land within the proposed district. The sanitary district law does not define owners as precisely as the lake district law does (*see Who Signs the Petition?*, page 45). Using the definitions provided for lake districts is probably a safe course to follow in determining the eligibility of signatories.

The petition must also be verified by one or more of the petitioners, or a signer may have his or her signature notarized. The verification should state that the petition was signed personally by the persons whose signatures appear. The statute presumes that the petition was signed by the person whose signature appears. Sanitary district petitions may not be declared void because of defects in the petition. The town board may permit sanitary district petitions to be amended.

Wis. Stat. § 60.71(2)(b)

Sanitary districts may also be created by order of the Wisconsin Department of Natural Resources (WDNR).

Wis. Stat. § 60.71(2)(b)

Wis. Stat. § 60.72

Boundaries

The considerations for lake district boundaries also apply to sanitary districts (*see General Principles on Boundaries, page 37*). However, a sanitary district may not include any lands located within a village or city.

Wis. Stat. § 60.71(5)

Consideration of the Petition

The petition must be submitted to the town board. If the proposed sanitary district is in more than one town, the petition must be submitted to the town containing the largest portion of equalized full value of taxable property within the proposed district.

Wis. Stat. § 60.71(1)

Expense

Unlike a lake district, sanitary district petitioners need to pay the town board's expenses if the district is not established. Petitioners must file a personal or surety bond with the town clerk at least 15 days before the town board holds a hearing on the proposed district. If, after the hearing, the town board rejects the petition to form a sanitary district, the town may recover all reasonable costs and disbursements from the petitioners.

Wis. Stat. § 60.71(3)

Wis. Stat. § 60.71(6)(f)

If the town board finds in favor of establishing a sanitary district, the town board and petitioners may submit certified bills covering reasonable costs and disbursements to the sanitary district's commissioners. These expenses are then paid out of sanitary district funds.

Wis. Stat. § 60.71(6)(c)

Hearing

The town board is required to conduct a hearing within 30 days after receipt of the petition. Unlike lake district petition requirements, however, the town board is not required to mail the notice to each property owner within the proposed district. However, the notice must be published as a Class 2 notice¹ and mailed to the Wisconsin Departments of Commerce and Natural Resources at least 10 days before the hearing.

Wis. Stat. § 60.71(4)

Any person may file written comments on the proposed district and any property owner within the proposed district may appear at the hearing to address whether the district is necessary and whether his or her property will benefit from its formation. Representatives of the Wisconsin Departments of Commerce and Natural Resources may also attend the hearing and advise the town board.

Decision

Within 30 days following the hearing, the town board is required to issue written findings and a decision on the proposed district. As a part of its findings, the town must determine if:

1. the proposed work is necessary
2. the public health, safety, convenience or welfare will be promoted by the establishment of the district
3. the property to be included in the district will be benefited by the district

If the town makes the required findings, it is required to issue an order establishing the boundaries of the district, declaring it organized and giving the district a name. Within 60 days, the town board needs to determine how the commissioners will be selected (*see Commissioners, pages 93-94*).

Wis. Stat. § 60.71(6)(c)
Wis. Stat. § 60.74(1)

Similar to the establishment of lake districts, the town board is authorized to exclude portions of the proposed sanitary district territory that it determines would not be benefited by the establishment of the district. The town may add additional territory, but only following notice and a continued hearing. The order establishing the district must be filed with the register of deeds in each county in which the district is located and with the WDNR.²

Wis. Stat. § 60.71(6)(d)
Wis. Stat. § 60.71(6)(e)

Wis. Stat. § 60.71(7)

Appeal

Any person aggrieved by the town board's action establishing a sanitary district may appeal the decision to circuit court within 90 days after the final determination.

Wis. Stat. § 60.73



Sanitary District Powers

Once a sanitary district is created, its commissioners are authorized to exercise general and specific powers. These powers are generally directed at the provision of sewer, water and solid waste collection services, including administrative, regulatory and taxing powers.

Wis. Stat. § 60.77

Wis. Stat. § 60.78(2)

Certain sanitary districts (those which include at least 60% of a lake's shoreline and where no lake district is already in existence) have broader authority to

undertake lake management work. The commissioners of these “lake sanitary districts” may assume some or all of the powers of a lake district board of commissioners by resolution. These include all of the powers to:

- Create, operate and maintain a water safety patrol
- Undertake projects to enhance the recreation uses of the public inland lake, including recreational boating facilities
- Appropriate money for the conservation of natural resources or for payments to a bona fide nonprofit organization for the conservation of resources within the district or beneficial to the district
- Lease or acquire property for conservation purposes

In addition, like a lake district, a sanitary district may enact and enforce boating ordinances if that authority is delegated to the district.

Sanitary districts also have the power to engage in stormwater management and provide for chemical or mechanical treatment of waters for algae and nuisance aquatic plants growths.

Governing a Sanitary District

Unlike a lake district (where governance is shared by the board of commissioners and the annual meeting), the board of commissioners exercises substantially all of the powers of a sanitary district. There is no annual meeting. While the board of commissioners is required to conduct a public hearing on its proposed annual budget, the budget is adopted by a majority vote of the commissioners. One exception to the commissioners’ authority is the requirement that compensation of commissioners (if any) must be authorized by the town board.

Commissioners

If a sanitary district is located within a single town, the town board may establish itself as the board of commissioners, appoint commissioners or provide for their election.

When a district includes territory in two or more towns (a “joint sanitary district”), the town with the largest equalized full value of taxable property in the district determines whether to provide for appointed or elected commissioners.



Except where the town board serves as the commission, a sanitary district is governed by three commissioners who serve for staggered six-year terms.

Wis. Stat.
§ 30.79(1)(b)2

Wis. Stat. § 30.92(1)(c)

Wis. Stat.
§ 60.782(2)(c)

Wis. Stat.
§ 60.782(2)(d)

Wis. Stat. §
30.77(3)(am)(1m)

Wis. Stat. § 60.77(4)

The board of commissioners exercises substantially all of the powers of a sanitary district. There is no annual meeting.

Wis. Stat. § 60.77(3)

Wis. Stat. § 60.74(2)

Wis. Stat. § 60.75

Town Board Commissioners

A two-thirds vote of the town board is required to constitute itself as the sanitary district commissioners. Where the town board constitutes the board of commissioners, the number of commissioners is equal to the number of town board supervisors and the terms of the commissioners are concurrent with those of the town board supervisors. Vacancies may be filled when a successor town board supervisor is appointed or elected.

Wis. Stat. § 60.75
Wis. Stat. § 60.75(4)

Appointed Commissioners

If the town board chooses to appoint commissioners, it may only appoint residents of the sanitary district. However, if the district is composed “primarily of summer resort property” the board may appoint one or two nonresidents who own property in the district as commissioners.

Wis. Stat. § 60.75(3)

Appointed commissioners serve staggered six-year terms. Mid-term vacancies may be filled by the town board.

Wis. Stat. § 60.75(2)
Wis. Stat. § 60.75(4)

Elected Commissioners

The town board may also provide for the election of commissioners. The first such election may be held as a “special election.” Thereafter, commissioners are elected during the regular spring elections. If the first election of commissioners is held at the regular spring election, the town boards appoints interim commissioners.

Wis. Stat. § 60.74(3)

Elected sanitary district commissioners serve staggered six-year terms. Mid-term vacancies may be filled by appointment by the town board.

Wis. Stat. § 60.75(2)
Wis. Stat. § 60.75(4)

Key Point

Unlike a lake district where nonresident property owners are entitled to vote at the annual meetings, only resident electors are entitled to vote in elections of sanitary district commissioners.

Change from Appointed to Elected Commissioners

When sanitary district commissioners have been appointed, the town board is required to provide for the election of commissioners if a qualifying petition is filed requesting elections. The petition must contain signatures of qualified electors equal to at least 20% of the votes cast for governor in the district during the last gubernatorial election. Similarly, if a petition signed by the same number of electors requests a change to appointment of commissioners, the town board is required to submit that question to a referendum. If the manner of selecting commissioners is changed by the filing of a petition, there is a five year prohibition on the filing of a petition to change the method of selection again. Because election records are not maintained at the sanitary district level, the number of electors can be estimated based on the area of the district in relation to the voting jurisdiction(s) in which it is located.

Wis. Stat. § 60.74(4)
Wis. Stat. § 60.74(5)
Wis. Stat. § 60.77(6)

Officers

Once the sanitary district has been established and its initial commissioners designated, the commissioners are required to elect a president and appoint a secretary and treasurer from its members. Where the town board constitutes itself as the commission, the town chair, clerk and treasurer assume the additional duties of sanitary district president, secretary and treasurer.

Wis. Stat. § 60.76(1)

Oath of Office

Before assuming office, sanitary district commissioners **are required** to take and sign an oath of office and file the oath with the town clerk. The oath shall be in writing, in substantially the following form:

Wis. Stat. § 60.75(5)
Wis. Stat. § 19.01(1)

*State of Wisconsin,
County of...*

I, the undersigned, who have been elected (or appointed) to the office of ..., but have not yet entered upon the duties thereof, swear (or affirm) that I will support the constitution of the United States and the constitution of the state of Wisconsin, and will faithfully discharge the duties of said office to the best of my ability. So help me God.

*Subscribed and sworn to before me this ... day of ..., ... (year)
...(Signature)...*

An oath may be administered orally, as well as in writing.

Wis. Stat. § 19.01(1m)

The oath of office is good for the length of the commissioner's term.

Compensation

Sanitary district commissioners are entitled to reimbursement for their actual expenses. The town board may authorize additional compensation for the commissioners.

Wis. Stat. § 60.77(3)

Meetings and Records

As with lake districts, Wisconsin Open Meetings Law applies to meetings of the sanitary district's board of commissioners and their records are subject to Wisconsin Public Records Law (*see Meetings of the Board of Commissioners, page 68*).

Wis. Stat.
§ 19.83-19.85
Wis. Stat.
§ 19.31-19.35Financing

Similar to lake districts, sanitary districts have the power to levy general property taxes on all taxable property within the district. However, unlike a lake district, which only grants this power to voters at the annual meeting, sanitary district commissioners have the authority to levy taxes. Sanitary district taxes are capped at a rate of 1 mill (\$1.00 per \$1,000 of equalized valuation of all taxable property in the district), except for taxes levied for required maintenance and operation or for the payment of principal and interest on debt.

