

# HISTORY OF NATURAL LAKES

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# History Of Natural Lakes Private Preserve

NATURAL LAKES WAS FOUNDED AND INCORPORATED IN 1969 by Tom Thiel, Jack Mahoney, Ray Dehmer and Bill Schultz.

## *Founders*

Bill Schultz and Ray Dehmer were active in the Milwaukee area for many years as partners in building, designing, remodeling and developing. They traveled to northern Wisconsin several times each summer in search of suitable lake frontages to develop. By coincidence Schultz met Tom Thiel who was aware of a 3,600 acre tract just north of Boulder Junction in the Town of Presque Isle.

Thiel had previously developed several smaller parcels with Jack Mahoney and was very much interested in this large tract but felt the work involved was more than two men could handle. These four men got together, contacted the broker representative and spent several weeks investigating all possibilities. Besides meeting with town and county authorities, researching road and survey costs, the men spent several days walking in the water around the perimeter of the lakes with a 100 foot rope to determine the amount of lake lots that might be carved out.

## *Background*

Originally Henry Fromm owned the entire 3,600 acre property, but circumstances later broke it into three parcels. The Fromm family engaged in the fur (fox and mink) business in Hamburg, Wisconsin and Cedarburg, Wisconsin. Henry Fromm decided to break away from the family business sometime in the 1940's and purchased this parcel from a lumber company. Most of the harvestable white pine had been taken by this time and the lands held little commercial value. The big demand for lake frontage recreation was still a few years away.

Sometime after Fromm's purchase, he invited an organization called "Trees for Tomorrow" to restock cutover areas in red pine. Some evidence of this restocking can be seen today in places along Deer Trail Road and the north shore of Beaver Lake.

What is now Bluebill Road was then known as Fromm Road (the developers subsequently decided that all road names in the Preserve will have a 'natural' theme'; thus Fromm road was renamed after the Bluebill duck). Fromm Road was originally a railroad grade servicing lumbering operations in Wisconsin and Upper Michigan. The grade began in Boulder Junction at a switch yard in Boulder and ran north past Shrimps (now A-1 Bar) and crossed Highway "B" past the west shore of Beaver Lake and over a bridge across the Presque Isle River at the east shore of Twin Island Lake and on into Upper Michigan. This line is easily discernable on current plat books.

An old logging trail began at what is now Beaver Road and ran along the north shore of Beaver Lake, followed Osprey Narrows (Beaver Lake/McCullough Lake channel) to the northeast shore of McCullough Lake and then north to Dunn Lake. Fromm attempted to continue the trail up the east shore of Dunn but was stopped by the D.N.R. because this was state land.

Sometime in the 1940's Henry Fromm began construction of the lodge on Beaver Lake and the mink ranch about 1/2 mile to the north. It is understood the carpentry was done by craftsmen from Germany. The interior walls of both buildings are finished in black ash plank cut from trees on lands owned by the Fromm family in Hamburg. These buildings took several years to complete as the condition of Bluebill Road in those days was a mess. This road was virtually impassable in the spring due to snowmelt runoff and frost leaving the ground. Ruts were more than one foot deep and getting a good running start to keep a car moving was the only way to traverse the 2 1/2 miles in or out. The road was also extremely narrow and if two cars should meet, one would be required to back up and often the result was both cars stuck and the only way out was if the ground froze at night. Local mechanics enjoyed a booming muffler business. Very often the developers left their cars on Highway "B" and endured a 1 1/2 hour walk to the lodge.

In those days the road was relatively level with no more than a 3% rise in 1/4 mile per railroad requirements, but over the years, grading, filling and heaving created hills. The developers raised the road 12-16 inches and made it much wider.

When the developers negotiated for the properties in 1969 there were still some 12,000 mink on the premises. Fromm was no longer in the area and had leased the operation to another group as he was then getting on in years. The lease terminated at the end of the pelting season. This new group was extremely lax in maintaining equipment, especially cages, and the result was numerous mink of various colors and mutations were often seen along the roads and around the lakes.

The mink ranch is a huge structure, 50 x 100 feet in size, and contained the entire mink operation plus living quarters. A drive under garage took up half the lower level. Storage and mechanicals made up the rest. The second level was divided between a pelting room on one side and storage and walk-in freezers on the other side. The freezers were for the preservation of hides and mink food. Two vast apartments, each 2,500 square feet in size made up the third floor. The structure contained quality building materials throughout and while the building is now badly deteriorated due to neglect, it may at one time been considered palatial for its time.