Wis. Stat. § 60.77(6)(b)

Other Considerations

Bids and Purchases

Wis. Stat. § 60.77(6)(a) Contracts or purchases of \$ 15,000 or more are required to be awarded to the lowest responsible bidder in a manner prescribed by the commission.

Taxes

Governmental units, including sanitary districts and lake districts, enjoy the advantages of being exempt from federal and state income tax automatically.

Like lake districts, sanitary districts can apply for state sales tax-exempt status (*see Taxes page 81*).

Changes in Sanitary District Boundaries

Wis. Stat. § 60.785 Territory may be added to or removed from a sanitary district either through a petition process or by a request of the sanitary district commissioners to the town board. Incorporation or annexation of part of a sanitary district removes or detaches that property from the sanitary district. Incorporation or annexation of an entire sanitary district dissolves the sanitary district.

Wis. Stat. § 60.79

Merger into a Lake District

Wis. Stat. § 33.235(3) A sanitary district may merge into an existing lake district if their boundaries are identical or contiguous (*see Merger of Two Lake Districts, page 83*).

Conversion into a Lake District

Wis. Stat. § 33.235 A sanitary district encompassing all the frontage of a lake may be converted into a “restructured district” to allow district members to have direct input into the district by voting at annual meetings.

Restructured districts function as lake districts, with annual meetings and a combination of elected and appointed commissioners (*see Districts Created by Conversion of a Sanitary District, page 56*).

Dissolution

Wis. Stat. § 60.79(3) An existing sanitary district may be dissolved using the procedure for creating a sanitary district.



Endnotes

¹ Class 2 notice - A legal notice published in a newspaper that is required to be inserted two times.

Wis. Stat. § 985.07(2)

² The order should be filed with the Wisconsin Department of Natural Resources, Bureau of Watershed Management, 101 S. Webster Street, Box 7921, Madison, WI 53707-7921

Chapter 7

Insurance

Liability Risks & Protection for Wisconsin Lake Organizations

Life around our lakes is changing. Over the past few decades there has been a dramatic increase in the number of people building around and moving to lakes full time. Between 1991 and 2006 the number of lake organizations increased by nearly 40%. Lake organizations are facing more difficult and complex issues and management decisions. In this complex world some lake organizations find that having an insurance policy to cover unexpected loss or damages proves to be sensible. If we feel we have been wronged we are quick to seek a legal remedy. The result of this situation has been an impressive increase in the need for, and cost of, insurance.

The high cost and difficulty of getting insurance has been a growing issue across the nation. This chapter has been added to this guide because insurance issues have also become a major budget item and concern for many lake organizations. This chapter explores some of the basic principals of insurance, helps you understand what to be concerned about, and may help you decide if your organization needs insurance.



Liability Exposure

While there have been few reported lawsuits brought against lake organizations, liability claims and litigation can occur. Whether it is a voluntary unincorporated association, a nonprofit corporation, or a formal government entity, such as a lake district, the kinds of liability exposure faced by lake organizations is essentially the same. However, the legal form of the organization may have a significant impact on the available immunities and defenses to litigation. Liability exposure for a lake organization usually revolves around claims that are brought by non-members of the organization. Worker's compensation laws can also create a liability for the organization if an on-the-job injury occurs to its employees. Wisconsin law provides several protections against liability (*see Protection Against Liability, page 107*).

There have been few reported lawsuits brought against lake organizations.

Worker's Compensation

Wis. Stat. § 102
Wis. Stat. § 102.03

Wis. Stat. § 102.04

Wisconsin worker's compensation laws state that an employer is responsible for an employee's medical bills and a percentage of an employee's lost wages due to an on-the-job injury. In order for the worker's compensation law to apply, there must be an employer-employee relationship. If wages are not paid, liability can be avoided for all forms of lake organizations except public inland lake protection and rehabilitation districts (lake districts) organized under Chapter 33 of the Wisconsin Statutes. In order for worker's compensation laws to apply to a lake organization, it must usually employ three or more people, or in any one calendar quarter, pay wages of \$500 or more. Therefore, voluntary lake associations and associations that have incorporated can eliminate the possibility of facing worker's compensation claims by relying on the services of volunteers or private contractors, rather than employees. If a volunteer is injured, the volunteer will have to rely on his or her own medical insurance and disability insurance. A private contractor should provide worker's compensation insurance for its employees.



Key Point

A lake district cannot avoid worker's compensation liability exposure to its elected commissioners. If the governing body of the municipality that establishes the lake district performs the function of the board of commissioners, that municipality, in all likelihood, provides the necessary worker's compensation insurance for the commissioners. In cases where the lake district has chosen self-governance and elects three of its own commissioners to the board, the commissioners are entitled to worker's compensation benefits for injuries sustained on the job. While the likelihood of a board member making a claim is small, a simple slip and fall at the board meeting could result in substantial medical expenses for which the district would be liable.

Liability for Accidents

Accidental injuries can create significant exposure to litigation for lake organizations. A claim can be brought for injuries accidentally sustained while involved in any of a wide variety of lake management activities. Lake organizations may be using aeration, placing buoys, owning dams, using cars and boats, or sponsoring water sport activities. These sorts of activities have the potential for accidents and liability if the lake organization is involved in them.

There have been numerous claims in Wisconsin where swimmers have been run over by speedboats. Such injuries can be extremely severe, if not fatal. Another common form of injury is paraplegia or quadriplegia as a result of people diving into shallow water. It is unusual for such claims to be brought against a lake organization (only one in Wisconsin to our knowledge).

Severe personal injuries can create liability exposure for lake organizations. While many of these cases may be able to be successfully defended, the costs of litigation can be substantial. This encourages what is known as a “nuisance-value settlement,” where the defendant will pay the injured party to promptly resolve the claim as an economic matter.

Consider the following case:

In the mid-1980s, a young man attended a lumberjack festival. After a full day of partying and drinking beer, he decided to dive into the pond used for log rolling contests in order to wash the spilled beer off of him. He got on a platform 56 inches high and dove head first into 22 inches of water. He was permanently paralyzed from the neck down. At the hospital, his blood alcohol level was found to be 0.19. His attorney sued the Chamber of Commerce, which sponsored the Lumberjack Festival and the landowner who had donated his premises to the Chamber of Commerce for use during the festival. The litigation dragged on for five years. Towards the end of the process, the Chamber of Commerce was dismissed from the litigation. Fortunately, the Chamber found a lawyer to represent it at no charge. The landowner, who had allowed the festival to use his property for free, was also dismissed from the litigation by the trial court. Then the appeals started. The landowner’s insurer paid \$25,000 as a nuisance-value settlement in an effort to terminate further litigation in the Court of Appeals and the Wisconsin Supreme Court.

While the defendants were absolved of liability, significant litigation costs had been incurred. These kind of claims will be made even if there is highly questionable liability. Plaintiffs and their attorneys are sometimes willing to take the risk with the hope that a sympathetic judge or jury will allow a substantial recovery for a severely injured person. An accident resulting in paraplegia or quadriplegia can be worth several million dollars.

The cost of successfully defending a lawsuit is almost never recoverable. While a successful defendant is entitled to an award of statutorily defined court costs, these costs often represent only a small fraction of the total defense costs incurred. Generally, attorney’s fees represent the largest portion of defense costs and are not recoverable. While the courts have the authority to award attorney’s fees when a frivolous lawsuit is brought, courts rarely do so.

Contractual Liability

A lake organization should also consider the possibility of litigation when entering into contracts with third parties. A typical contract might be for aquatic plant harvesting, a dredging project, or catering a picnic. A properly drafted contract will define responsibility and liability exposure. Vague and poorly drafted contracts create room for debate and litigation.

Consider the following case:

A municipality engaged in a river dredging project. It hired an engineering firm to study the situation and draw up the necessary plans and documents so that contractors could bid on doing the actual work. The engineering firm had the municipality sign a contract which thoroughly defined, and severely limited, the municipality's remedies in case of a dispute over the quality of the engineering firm's work. When it came to signing the contract with the company that was actually going to do the dredging work, the municipality did not retain a lawyer and used a form contract where certain blanks had to be filled in. Unfortunately, the blanks were not filled in correctly.

After the dredging contractor finished its work, it made a claim for full payment. The engineering firm which surveyed the river bottom, claimed that only three-fourths of the dredging had been finished. The municipality refused to pay any more than 75 percent of the contract price, based upon the engineering firm's calculations. The contractor sued the municipality which was powerless to involve the engineering firm in the litigation due to the firm's very tightly drafted contract. The municipality was stuck with defending the engineering firm's work before a jury. The jury concluded the firm's calculations were wrong and that the contractor was entitled to full payment.

Better drafting of the municipality's contract with the dredger would have either prevented the lawsuit from being brought, or would have required the engineer to step in and defend its work, at its own expense. The municipality would have avoided an adverse jury verdict and legal defense costs by spending a far smaller amount of money on an attorney to review the contract documents before anything was signed.

Civil Rights Liability

Lake districts, because they are a government body, also face limited exposure in another area. This area is civil rights litigation based upon allegations of violating a person's constitutional rights. While the likelihood of such a lawsuit being brought is very small, the cost can be substantial. Civil rights litigation differs from most other kinds of litigation because it allows the prevailing party to recover reasonable and actual attorney's fees. State law limits judgments against lake districts to \$50,000, but this state limit does not apply when federal constitutional rights are involved.

Chapter 42
U.S. Code
Sec. 1981, 1982, 1983

Wis. Stat. § 893.80(3)

Employers, whether lake districts, nonprofit corporations, or voluntary lake associations, have certain responsibilities to protect the constitutional rights of their employees. While responsibilities of an employer are limited compared to that of a lake district, care should be taken not to discriminate against an employee because of race, color, religion, age, gender, disability, or national origin.

The exposure to paying the plaintiff's attorney's fees may be greater than the exposure to the claim itself. The law has been drafted in this fashion to encourage people to assert their constitutional rights and have those rights protected. A civil rights claim can be made against the employees or board members of a lake district, and the district will be ultimately responsible. Such a claim is based upon an alleged violation of a person's constitutional rights. For example, people are entitled to the preservation of life, liberty and property, without undue infringement by the government. The courts have construed such rights to protect people from government employees who recklessly disregard their responsibilities to private citizens.

Wis. Stat. § 895.46

There are numerous ways that civil rights litigation can occur: when employees are allegedly improperly terminated, when landowners have had the use of their property unreasonably restricted by the passage of zoning laws, and where discrimination has occurred. Lake districts have limited regulatory authority and it is usually the governing municipality which has to enact any laws or ordinances applicable to the district. Even so, it is important that a lake district always be aware that it is a governmental entity which has been formed with its purpose and intent being one of acting in the best interests of its members and the public.

Who Can Be Sued?

Individuals

People often have the misconception that because they work for someone else, they are not personally responsible for any injuries they accidentally cause. It is important to note that if an accident happens, an individual is always responsible for his or her own acts. This is true whether the person acts alone, on behalf of a corporation, voluntary lake association, lake district, or otherwise. The organization on whose behalf the person acts is probably going to share in the responsibility, but this does not eliminate direct liability exposure for the person who negligently causes an accident.

It is important to note that if an accident happens, an individual is always responsible for his or her own acts.

Let's say that a person driving to the store to pick up food for the lake organization's summer party is responsible for injuries that occur in a car accident. The lake organization will probably share exposure because the automobile driver was acting on behalf of the organization at the time of the accident.

The formation of a corporation or lake district insulates those members who are not personally involved.

Nonprofit Corporations

The formation of a corporation or lake district insulates those members who are not personally involved in the activity from any personal responsibility. For example, the officer of a nonprofit corporation who solicits a volunteer to do the grocery shopping for the annual picnic will have no personal responsibility for the car accident which occurred when the volunteer is driving to the store. However, the nonprofit corporation will be responsible, and its assets and insurance policy will be exposed.


Lake organizations can be sued for the injuries caused by their members when the members are acting on behalf of the lake organization.

Consider the following case:


In the early 1980s, a snowmobile club formally incorporated pursuant to the laws of the state of Wisconsin. The club engaged in the development and grooming of snowmobile trails in order to promote tourism. The club was a large organization and had significant assets such as a bank account and trail grooming equipment. A new trail was being cut through the woods and was not yet officially open to public. The trail was still in rough condition and traffic control signs had not been posted. A group of snowmobilers ventured onto the unopened trail. A person operating a snowmobile crossed a driveway on a blind corner at the same time that the homeowner was driving home. In the resulting accident, the snowmobile operator was paralyzed for life on the right side of her body and a major lawsuit ensued. The lawsuit blamed the person who was responsible for placing traffic control signs as well as the snowmobile club. Early in the litigation, the club concluded that it would be out of business if the lawsuit was lost. The person who was responsible for placing the signs was retired and living on a very modest income. It was apparent that he was uncollectible and the club's assets would have to be used to pay any adverse judgment. Fortunately for the club, the United States Court of Appeals ruled that neither it nor its employees had any responsibility for the accident. A contrary result would have had devastating financial responsibility for the snowmobile club and its employee who had been developing the trail.

Voluntary Lake Associations

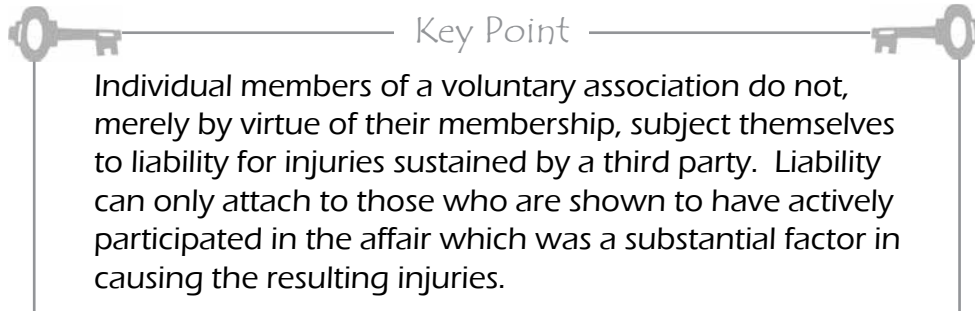
— Good Idea —



To our knowledge, few lawsuits have been brought against unincorporated associations, although cases resolved at the trial court level are very difficult to research. There are no statistics to validate these findings because insurance companies do not keep data specifically relating to claims against unincorporated associations. Typically, only cases appealed to a higher court are thoroughly reported and cataloged so that they can be used as precedent. Due to the lack of reported cases, this research included not only voluntary lake organizations, but also other voluntary associations and volunteers in general. While there are few reported cases, it is important to recognize that a voluntary lake association can be sued.



In initiating a lawsuit against a voluntary association, the old legal standard required each individual member to be named as a party. The more modern view is that a voluntary association can be sued in its own name to eliminate the inconvenience of naming each member of the association. While no one wants to be named in a lawsuit, the major concern is who has financial responsibility for an adverse verdict.



If a voluntary association is found to be liable, its assets may be used to pay the judgment. However, this does not make each member liable for the acts of the association. Individual members of an unincorporated association will be personally liable for negligent conduct which they individually commit or participate in. They may also be liable for negligent conduct of others when they authorize or direct such events. Consider the following case from Ohio:

Members of an American Legion Post organized a social affair of the Legion. The social activity occurred in a building where the heating system leaked carbon monoxide and caused the death of a person. The court ruled that the American Legion was not liable and that its members were not liable unless they actively participated in the organization of the affair and knew or should have known of the defective condition of the furnace.

Lake Districts

Lake districts can be sued, as can any other governmental entity. The officers, board members and employees of the district can also be directly sued. Such officers, board members and employees cannot be sued for the liability of the lake district, but only for their own individual actions. Officers, board members or employees who are sued for their own actions, while acting within the scope of their authority as an officer, board member or employee, have protection from personal liability. The lake district is required to pay any judgment or award against them, plus the costs of defending the litigation.

Wis. Stat. § 895.46
Wis. Stat. § 62.25

Director's and Officer's Liability

Officers, directors and board members can be sued by members of their own organization. Officers, directors and board members have a responsibility to act in the best interest of the members of the organization. Members can sue those in charge of an organization upon allegations of mismanagement. Mismanagement can occur where interests of a minority number of the members is not being given due consideration.

Wisconsin statutes provides limited immunity to volunteers who provide services to the nonprofit corporation, without compensation.

Wis. Stat. § 181.0855

Wis. Stat. § 181.0670

Officers and board members of lake districts can also be sued, and fined, for not following Wisconsin law regarding the operation of a government body. Board members and officers need to understand their responsibility and follow the statutes when doing all types of district business like keeping records, publishing notice of public meetings, and holding closed meetings.

In the not-too-distant past, people were reluctant to serve as officers or directors of nonprofit corporations because of the potential that a member of the corporation would bring a suit alleging improper management of the corporation. This director's and officer's liability exposure was addressed by the Wisconsin Legislature. In 1987, laws were enacted which afford substantial protection to directors and officers of nonprofit corporations against claims that they have not exercised good judgment in managing the affairs of the corporation. Unless the officer or director intentionally fails to fairly deal with the corporation, violates a criminal law, or improperly personally profits from a transaction with the corporation, no lawsuit can be brought. Similarly, Wisconsin statutes provide limited immunity to volunteers who provide services to the nonprofit corporation, without compensation. Such a volunteer cannot be sued, with a few exceptions which include:

- the commission of a criminal act
- willful misconduct
- an act or omission for which compensation was given
- negligence in the practice of a profession, trade or occupation that requires a credential or other license.

Enforcement of Judgments

Wis. Stat. § 66.0117

Any final judgment entered against a lake district is added to the next tax levy. While nonprofit corporations and voluntary lake associations cannot be forced to raise money to pay an adverse judgment, they can be required to use their assets to satisfy the judgment. Individuals who have a judgment entered against them will be responsible for using personal assets or insurance coverage to satisfy the judgment. Any lake organization can use its own financial resources to satisfy a judgment against one of its members, if it so chooses. On the other hand, if the lake organization is found to be legally responsible for the improper and unapproved acts of one of its members, it has a right to seek recovery for any expenses incurred from the member who caused the damages.



Protection Against Liability

In spite of all the apparent pitfalls and exposures to litigation, Wisconsin law provides several protections against liability. Some of these protections cannot be enforced until a complete jury trial is held, while others can be enforced by the judge in the preliminary stages of the litigation. Some defenses exist for lake organizations and their members regardless of the legal form of the organization. However, a lake district which is formally organized pursuant to the Chapter 33 of the Wisconsin Statutes enjoys the most protection.

Lake Districts



Key Point



A lake district's liability exposure, as well as that of its officers, officials, agents and employees, is generally limited to \$50,000.

Wis. Stat. § 893.80(3)

One notable exception to this \$50,000 liability limit is a claim for violation of a person's constitutional rights. In such a situation, there is no limitation on the dollar exposure. Another exception is in the case of an automobile accident, when the liability cap is raised to \$250,000.

Wis. Stat. § 345.05

Another important immunity for a lake district is that the discretionary acts of its officers or officials cannot be questioned in the courts. This is known as quasi-judicial or quasi-legislative immunity. Essentially, Wisconsin wants to allow public officials to exercise their best judgment in carrying out the operations of the district, without fear of having those judgments questioned in a courtroom. For example, if the lake district chose to spend its money on buoys to protect a swimming area, no one should be able to challenge that decision in court or contend that additional buoys had to be purchased to protect a second swimming area.

On the other hand, a lake district is not immune from suit when it is carrying out those duties. Once a lake district makes a decision, the implementation of that decision must be carried out in a manner which is reasonably prudent. For example, once the decision is made to place the buoys in the spring and remove them in the fall, the person doing the work must act with reasonable prudence. If a boat operator removing one of the buoys is involved in a boating accident, liability can attach for negligent operation of the motor boat. Such a lawsuit has occurred in Wisconsin, and the lake district was named as a defendant in the litigation.

Immunity for Recreational Activities

Wis. Stat. § 895.52

An important immunity was created by the Wisconsin Legislature approximately twenty years ago. Wisconsin passed a law that creates immunity from liability when a “recreational activity” is involved. A “recreational activity” is statutorily defined as any outdoor activity undertaken for the purpose of exercise, relaxation or pleasure. It includes such activities as fishing, picnicking and water sports. An “owner” of property is not liable for any injury to a person engaged in a “recreational activity” on the owner’s property. An owner is defined not only as the person who owns the land, but also includes governmental bodies (i.e. lake districts), nonprofit organizations, and most voluntary lake associations which lease or occupy the property in question. It also can be a substantial encouragement for private property owners to allow lake organizations to use their property for recreational activities without fear of being responsible for accidents.