All the fieldstone work around both buildings was accomplished by Henry Fromm alone. He was a huge, powerful man who split all the rocks himself with his famous sledge hammer. The famous sledge hammer calls to mind certain incidences that occurred during construction of the lodge and mink ranch. If Fromm felt a wall should be moved or wanted a change in some phase of construction, he never discussed it with the carpenters but merely picked up his sledge and demolished it.

### ***Acquisition of Property for Development of Natural Lakes***

Sometime prior to 1969 Henry Fromm deeded the lodge home on Beaver Lake along with 600 or so acres to his daughter Arlene Koenig and her husband, Mark. A large old former bunkhouse immediately to the south was also included. This building was used by railroad crews originally and later by Fromm and construction workers and still later by mink ranch hands. Some unique craftsmanship could be seen in trim and cabinet work in the building. It was destroyed by fire sometime in the late 1970's with lightning rumored the cause.

A man named Art Beyries had acquired all of Morton Lake with some 1,600 acres of land from Fromm in fulfillment of a debt. Beyries was from Schofield, Wisconsin, in fur food business and kept Fromm's mink fed for a few years, apparently most of the time for nothing. The fur business was in decline as people's priorities changed and boats and snowmobiles replaced fur coats. Fromm was in a box and handing over Morton Lake to Beyries appeared a way out of some of his debts. The remaining lands, 1,200 acres including McCullough Lake, was still in Fromm's name but heavily encumbered. Other creditors piled liens and judgments against it and Fromm's future looked bleak.

Obtaining McCullough and Beaver Lakes seemed feasible except for about \$90,000 outstanding against Fromm. Beyries had now started a home on Morton Lake and was not interested in selling as the privacy of an entire lake appealed to him. However a navigable gap existed between McCullough and Morton Lakes and after learning the surrounding lands and lakes were in the process of being sold and developed, the privacy factor appeared shot since the gap provided access into Morton. Beyries decided it was time to join the crowd, especially since the developers were picking up the tab for road and survey work. Such improvements would revert to the land owners should the closing never materialize. The developers were still a long way from home.

A tentative agreement was reached that Beyries would be paid \$225,000 for Morton Lake property, but the agreement provided that re-imbursement would be from proceeds received as each lot was sold. The possibility now existed that the entire 3,600 acres was back together except for the problem of satisfying Fromm's \$90,000 which the developers had agreed to absorb as part of the purchase price. Foreclosures against Fromm appeared imminent and such actions could clog the courts for years. This was time the developers could ill afford.

Ray Dehmer and Bill Schultz would spend the next few weeks on the road to personally meet with each creditor and present a solution to the problem. Luckily most were Wisconsin based businesses, 27 in all. The creditors would give a mortgage to the developers for the full amount due them, plus interest, and be secured on a lake lot in exchange for a release. They would be paid back according to this plan within 3 years or the lake lot would be deeded to them. All but two accepted this proposal and those were satisfied with cash. The developers met all the other obligations on time.

### ***Initial Planning of the Natural Lakes Preserve***

Late in 1969, James Peterson Sons, a road building firm from Medford, Wisconsin, was contacted to discuss plans and costs to establish roads in the development. They arrived for a meeting at the lodge and were accompanied by their attorney, Gene G. Krug. The Petersons were about to lay up equipment for the winter and put their crews on unemployment. The timing appeared perfect. Road construction could begin immediately and the crews would bunk at the lodge and be paid on an hourly basis. The Petersons would be paid in lake lots and they would be responsible for salaries to their crews. Bunks were set up for 14-18 men.

With the aid of topography maps the developers determined road center lines by pacing off 200 foot increments around the lakes and then back a minimum of 400 feet wherever possible and placing ribbons in the trees. Compensations were made for bays and peninsulas, low lying areas, etc. This also benefited the survey crews in establishing lots. The road crews then cleared to a minimum of 22 feet to either side of the ribbons. This became very exhausting work for everyone especially during the deep snows.

Trees uprooted for the roadways were for the most part burned, except some were used to bridge deep ravines and marshy areas. The roads were crowned, shaped and left as such. Seeding the ditch slopes and finish grading would be left for spring. Beaver Lake water was found to be approximately one foot higher than McCullough Lake due to a natural rock dam that maintained the differential. The developers enlisted the aid of a dragline that dredged Osprey Narrows from Beaver Lake for about 300 feet. The result of this dredging allowed the channel to be navigable between Beaver Lake and McCullough Lake.