Wis. Stat.
§ 895.52(6)(a)

While the recreational immunity law can be successfully used by lake organizations, it must be carefully applied. For example, lake districts do not have the immunity protection of the recreational activity law if an admission fee is charged for spectators. Another example of where caution should be exercised is with private property owners who collect more than \$2,000 per year for the use of their property in recreational activities. A payment received by a private property owner from a governmental body or from a nonprofit organization for a “recreational agreement,” does not count against the \$2,000 per year limitation. A recreational agreement is a written authorization granted by an owner to a governmental body or nonprofit organization permitting public access to the owner’s property for a recreational activity. It is recommended that lake organizations consult with an attorney prior to engaging in recreational activities, so that the benefits of this statute can be clearly implemented.

Wis. Stat.
§ 895.52(1)(h)

Diving Accidents

The Wisconsin Supreme Court has adopted a legal principle known as the “open and obvious danger rule.” This rule was tested at various levels of the Wisconsin court system over the years and some inconsistencies had developed. The Wisconsin Supreme Court made a final decision which provides substantial protection to those owning or using lake property. While the full extent to which the courts will apply this rule and prohibit litigation is unknown, it is clear that diving accidents are the responsibility of the person doing the diving. Wisconsin has concluded that an adult who dives into water is encountering an open and obvious danger for which no one else can be blamed. In the past, municipalities, businesses and individuals had been sued on the theory that they should have posted signs warning about the shallow water or prohibiting diving. This is no longer required and lake organizations can feel more comfortable in organizing water sport activities.

Liquor Liability

Liquor liability is often a concern for a lake organization. In 1985, the Wisconsin Legislature enacted Chapter 125 of the Wisconsin Statutes which states that a person is immune from liability for selling, dispensing or giving away alcoholic beverages to another person. The major exception to this immunity from civil liability is if the provider knew or should have known that the recipient of the alcohol was under the age of 21. In such a situation, if the alcohol provided to the underage person is a substantial factor in causing an injury to a third party, the person providing the alcohol will be responsible for the injuries.

Wisconsin protects a server of alcohol from liability for alcohol related injuries so long as the recipient of the alcohol is an adult.

It should be noted that there are statutory penalties for the improper serving of alcoholic beverages. For example, anyone who dispenses alcoholic beverages to an intoxicated person can be fined not less than \$100 nor more than \$500, or imprisoned for no more than 60 days, or both. Any adult who knowingly permits or fails to prevent the illegal consumption of alcoholic beverages by a person under 21 years of age, where the adult owns or controls the premises, is subject to a fine of up to \$500 if the person has not committed a previous violation within the last 30 months. Also, anyone who violates any other provision for which penalty is not listed can be fined not more than \$1,000, or imprisoned not more than 90 days, or both. Essentially, Wisconsin protects a server of alcohol from liability for alcohol related injuries so long as the recipient of the alcohol is an adult.

Wis. Stat.
§ 125.07(1)(b)(2a)

Independent Contractors

Lake organizations can substantially protect themselves when they hire an independent contractor to perform some function or project. Typically, a person or organization is not responsible for the actions of an independent contractor. However, if the lake organization retains too much control over the details of how the contractor is to perform the job, then this right to control the details of the operation can result in liability exposure. If the relationship between the lake organization and the contractor is similar to the typical relationship between an employer and an employee, the lake organization will be responsible for injuries caused by the contractor. On the other hand, if the contractor is hired to perform a specific function in return for compensation, the lake organization will not be responsible for how the contractor carries out its work.

When hiring contractors, language should be incorporated in the contract which gives the lake organization protection not only from litigating contractual disputes, but also from injuries caused by the contractor. The contract should include indemnity and hold harmless language which requires the contractor to defend and pay for any personal injury litigation, regardless of who the injured party sues.



Good Idea

An even better way to obtain protection for the lake organization is to require the contractor to have liability insurance and to name the lake organization as an “additional insured.” Thus, the insurance carrier has a duty to defend and indemnify not only the contractor, but also the lake organization. In such a situation, any dispute as to responsibility between the lake organization and the contractor is of no concern, because the insurance carrier has to protect both.



It is extremely important to get the actual certificate of insurance from the contractor before the work commences.

The solvency of an insurer is rarely an issue, whereas contractors are often thinly financed and often judgment proof. It is extremely important to get the actual certificate of insurance from the contractor before the work commences. Many lawsuits have resulted when the contractor falsely promised to get the insurance, or said it existed when it did not.



Good Idea

When hiring an independent contractor, it is essential to verify the contractor’s worker’s compensation insurance. If the contractor does not have the insurance and cannot pay worker’s compensation benefits to one of its injured employees, the lake organization which hired the contractor will be held responsible.



Be sure to obtain a certificate of insurance from the contractor showing that worker’s compensation insurance exists; also, obtain the contractor’s employer identification number which is used on the contractor’s tax reporting forms to the Internal Revenue Service.

When a lake organization enters into a contract, it is important that the people acting on behalf of the organization make it very clear that they are not acting individually, but rather on behalf of the organization. Individuals in Wisconsin have been successfully sued by contractors on the theory that the contractors thought they were dealing with a person as an individual, rather than dealing with the person as a representative of an organization. This kind of lawsuit arises where the organization cannot pay the charges and the contractor is looking for anyone it can find to pay its bill.



Picking the Proper Insurance Coverage

Whether or not you need to purchase comprehensive general liability insurance coverage is a question that should be answered by each lake organization, based upon its particular circumstances. Lake organizations often work with limited budgets, and with the relatively high cost of insurance, the premiums are often a significant portion of a lake organization's budget. The decision to buy insurance or go without is often a difficult one. Voluntary lake organizations and nonprofit corporations should look to their assets and consider whether protection of those assets is justifiable in view of the cost of the insurance. On the other hand, a lake district, as a formal government body, is required to have any adverse judgment placed on the next tax roll. While that judgment is probably limited to a maximum of \$50,000, a lot of political peace and security can be purchased through an insurance policy for a small fraction of the amount of exposure.

When considering the purchase of insurance, a lake organization should examine the kinds of activities in which it gets involved. While the extent of the lake organization's activities has a direct bearing on the number and kind of accidental injuries that could occur, it is often the cost of defending the litigation which is most significant. Even a frivolous lawsuit could result in the expenditure of several thousand dollars in attorney's fees. A significant portion of an insurance carrier's expenses are in defending the litigation, rather than in paying an adverse judgment or settlement. You should assume that if your organization gets sued, litigation costs could be very expensive.

Officers of a lake organization should thoroughly discuss insurance issues with their members and an insurance agent before any decisions are made. Most members would be hard-pressed to question a decision if an assessment for insurance premiums is made, or if later an uninsured lawsuit arises when they participated in the initial decision-making. Fully-informed members of lake organizations which have an opportunity to contribute their thoughts and discuss the issues are best positioned to make the wise decisions needed to guide their organization's legal and economic future.

Voluntary lake organizations and nonprofit corporations should look to their assets and consider whether protection of those assets is justifiable in view of the cost of the insurance.



T^{ypes} of Coverage

The need for some types of insurance coverage may be fairly obvious. The purpose and use of other coverage forms may not be so clear. In very general terms, the more activities and properties that an organization has, the greater its exposure to loss. The following considerations and information on various types of insurance coverage and selecting a carrier may be helpful.

Property, Auto, Bonds, etc.

If the organization owns buildings or other real property, it will probably want to have property insurance coverage (fire, windstorm, etc.) on that property. If it owns moveable equipment such as an aquatic plant harvester or boat, it can cover its investment in those items by purchasing inland marine coverage. Both property and inland marine coverage are designed to pay for damage to the property itself, not for damage or injury that might be done to others.

While lake organizations can purchase insurance coverage for their protection, the individual members of the organization should look to their homeowner's and automobile insurance policies for personal protection. Lake organizations should consider requiring any volunteer who uses a car or a boat to have automobile insurance or homeowner's insurance. Volunteers should check their policies to make sure that coverage exists when they are doing volunteer work. Volunteering your services to a lake organization typically will not affect coverage under a homeowner or automobile insurance policy. However, coverage can be excluded for an accident which results in a situation when the person is either an employer or an employee. Automobile policies typically exclude coverage when the vehicle is hired or rented to others for a charge. Essentially, homeowner's and personal automobile insurers do not want to provide coverage for a person who is engaged in business pursuits. As long as there is no profit motive involved, an individual's homeowner's or automobile insurance policy can typically provide excellent protection when an individual is involved in the activities of a lake organization.

The organization should have auto insurance coverage (liability and physical damage coverage) if it owns any vehicles, and may want to have non-owned and hired vehicle coverage even if it does not own a car or truck. This coverage will help to provide protection for the organization if someone uses his or her own vehicle while conducting business on behalf of the district or association.

Some organizations do not have a building or much equipment, but they do have a desk and a file cabinet somewhere with records and papers. A form of property insurance can be obtained to help replace the office equipment, and

it may be wise to consider buying valuable papers coverage to help with the cost of reconstructing papers and records should they be destroyed.

Other types of coverage such as bonds, various types of dishonesty policies or computer coverage may be appropriate in certain circumstances. It is best to discuss these specific needs with a local broker and perhaps an attorney to determine if these or other specialized coverages are appropriate.

Lake organizations that own or operate dams can obtain information from the Wisconsin Department of Natural Resources on current status, hazard ratings, inspections, etc. This information is often requested by insurance companies.

Contracts

While insurance is probably the best protection against litigation arising from personal injuries, it will provide no protection for contractual disputes. Insurance companies do not insure against liability for intentional acts. If a lake organization intentionally enters into a contract and a dispute arises over the terms of the contract, or over whether or not the contract was performed, insurance will not help. Insurance typically applies to acts that are “neither intended nor expected” from the standpoint of the insured which result in bodily injury or property damage.

Wis. Stat. § 102.28(2)

Wis. Stat.

§ 102.07(1)(a)

Wis. Stat.

§ 102.04(1)(a)

Worker's Compensation

A lake organization needs worker's compensation insurance coverage (from an insurer authorized to do business in the State of Wisconsin) if it is subject to Wisconsin worker's compensation law. Lake districts must provide worker's compensation benefits because the statutes define a lake district as an employer and the district's elected officials as employees. No such insurance requirement exists for personal injuries caused to non-employees of a lake district. Nonprofit corporations and voluntary associations have the responsibility to provide worker's compensation benefits if they have employees.