### ***Completing the Natural Lakes Preserve Plan***

Another proposal was made to have Gene Krug represent the developers in solidifying the Natural Lakes project. Everyone involved up to this point was aware that it still had not closed. Gene Krug accepted. Satisfying the creditors of Fromm's \$90,000 would involve a tremendous amount of legal work in drafting mortgages, placing deeds in trust and obtaining releases, bearing in mind all creditors also hired attorneys. Krug burned midnight oil. Credit should be given where credit is due. Were it not for the dedication and expertise of Gene Krug to this project, it may well have collapsed on more than one occasion and this history would never be written.

Interest on borrowed money and operating expenses were taking a heavy toll on the developers who were woefully underfinanced. Dollars allotted to projects did not go as far as anticipated and what those dollars lacked in distance, they compensated for in speed.

The pressure was on to sell encumbered lots first to satisfy Fromm's creditors and items other than green backs were often accepted as down payments. These included such items as piers, vacuum cleaners, pool tables, a Model "A" Ford, beef, boats, whatever.

Forming an owner's association for the betterment of the project was now a must. Security, privacy and protection of the wilderness for prospective purchasers were foremost in their mind. This required much researching of all legal aspects. It must be written in laymen's language and it should provide a protective blanket. One result of Krug's effort was the Natural Lakes Owners Advancement Association (NLOAA) bylaws in 1971.

### ***Implementing the Natural Lakes Development Plan***

Since Krug entered the picture the developers were sleeping better at night. A closing was eventually realized and the developers began construction of two homes, one on Beaver Lake and one on Morton. These were built on a speculative basis. In those days there was electricity along Fromm Road only - until Beyries started his home. Also at that time the power company allowed 1/2 mile of road frontage line free for an all-electric home.

The first two years of sales operation were conducted by the developers without the benefit of telephones. Subsequently a local telephone number was established with a widow woman in downtown Boulder Junction. However this necessitated several trips to town each day to make calls or receive messages -- except in the spring.

The developers decided that the project needed more exposure. An airplane was purchased and sales offices established in several cities around Wisconsin. Promotions were set up at Left Guard Restaurants owned by a former Green Bay Packer football player. Sales teams generated clients by offering cocktails,

dinner and later a sales pitch with movies and brochures. Sometime thereafter, the clients were flown to the Boulder Junction Airport and picked up in buses by the developers. This usually occurred on a Saturday. Once at the lodge clients were offered cocktails, a steak dinner prepared by the developers with the evening spent in more cocktails, card games, etc. Lot purchasing was rarely discussed. The following day sales representatives were to take the clients around the development and hopefully sell property but very often something less than 100% cooperation was received due to hangovers. Also it was discovered some sales persons were repaying favors to clients at the expense of the developers.

This airplane venture did not prove profitable. Expenses for an average weekend piled up to \$1,500-\$2,000. The airplane scheme was abandoned when an engine blew up on take-off and guesstimated repairs were astronomical. Constant maintenance and huge insurance premiums also contributed to its demise.

The Association (NLOAA) conducted their first meeting on July 1, 1973 at the Natural Lakes office in Presque Isle, WI located at Beaver and Bluebill Roads (the lodge). At this time, there were seven permanent residences within Natural lakes. The first Board president elected was Art Beyreis, the individual who initially had title of all of Morton Lake which he had acquired from Henry Fromm. The Board expended a good portion of their time creating an operating environment within the defined bylaws. As referenced earlier the lodge was the office of the developers, and a spot for potential buyers to eat and stay overnight. There was even a swimming pool. After the formality of the annual meeting there was a social gathering with beer and cook-out garnishments and pig roasts sponsored by the developers. This convenient location and socialization drew members to the Association's business meeting. Subsequently, the lodge was lost in the bankruptcy and at least one annual meeting was conducted in Boulder Junction's outdoor pavilion near the fire house. The Board's monthly meetings were typically conducted at one of the Board member's home. Eventually, the meetings were moved to Presque Isle community center and then, later, to Boulder Junction.

By 1975 all the on-shore lake parcels were gone and, after six years, the developers agreed to dissolve their relationship. The Association was extremely well run by the membership. After concluding negotiating with his three associates, Theil agreed to release control of certain unencumbered parcels to each partner. Tom Thiel then became sole owner of the remaining lands.