Even if the organization does not have employees, it should consider the protection of a worker's compensation policy. If, for example, a lake association hires a contractor who does not properly follow the worker's compensation laws, the responsibility for injuries to the contractor's employees could lie with the association. Always obtain proof of worker's compensation insurance from any contractor prior to hiring them. The Wisconsin Department of Workforce Development (DWD) can answer questions regarding worker's compensation for individual organizations. See www.dwd.state.wi.us for more information.

General Liability, Errors and Omissions and Federal Civil Rights Coverage

General liability insurance is an important form of coverage. It is significant not only for payment of tort liability judgments against the organization, its officials and employees, and the costs of defense, but also for the expertise and resources of the insurer in managing and helping to defend lawsuits.

At a minimum, liability coverage should be written so that at all board members, officials and employees are insured under the policy. It may be desirable to add volunteers as insured in some circumstances. Many lake organizations select policies with limits of liability of \$1,000,000 or more, depending on assets exposed.

The liability insurance program can include what is commonly known as Public Officials Errors and Omissions (E & O) coverage for the board and employees. E & O coverage helps to protect and defend the individual board members and others against suits alleging negligence-caused financial or other nonphysical injury. Many E & O suits claim officials or employees have made mistakes in carrying out their official duties or that they are operating the organization in an improper way. E & O coverage can be written as a separate policy or provided as part of the General Liability policy.

Lake districts may be subject to a variety of allegations under United States Code, Title 42, Section 1983 (one of the “Federal Civil Rights statutes”), including charges of illegal discrimination. These suits can be complex and expensive to defend. State statutory immunities or limits of liability do not apply to Federal Civil Rights actions, making these even more difficult and costly. Effective Federal Civil Rights coverage may be a key area lake district officials consider in their insurance program.



Selecting an Insurance Company

What is the best way to select an insurance carrier? Although there are no absolute rules, there are some guidelines that may help the process. Most lake organizations prefer to deal with a local insurance broker with whom they are familiar and have confidence in. If that local broker is an independent agent they may contact several insurance companies to determine the best company for the organization. Look for a financially sound insurance carrier. Check for strength in the liability areas and special areas of coverage such as Errors & Omissions and Civil Rights.

Obtain a company that has experience working with lake districts and associations. Ask them how many Wisconsin lake organizations they insure. Request the names of other insured organizations and contact them concerning their experiences with the company. There are many different kinds of insurance policies and many different insurers in Wisconsin.

It is important to read your insurance policy, and check with your insurance agent to determine the extent of coverage available when engaging in lake organization activities.



The costs of insurance may range from hundreds of dollars for smaller entities to thousands of dollars for larger and more active ones. Although no policy covers every form of liability, some insurance policies are more broadly written than others. While broader policies may cost more in initial premium, they may cost less in the long run because of fewer uninsured claims. Good quality insurance coverage may have its costs, but the expense of not having proper coverage needs to be weighed against those costs.

Although many lake organizations carry insurance protection, some choose not to buy insurance or do not address the matter at all and are without coverage by default.

What could happen if a liability lawsuit is filed against an organization, its officers or employees without insurance protection? In the case of a lake association, a lack of insurance may result in insolvency if a large uninsured liability judgment is entered. This means, among other things, that the assets of the association could be lost.

A lake district, with taxing powers, presents a somewhat different situation. If a suit against a lake district results in an uninsured judgment that is greater than the district's available assets, it could be required to levy additional taxes to pay the judgment.



This chapter cannot address all of the questions that arise regarding insurance for lake organizations. Lake officials and leaders can obtain advice from local brokers and others involved in providing insurance for lake organizations in Wisconsin. It is the responsibility of lake officials and leaders, as well as a good management practice, to examine the insurance question carefully and to develop and follow a reasonable plan that will be of benefit to the lake organization, its officers and employees, its citizens and the lake. For a list of lake organizations that carry insurance, and some firms that sell insurance, go to the Lake List Directory. The online directory can be found at the UW-Extension-Lakes Program website at www.uwsp.edu/cnr/uwexlakes.

Appendix A - Model Bylaws

These bylaws are a template from which to work; they will probably not be a perfect fit for your needs. Utilize the online directory, the *Lake List* (www.uwsp.edu/cnr/uwexplakes/lakelist), to find contact information for other lake organizations and see what they may have done for bylaws. Review their materials and try and understand their circumstances, but do not automatically assume that their bylaws are a good fit for you. Design your bylaws to fit your unique needs and expect that they will evolve over time.

MODEL BYLAWS ANY LAKE ASSOCIATION, INC. Office address¹

Article I - PURPOSE

The purpose of the Association is to preserve and protect Any Lake and its surroundings, and to enhance the water quality, fishery, boating safety, and aesthetic values of Any Lake, as a public recreational facility for today and for future generations.²

Article II - STATUS AND LIMITATIONS

To carry out the program of the Association and to make effective representations on behalf of its members, the Association shall be organized as a nonprofit, non-stock corporation under Chapter 181 of the Wisconsin Statutes. (Sections of the Statutes are cited throughout these bylaws.) No asset of the association shall benefit any officer or member. The Association shall not participate in partisan political activity.

Article III - MEMBERSHIP

Section 1 - ELIGIBILITY: Membership in the Association shall be open to any individual, family, business, or organization, that (a) subscribes to the purposes of the Association and (b) owns or leases property within one mile of the lake for which the association was incorporated; or (c) resides on or within one mile of the lake at least one month each year.³

Section 2 - DUES: Dues shall be ___ \$ paid on a calendar year basis.^{4 5 6}

Article IV -

Section 1 - MULTIPLE VOTING: Any individual member may cast only one vote on any question called to a vote. Up to two individuals may represent a family, a business, or organization; and each of those two individuals may cast one vote on any question called to a vote.⁷

Wis. Stat. § 181.0721

Section 2 - CASTING BALLOTS: A member must be present at the meeting at the time the vote is called in order to vote. No member may vote by proxy⁸ or absentee ballots. All votes shall be counted by a show of hands unless otherwise specified in these bylaws.

Section 3 - REFERENDA: The board of directors may at any time solicit reactions from members through a mail survey. The board resolution authorizing the referendum shall indicate whether the results shall be considered advisory or binding on the board. The annual meeting may initiate an advisory or a binding referendum and shall specify the exact wording of the question and the required follow-up action by the board. Members shall have 30 days to return response forms. Results of the referendum shall be announced at a membership meeting or in printed form within 90 days of the response deadline.

Article V - MEMBERSHIP MEETINGS

Wis. Stat. § 181.0701

Section 1 - ANNUAL MEETING: The annual meeting of the Association shall be held in the vicinity of Any Lake on the (first, second, third, fourth) (day of week) of the month of (June, July, etc.). The time and place shall be arranged by the Board of Directors unless specified by the previous annual meeting. The agenda of the annual meeting shall include elections, discussion of projects, adoption of a budget, member concerns, and an educational program.

Wis. Stat. § 181.0702

Section 2 - SPECIAL MEETINGS: A special meeting of the Association may be called at any time by the President, by majority vote of the Board of Directors, or by written request of one-twentieth of the members or six members, whichever is greater. The agenda of a special meeting may include any items properly brought before an annual meeting. Only those matters described in the notice shall be discussed at the meeting.

Wis. Stat. § 181.0705

Section 3 - INFORMATIONAL MEETING OR SOCIAL EVENT: The Association may sponsor a variety of meetings and events designed to provide educational, recreational, or social opportunities for its members and their guests. It may also sponsor fund-raising activities. If business is to be conducted at such events, the notice requirement for special meetings must be met.

Wis. Stat. § 181.0722

Section 4 - NOTIFICATION: Every annual or special meeting must be preceded by notice to paid members and members from the preceding year who have not yet renewed their membership. Notification may be by hand delivery or by mail at least 30 days, but not more than 50, prior to annual meetings and at least 15 days, but not more than 50, prior to special meetings. The notice shall summarize any proposed changes in the bylaws, shall highlight any proposals to dissolve the Association, and shall include a description of the matter or matters for which the meeting was called.

Section 5 - QUORUM: No formal business may be conducted at membership meetings unless at least one-twentieth of the paid-up members or 15 members, whichever is less, are present.¹⁰

Section 6 - PROCEDURE: Roberts Rules of Order, in the current revised edition, shall be in force at the meetings of the Association, of the Board of Directors, and of the Association committees unless required otherwise by Wisconsin Statutes or these bylaws. Non-members of the Association may be recognized to speak at Association functions at the discretion of the presiding officer who shall also serve as parliamentarian.

Article VI - BOARD OF DIRECTORS

Section 1 - AUTHORITY: Subject to directives of annual and special meetings and these Bylaws, the Board of Directors shall have authority over the activities and assets of the Association.

Wis. Stat. § 181.0801

Section 2 - COMPOSITION: The Board of Directors shall include the President, Vice President, Secretary, Treasurer, four¹¹ at-large directors, and the past President.

Wis. Stat. § 181.0803

Section 3 - ELECTIONS: The Board of Directors shall nominate one or more members for each vacant position on the Board. Additional nominations of members, present at the annual meeting and willing to serve, shall be taken from the floor. All elections for the Board shall be conducted by secret, written ballot at each annual meeting.

Wis. Stat. § 181.0804

Section 4 - TERMS OF OFFICE: Directors are elected for two-year terms. Their terms shall expire after the annual meeting or upon the election of new Directors, whichever occurs later. The terms of office of President, Vice President, and two at-large directors expire in even-numbered years. The terms of office of Secretary, Treasurer, and two at-large directors expire in odd-numbered years.

Wis. Stat. § 181.0805

Section 5 - BOARD MEETINGS: The new Board shall meet within 60 days of the annual meeting and at least one other time prior to the next annual meeting. Regular meetings shall be held at places, dates, and times established by the Board. Special meetings may be held on the call of the President or any three Directors after at least 24 hours notice by telephone, mail, or personal contact. Four Directors shall constitute a quorum for the transaction of business. The meetings shall be open to the members. Decisions shall be made by majority vote of Directors present, with the President voting only to break ties. Between meetings, the President may solicit decisions from the Board through written communications.

Wis. Stat. § 181.0820
Wis. Stat. § 181.0824

Section 6 - VACANCIES: Any Director who misses two consecutive meetings without good cause as determined by the Board may, at the discretion of the Board, be removed from office. Any vacancy may be filled for the remainder of the term by the affirmative vote of a majority of the Directors then in office, although less than a quorum but at least two.

Wis. Stat. § 181.0808
Wis. Stat. § 181.0811

Section 7 - COMPENSATION: Directors shall not be compensated for their time and effort.¹² The Board may authorize officers, directors, and committee members to be paid actual and necessary expenses incurred while on Association business.

Article VII - OFFICERS

Wis. Stat. § 181.0841

Section 1 - PRESIDENT: The President shall preside over all membership meetings and Board meetings. The President shall be the chief executive officer of the Association, responsible for day-to-day administration of the affairs of the Association and supervision of any employees or contractors. The President shall appoint all committee members who shall serve until the end of that President's term. The President is an ex-officio member of all committees.

Wis. Stat. § 181.0841

Section 2 – VICE PRESIDENT: The Vice President shall assume the duties of the President should that office become vacant and shall preside at meetings when the President is unable to attend. The Vice-President shall arrange for the educational segment of the annual meeting and carry out other assignments at the request of the President.

Wis. Stat. § 181.0841

Section 3 - SECRETARY: The Secretary shall maintain the official records of the Association as well as any archives. The Secretary shall record and distribute the minutes of member meetings and Board meetings. The Secretary shall maintain a current record of the names and addresses of members entitled to vote and shall send out notices of membership meetings. The Secretary shall prepare publicity for the Association and shall prepare the Association newsletter unless an editor is appointed to do so. The Secretary shall serve on the Membership Committee.

Wis. Stat. § 181.0841

Section 4 - TREASURER: The Treasurer shall maintain the financial records of the Association and shall sign all checks. The Treasurer shall prepare an annual financial statement for the annual meeting and shall be responsible for presentation of the proposed budget to the annual meeting. The Treasurer shall serve on the Finance Committee.

Wis. Stat. § 181.0840

Section 5 - MULTIPLE OFFICE HOLDING:¹³ The same person may hold the offices of Vice President and Treasurer or the offices of Secretary and Treasurer.

Section 6 - OTHER OFFICERS: Other officers may be appointed by the President, with concurrence of the Board. A legal counsel, an executive secretary, newsletter editor, or such other assistant officers as are deemed necessary need not be members of the Association.

Article VIII - COMMITTEES¹⁴

Section 1 - MEMBERSHIP COMMITTEE: The Membership Committee shall initiate plans for recruiting of new members and retention of members.

Section 2 - SOCIAL COMMITTEE: The Social Committee shall provide refreshments at the Annual Meeting and, after receiving Board approval, shall organize and publicize other social events to be sponsored by the Association.

Section 3 - FINANCE COMMITTEE: The Finance Committee shall recommend fundraising activities to the Board and, after receiving Board approval, shall organize such activities. The Finance Committee shall also annually audit the financial records of the Association.

Section 4 - LAND USE COMMITTEE: The Land Use Committee shall represent the Association at local public hearings and informational meetings relating to zoning, sanitation codes, subdivision ordinances, pollution sources, and changes in land use which might affect water quality. The Committee shall offer proposals to the Board regarding land use issues.

Section 5 - BOATING SAFETY COMMITTEE: The Boating Safety Committee shall represent the Association at local public hearings and informational meetings relating to water safety patrols, lake use ordinances, and obstacles to navigation. The Committee shall offer proposals to the Board regarding water use issues.

Section 6 - FISHING AND WATER QUALITY COMMITTEE: The Fishing and Water Quality Committee shall represent the Association at Wisconsin Department of Natural Resources hearings and at local meetings relating to in-lake water quality, fish and wildlife habitat, and water levels. The Committee shall offer proposals to the Board regarding water quality monitoring and ecological management of the fishery.

Section 7 - AQUATIC PLANT AND ALGAE COMMITTEE: The Aquatic Plant and Algae Control Committee shall represent the Association at Wisconsin Department of Natural Resources hearings and at local meetings relating to the control of nuisance plants and to the protection of desirable vegetation. The Committee shall offer proposals to the Board for a vegetation management plan and may be delegated responsibility to implement such a plan.

Section 8 - OTHER COMMITTEES: The President may appoint such other committees as are deemed necessary to support the efforts of the Board.

Article IX - MISCELLANEOUS PROVISIONS

Section 1 - INDEMNIFICATION OF OFFICERS AND DIRECTORS: As provided by Wisconsin law, the Association shall indemnify any officer, director, employee, or agent who was, is, or may be involved in legal proceedings by virtue of his or her good faith actions on behalf of the Association.¹⁵

Wis. Stat. § 181.0872

Section 2 - FISCAL YEAR: The records and accounts of the Association shall be maintained on a calendar year basis.

Section 3 - ACCOUNTS AND INVESTMENTS: Funds of the Association shall be promptly deposited at a financial institution designated by resolution of the Board of Directors. Funds not needed for current operations shall be deposited in investment accounts or certificates as authorized by the Board of Directors.

Article X - ADOPTION AND AMENDMENTS

These bylaws, and any amendments thereto, may be adopted at any annual or special meeting of the Association by two-thirds vote of members present and entitled to vote. Proposed amendments to the bylaws must be summarized in the notice for the annual meeting at which the amendments are to be voted on.

Wis. Stat.
§ 181.1002-181.1021

Article XI - DISSOLUTION

The Board of Directors, by a two-thirds affirmative vote of all directors, may recommend that the Association be dissolved and that the question of such dissolution be submitted to a vote at a subsequent meeting of members. Notice of the meeting shall highlight the question of dissolution. At the meeting, a two-thirds affirmative vote of members present and entitled to vote shall be required to approve a resolution of dissolution. Such a resolution shall direct the Board of Directors to prepare a dissolution plan for subsequent approval by the members as provided under Wisconsin law. Dissolution of the Association shall not be final until the members, by majority vote, shall have approved the dissolution plan, either at a meeting or by a binding mail referendum. Sec. 181.1401 Sec. 181.1403

Wis. Stat. § 181.1401
Wis. Stat. § 181.1403

CERTIFICATION

These bylaws were adopted by vote of yes () and no () at the Association meeting on this day of (), 200_ Secretary _____

Edited: 2006

Adapted from:

“Sample Bylaws for Any Lake Association” produced by Elmer Goetsch and from other examples.

ENDNOTES

¹The Association should have a permanent post office box to maintain a consistent address in order to facilitate contact with members and other organizations.

²To qualify for tax exemption under Sec. 501(c)(3) of the Internal Revenue Code, the benefits of a nonprofit organization’s activities must flow principally to the public (but the membership can, of course, share fully in those benefits). If exemption under Sec. 501(c)(3) is to be pursued, the purpose statement must stress public benefits before, but not necessarily excluding, membership benefits. [IRS Revenue Ruling 70-186, Lake Association Tax Exemption]

³To be a qualified lake association (and thus eligible for state grants), membership must be open to any individual who resides within one mile of the lake at least one month each year or to any individual who owns real estate within one mile of the lake.

⁴This figure can be set at any amount agreed to by the members. However, it is recommended that the dues be part of the bylaws to give them stability. Many associations discuss the dues at every annual business meeting. Frequent discussion of dues not only wastes time, but focuses energy on an inherently unpleasant aspect of the organization. To be a qualified lake association, dues for voting membership must not be less than \$5 nor more than \$50 per year.

⁵Lake associations may decide to use any date for their fiscal year; many associations choose a calendar year.

⁶Sec. 181.0620 Wisconsin Statutes requires agreement by two-thirds of all members eligible to vote to expel a member (unless the bylaws specify some other proportion). If the Association wants an explicit policy, add the following to Article III:

“Section 3 - TERMINATION OF MEMBERSHIP: A member may be expelled from the Association for cause, on a two-thirds affirmative vote of all members present. They are entitled to vote at a membership meeting, provided that the matter shall have been included in notice of the meeting, and provided that the member to be expelled shall have been formally notified in writing at least 30 days prior to the meeting, and given the opportunity to appear and speak on his/her behalf at the meeting prior to the final vote. The motion shall specify the duration of the expulsion, not to exceed five years.”

Wis. Stat. § 181.0620

⁷The number of votes for families, businesses, or organizations could be limited to one per membership. Two votes are suggested because of the prevalence of husband and wife ownerships of lake property.

⁸Proxy voting is not recommended because it tends to disrupt the egalitarian nature of association meetings. However, proxy voting is legal. To provide for proxy voting, substitute the following for Article III Section 2:

Wis. Stat. § 181.0724

“Section 2 - CASTING BALLOTS: A member may vote in person at meetings of the Association or may vote by providing a written proxy to another person. A copy of the proxy must be presented to the presiding officer prior to the convening of the meeting. The presiding officer shall announce that proxy notices have been received and may ask each proxy holder to identify the member on whose behalf the votes are being cast. All votes shall be counted by a show of hands unless otherwise specified in the bylaws.”

⁹Absentee voting is not recommended because many associations allow nominations from the floor and because many associations are not prepared to provide official ballots prior to the meeting. However, elections may be conducted by mail and absentee voting is not prohibited. To provide for absentee voting, substitute the following for Article IV Section 2:

Wis. Stat. § 181.0708

“Section 2 - CASTING BALLOTS: Votes for the Board of Directors may be cast in person or by absentee ballot. To participate in all other votes, a member must be present at the meeting at the time the vote is called. No member may vote by proxy. All votes shall be counted by a show of hands unless otherwise specified in the bylaws. Members wishing to vote for the Board by absentee ballot must request a ballot from the Secretary at least 10 days prior to the annual meeting. The ballot shall be returned in a sealed envelope clearly marked ‘BALLOT,’ shall contain the name of the member on the outside of the envelope, and shall be opened after the ballots are cast at the annual meeting.”

¹⁰The quorum number can be altered. However, restrictive quorums are not recommended. The people who are asked to go back home from a poorly-attended meeting are less likely to attend a rescheduled meeting. The attendance at the rescheduled meeting may be even poorer. If the bylaws do not specify a quorum requirement, state law dictates that 10% of the votes entitled to be cast must be represented.

Wis. Stat. § 181.0722

¹¹A large association might want six at-large directors. In special circumstances, an association may want to ensure that one or two of the directors own property in a certain area. For example, in an association dominated by Big Star Lake but including Little Star Lake, two of the directorships might be reserved for Little Star Lake property owners.

¹²Some associations will want to provide a small stipend for their secretary and/or treasurer. If that is desired, substitute the following for Article VI Section 7: “Directors shall not be compensated for their time and effort except that the Secretary (and Treasurer) shall be paid an annual stipend of \$ ___.”

¹³This section can be dropped if the multiple office holding option is not wanted.

¹⁴These are example committees. It may be desirable to establish standing committees in the bylaws, or an association may decide to not include any committees and substitute the following for Article VIII: “The President (or Board) may appoint committees as deemed necessary to support the efforts of the Board.”

Wis. Stat. § 181.0875

¹⁵A corporation may choose not to indemnify, in which case the articles of incorporation must explicitly so state. However, this is not recommended.

Appendix B - Articles of Incorporation

Reset Form

Sec. 181.0202
Wis. Stats.

State of Wisconsin
Department of Financial Institutions
Division of Corporate and Consumer Services



ARTICLES OF INCORPORATION – NONSTOCK CORPORATION

(NOTE: **Do not use this form for organizing a for-profit business corporation. Use Form 2)**

Executed by the undersigned for the purpose of forming a Wisconsin nonstock corporation under Ch. 181 of the Wisconsin Statutes, repealed and recreated by 1997 Wisconsin Act 79:

Article 1. Name of the corporation: _____
(Must include "Inc." or similar word. See Instructions)

Article 2. The corporation is organized under Ch. 181 of the Wisconsin Statutes.

Article 3. Name of the initial registered agent: _____

Article 4. Street address of the initial registered office: (The complete address, including street and number, if assigned, and ZIP code. P O Box address may be included as part of the address, but is insufficient alone.) _____

Article 5. Mailing address of the initial principal office: _____

Article 6. (Select and mark (X) one of the statements below)

The corporation will have members. **OR** The corporation will not have members.

(OPTIONAL) Article 7. Name and address of the initial directors (minimum of three):

FILING FEE - \$35.00 See instructions, suggestions, and procedures on following pages.

DFI/CORP/102(R02/10/03) Use of this form is voluntary.

1 of 3

(OPTIONAL) Article 8. The purpose or purposes for which the corporation is organized:

Article 9. Name and complete address of each incorporator:

Incorporator's signature

Incorporator's signature

This document was drafted by _____
(Name the individual who drafted the document)

OPTIONAL – Second choice corporate name if first choice is not available: _____

INSTRUCTIONS (Ref. sec. 181.0202 Wis. Stats. for document content)

Submit one original and one exact copy to Department of Financial Institutions, P O Box 7846, Madison WI, 53707-7846, together with the appropriate **FILING FEE of \$35**. Filing fee is **non-refundable**. (If sent by Express or Priority U.S. mail, address to 345 W. Washington Ave., 3rd Floor, Madison WI, 53703). Sign the document manually or otherwise as allowed under sec. 181.0120(2), Wis. Stats. **NOTICE:** This form may be used to accomplish a filing required or permitted by statute to be made with the department. Information requested may be used for secondary purposes. If you have any questions, please contact the Division of Corporate & Consumer Services at 608-261-7577. Hearing-impaired may call 608-266-8818 for TTY. This document can be made available in alternate formats upon request to qualifying individuals with disabilities.

Article 1. The name must contain "corporation", "incorporated", "company", or "limited" or the abbreviation "corp.", "inc.", "co." or "Ltd." or comparable words or abbreviations in another language. If you wish to provide a second choice name that you would accept if your first choice is not available, enter it in the "Optional" area on page 2.

Article 2. This statement is required by sec. 181.0202(1)(a).

Articles 3 & 4. The corporation must have a registered agent located at a registered office in Wisconsin. The address of the registered office is to describe the physical location where the registered agent maintains their business office. Set forth the street number and name, city and ZIP code in Wisconsin.

ARTICLES OF INCORPORATION

Nonstock Corporation

Γ

L

◆ **Your name, return address and phone number during the day:** () _____ - _____

INSTRUCTIONS (Continued)

Articles 3 & 4. (Cont'd) P O Box addresses may be included as part of the address, but are insufficient alone. The corporation may not name itself as its own registered agent.

Article 5. The articles of incorporation must set forth the address of the corporation's principal office. "Principal office" means the office, whether in or outside Wisconsin, in which are located its principal executive offices.

Article 6. Select and check the appropriate box in article 5 to indicate if the corporation will or will not have members. A "member" means a person who has membership rights in a corporation in accordance with its articles of incorporation or bylaws.

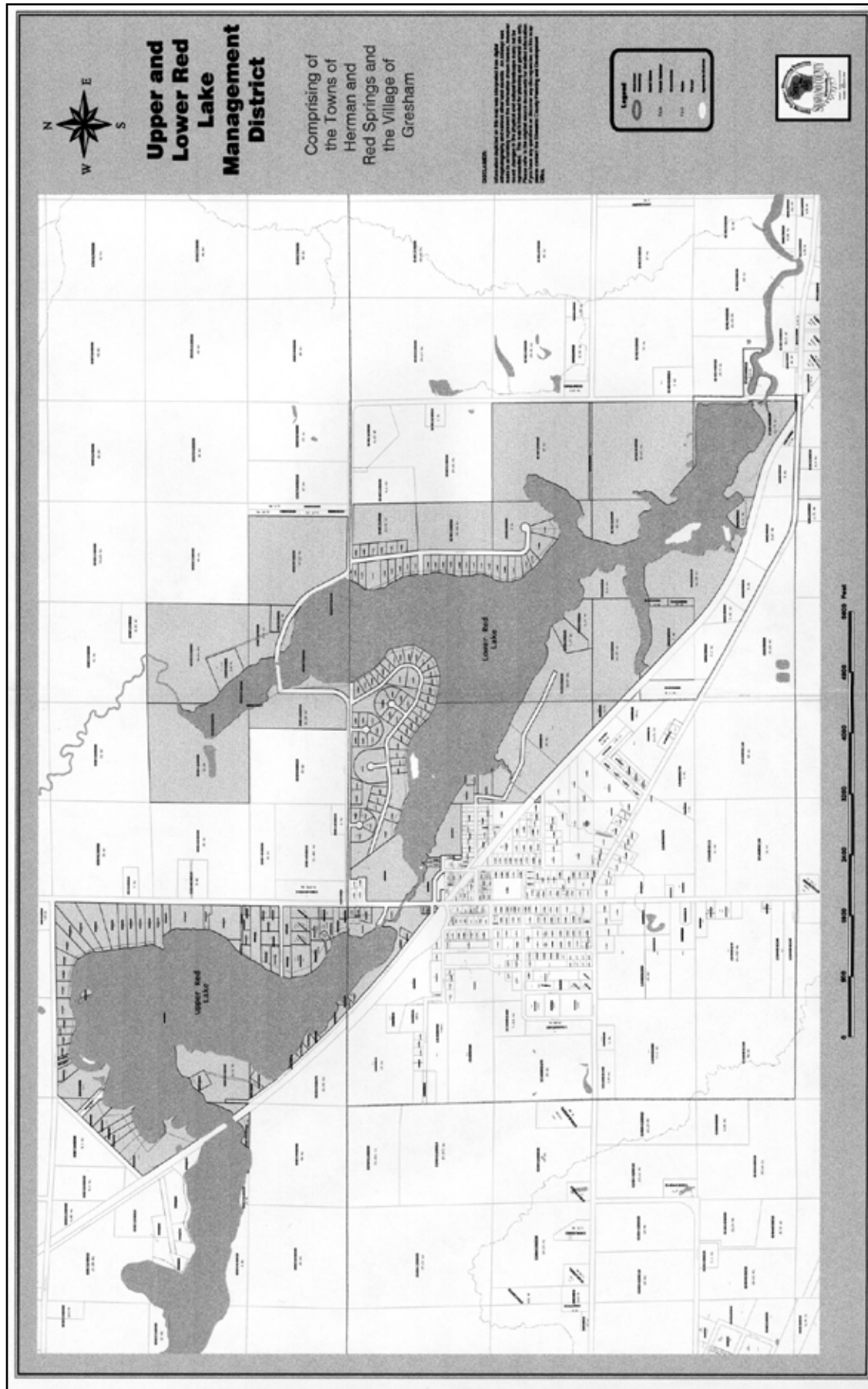
Articles 7 & 8. These articles (or others you may wish to add) are provided for optional information that you may elect to include, such as the name and address of the initial directors, a purposes clause, tax-exempt provisions, etc. Do not include by-laws, as the department does not accept by-laws for record. Extensive additional provisions may make use of this pre-printed form impractical. If you elect to draft your own articles of incorporation, do not also submit the pre-printed form. *(NOTE: Corporations expecting to apply to Internal Revenue Service for federal TAX-EXEMPT STATUS are advised to obtain and read IRS Publication 557 "Tax-Exempt Status for Your Organization" before preparing these articles of incorporation, as the articles must contain particular language and provisions to meet federal tax code requirements.)*

Article 9. Enter the name and complete address of each incorporator. There may be one or more incorporators. At least one incorporator is required to sign the document, although all incorporators may sign.

No certificate of incorporation will be issued. The "FILED" endorsement applied to this document by the Department of Financial Institutions is evidence that the articles of incorporation have been accepted. One or more "Received" endorsements may appear on the document, but do not indicate its acceptance for filing.

If the document is executed in Wisconsin, sec. 182.01(3) provides that it shall not be filed unless the name of the person (individual) who drafted it is printed, typewritten or stamped thereon in a legible manner. If the document is not executed in Wisconsin, enter that remark.

Appendix C – Sample Map & Description



Sample Description of Lake District Boundaries

Beginning at the intersection of Upper Red Lake Road and County Road G being the NE corner of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 34 T. 28 N. R.14 E and the Point of Beginning; Thence in a Southerly direction on an imaginary line to a point which is on the south side of Hill Street Section 3 T. 27N R.14 E.; Thence Easterly along the south line of Hill Street to its end; Thence North to the north line of Hill Street, and continuing North approximately 66 feet thence West 24.75 feet thence north approximately 107.25 feet to a point in the center of Geider Road; Thence Easterly along Geider Road to a point which is approximately 331.08 feet west of the SE Corner of the Southeast $\frac{1}{4}$ Southeast $\frac{1}{4}$ of Section 34 T. 28N R.14 E.; Thence North on a property line to a point which is approximately 331.08 feet west of the NE Corner of the Southeast $\frac{1}{4}$ Southeast $\frac{1}{4}$; Thence West along the 1/16th line to the SW Corner of the Northeast $\frac{1}{4}$ Southeast $\frac{1}{4}$ Section 34; Thence North along the 1/16th line to the NW Corner of the Northeast $\frac{1}{4}$ Southeast $\frac{1}{4}$ Section 34 T. 28N R.14 E.; Thence in an Easterly direction along the quarter section line of Section 34 and 35 to the Northeast Corner of the Northwest $\frac{1}{4}$ Southwest $\frac{1}{4}$ Section 35 T. 28N R.14 E.; Thence in a Southerly direction on the 1/16th line to the Southeast Corner of the Northwest $\frac{1}{4}$ Southwest $\frac{1}{4}$ Section 35 T. 28N R. 14 E.; Thence in an Easterly direction on the 1/16th line to a point which is approximately 165 feet West of the Northeast corner of the Southeast $\frac{1}{4}$ Southwest $\frac{1}{4}$ Section 35 T. 28N R.14 E.; Thence in a Southerly direction on a property line to a point which is approximately 165 feet West of the Southeast corner of the Southeast $\frac{1}{4}$ Southwest $\frac{1}{4}$ Section 35 T. 28N R.14 E.; being a point in the center of Geider Road; Thence Easterly along Geider Road to a point which is the Northeast Corner of the Northwest Quarter of Section 2 T. 27N R.14 E.; Thence in a Southerly direction along the Quarter Section line to the Southeast Corner of the Northeast $\frac{1}{4}$ Northwest $\frac{1}{4}$ Section 2 T. 27N R.14 E.; Thence in an Easterly direction on the 1/16th line to the Northeast Corner of the Southwest $\frac{1}{4}$ Northeast $\frac{1}{4}$ Section 2 T. 27N R.14 E. which is a point in the middle of Lower Lake Road; Thence following Lower Lake Road in a Southerly direction to a point which is the Southeast corner of the Southeast Quarter Section 2 T. 27N R.14 E.; Thence in a Westerly direction along the Quarter Section line to the intersection, a point, with the east boundary of the Abandoned Wisconsin Central Limited Railroad Right-of-Way; Thence following the east boundary of the Abandoned Wisconsin Central Limited Railroad Right-of-Way in a North-Westerly direction to a point located within the Village of Gresham and being the intersection of the Abandoned Wisconsin Central Limited Railroad Right-of-Way with the west 1/16th line of the Northeast $\frac{1}{4}$ Southeast $\frac{1}{4}$ Section 3 T. 27N R.14 E.; Thence in a Northerly direction along the 1/16th line to a point which is approximately 162 feet north of the north line of East Pleasant Drive within the Village of Gresham; Thence in a Westerly Direction along the north boundary of Richard Hoffman Addition of the Village of Gresham approximately 696 feet; Thence in a Northerly direction approximately 285 feet; Thence in a Westerly direction to the center of Fischer Street and continuing to follow Fischer Street in a Westerly direction to the intersection of County Road G (Main Street); Thence in a slightly Northerly direction following the center of County Road G to a point where it intersects with the South boundary line of Zogman Lane; Thence in a Westerly direction along the South boundary of Zogman Lane to a point where it intersects with the North boundary of the Abandoned Wisconsin Central Limited Railroad Right-of-Way; Thence following the North boundary of the Abandoned Wisconsin Central Limited Railroad Right-of-Way in a North-Westerly direction to a point where it intersects with the most westerly point of Lot 6 Certified Survey Volume 4 Page 62 Map Number 1071 located in Section 33 T. 28N R.14 E.; Thence following an extended line in a Northeasterly direction from Lots 4-5-6 of Certified Survey Volume 4 Page 62 continuing to a point which intersects with the centerline of Upper Red Lake Road and being the Northwest Corner of the Southeast $\frac{1}{4}$ Northeast $\frac{1}{4}$ of Section 33 T. 28N R.14 E.; Thence in an Easterly direction along the centerline of Upper Red Lake Road to the intersection with County Road G which is the Northeast corner of the Southeast $\frac{1}{4}$ Northwest $\frac{1}{4}$ and which is the Point of Beginning Section 34 T. 28N R.14 E

Appendix D – Publications

Guidelines for Creating Local Boating Ordinances and Placing Waterway Markers in Wisconsin Waters, 53 pages, (2000), WDNR PUB-LE-317-2000 (Contact your area DNR office to request a copy.)

How's The Water? Planning for Recreational Use on Wisconsin Lakes & Rivers, Dudiak, T., Korth, R., 306 pages, (2002), DNR PUB-FH-397-2002, Wisconsin Lakes Partnership Publishing, www.uwsp.edu/cnr/uwexplakes (bookstore)

Lake and Pond Management Guidebook, McComas, S., 284 pages, (2003), Lewis Publishers, www.crcpress.com

Life on the Edge... Owning Waterfront Property, 7th edition, Korth, R., Dresen, M., 101 pages, (2003) WDNR PUB-FH-054, Wisconsin Lakes Partnership Publishing, www.uwsp.edu/cnr/uwexplakes (bookstore)

Robert's Rules of Order, 10th edition, Robert, Henry M. et al, 704 pages, (2000), Perseus Publishing, www.robertsrules.com

Through The Looking Glass...A Field Guide to Aquatic Plants, Borman, S. Korth, R., Temte, J., WDNR PUB-FH-207-97, 248 pages, (1999), Wisconsin Lakes Partnership Publishing, www.uwsp.edu/cnr/uwexplakes (bookstore)

Understanding Lake Data, Shaw, B., Mechenich, C., Klessig, L., 20 pages, (2004), UW-Extension Publication G3582, www.uwsp.edu/cnr/uwexplakes (bookstore)

Wisconsin Open Meetings Law: A Compliance Guide, Wisconsin Department of Justice, 40 pages, (2005), www.doj.state.wi.us

Wisconsin Public Records Law: Compliance Outline, Wisconsin Department of Justice, 34 pages, (2005), www.doj.state.wi.us

Wisconsin Water Law; A Guide to Water Rights and Regulations, 2nd edition, Kent, P., Dudiak, T., 203 pages, (2001) UW-Extension Publication G3622, www.uwsp.edu/cnr/uwexplakes (bookstore)

Appendix E – Lake Contacts

UW-Extension Lakes Specialists

UW-Extension Lakes Program
UW-Stevens Point
College of Natural Resources
800 Reserve St.
Stevens Point, WI 54481
Phone: 715-346-2116
uwexplakes@uwsp.edu
www.uwsp.edu/cnr/uwexplakes

UW-Extension offices and educators by county

Ask for your Community, Natural Resources and Economic Development Educator

Wisconsin Lakes

716 Lois Dr.
Sun Prairie, WI 53590
Phone: 608-661-4313
Email: info@wisconsinlakes.org
www.wisconsinlakes.org

Wisconsin Department of Natural Resources-Lakes & Rivers Section

Ask for your Lakes Coordinator or Aquatic Plant Management Coordinator

DNR - Central Office
101 South Webster St.
Madison, WI 53703
Phone: 608-266-2621
Fax: 608-261-4380
dnr.wi.gov/lakes/contacts/

County Land & Water Conservation staff by county

Wisconsin Land + Water.
131 W. Wilson St. #601
Madison, WI 53719
Phone: 608-441-2677
wisconsinlandwater.org

Appendix F – Sample Lake District Budget

Frog Lake District 20__ Budget Summary

	Preceding Year <i>Actual</i>	Current Year Jan-June <i>Actual¹</i>	Current Year Jan-Dec <i>Estimated²</i>	Next Year <i>Proposed</i>
Revenues				
Tax Levy	\$ 3,000	\$ 3,500	\$ 5,500	\$ 3,500
Special Charges	\$25,000	\$20,000	\$25,000	\$35,000
Special Assessments	\$ 0	\$ 0	\$ 0	\$ 0
Lake Grant Reimbursement	\$ 0	\$ 7,500	\$ 7,500	\$ 2,500
Carryover/Cash Balance	\$ 0	\$ 2,000	\$ 2,000	\$ 0
Total Revenues:	\$28,000	\$33,000	\$40,000	\$41,000
Expenditures/Appropriations				
<u>Capital Costs³</u>				
Dump Truck	\$ --	\$ --	\$ --	\$10,000
<u>Costs of Operations</u>				
Copying/Postage/Supplies	\$ 1,000	\$ 500	\$ 1,000	\$ 1,000
Conferences (Mileage/Expenses)	\$ 500	\$ 500	\$ 500	\$ 500
Clean Boats Clean Waters	\$ 0	\$ 300	\$ 300	\$ 300
Boat Landing Watch				
Harvesting Expenses ⁴	\$18,000	\$ 5,000	\$20,000	\$20,000
New Harvester Fund (see below)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Lake Grant	\$ 0	\$ 7,000	\$11,500	\$ 2,500
Insurance	\$ 1,500	\$ 1,700	\$ 1,700	\$ 1,700
Total Expenditures:	\$26,000	\$20,000	\$40,000	\$41,000
Balance:	\$ 2,000		\$ --	\$ --

Non-lapsible fund⁵:

	Balance at end of preceding year	Current year tax contribution	Estimated Interest	<i>Estimated</i> Balance at end of current year
New Harvester	\$25,000	\$5,000	\$1,500	\$31,500

¹Actual revenues and expenditures for at least the first six months of the current year. (If the annual meeting is held before July 1, the lake district should show revenues and expenses to a date as close as possible to the date the notice of the annual meeting is mailed)

²Includes actual revenues and expenditures from first part of year and estimated revenues and expenditures for the balance of the year.

³Capital costs must be listed separately from costs of operation of the district. Capital costs are defined as the costs of acquiring equipment and other capital assets, including sewerage system capital costs, for a program undertaken by the lake district. Costs of operations are defined as all costs of a program undertaken under section 33.001 to 33.37 of the Wisconsin Statutes, except capital costs.

⁴Items with a cost over \$10,000 must be listed individually.

⁵A non-lapsible fund may be established by the voters at an annual meeting in order to finance specifically identified capital costs and for maintenance of capital equipment.

Wis. Stat. § 33.30(3)(b)
Wis. Stat. § 33.01(1c)
Wis. Stat. § 33.01(1g)

Wis. Stat. § 33.30(3)(b)

Wis. Stat. § 33.30(4)(d)

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