### ***Natural Lakes Growth – The Bridge***

As the Preserve developed, many improvements were planned. One was the bridge across Osprey Narrows which was named for an osprey nest found in a tree just 100 yards north of the current location of the bridge. As stated above, Beaver Lake was approximately one foot higher than McCullough Lake and Morton Lake. After the developers had the channel dredged, Beaver Lake dropped more than ten inches. This created more shoreline and a navigable channel.

However, the DNR, via airplane flyovers, observed the rock dam removal and topography change. They initiated litigation against the developers to restore the area. After about four years of litigation, the courts allowed the action to stand because of the progressive damage that could occur to the environment if water levels were raised back to original levels. The developers were fined \$4000. It was at this time the developers applied for and were granted a permit to construct a bridge over the channel.

### ***The Bridge – First Attempt***

In 1971, the developers contracted Pitlick & Wick to place a large used half culvert in the channel to enable a crossing of the waterway. They chose the narrowest accessible point on the channel and proceeded to shore up the culvert by placing a large amount of clay-like dirt on the sides and over the top of the culvert for the purposes of creating a roadway. Tom Thiel provided pontoon rides starting from the lodge through the culvert to McCullough and Morton Lakes to demonstrate the navigability of the narrows.

A gravel pit on Natural Springs Road just off Deer Trail Road was used by the developers for the buildup of lots on Bald Eagle Road and on the east side of McCullough Lake, as well as the development of Teal and Tall Timber roads. Truckloads of gravel were being hauled over this culvert. Unfortunately, there were no rocks or cement on the sides of the culvert to support heavy loads. The effect of these heavy loads and the expansion of the clay siding caused the culvert to become egg-shaped and finally collapse on one side. The culvert crossing was closed due to safety reasons.

### ***The Bridge – Second Attempt***

NLOAA started to pressure Thiel to replace the culvert. In 1978 Thiel enlisted a contractor for this purpose. Compensation for these services was to be the transfer of ownership of certain Natural Lakes lots. The contractor's first effort was to drive eight pilings on each side of the channel for the purpose of creating forms for the base of the bridge. After the forms were created, cement was poured on each side of the channel which was to anchor a half culvert over these forms. The project was never completed due to legal issues involving ownership of properties promised in exchange for the work to be performed and also lack of funds to adequately build the bridge.

The collapsed culvert remained with no agreement with the developers for its replacement through the end of 1982. NLOAA realized the only way that a bridge could be built across the channel would be if the Association took on the responsibility.

### ***The Bridge – Third Attempt***

In 1983 an all wooden two lane bridge was proposed by the Association that would require a special assessment which would be voted on at the annual meeting. The cost of this bridge would be \$30,000. Each member assessment contribution would be \$100. At the annual meeting the vote passed by over 65% of the members.

In 1984, some opposition to building this bridge had been voiced by the property owner members on the east end of the Preserve. After most of the assessment dues had been collected, a few members challenged the validity of the annual meeting vote on the technicality that an annual meeting notice had not been sent out 30 days prior to the annual meeting, and therefore the vote was void. On attorney advice, the Association returned all submitted assessment dues plus interest.

In 1987, NLOAA requested assistance from a member in the Preserve who was a retired architectural engineer - Bob Christensen. He was asked if he would develop design plans for a bridge over the Narrows. His design outlined a cement base with a wooden Wheeler bridge on top of it. Wheeler Consolidated Inc. was a St. Louis Park, Minnesota company that manufactured 'Prefab Bridges' with oil pressured into the wood bridge structure similar to railroad ties, only better.

NLOAA established a bridge committee consisting of the following members: Randy and Barb Bolduc, Tom and Trudy Roesch and Bob Kriehn. The committee immediately discovered that after two years, the cost of building the bridge had increased substantially after receiving opens bids. Due to these increased costs, the bridge design was modified to one lane and the height was raised to accommodate the passage

of pontoon boats. Previously, the original developers had received a permit from the D.N.R and Army Corps of Engineer. With this permit as a basis, the committee re-applied for and received a permit for the new design. The new design would cost \$32,500. NLOAA applied and received approval for a line of credit of \$20,000 at a Minocqua bank for a seven year loan if the membership approved.

In 1990, NLOAA held a special meeting to explain the bridge proposal. The membership approved the bridge proposal at the next annual meeting by a slim margin of 53%. Payment for the bridge was made by borrowing the \$20,000 and taking the balance due from a working fund. The \$20,000 would be repaid through the budgeting process over seven years.

Work started immediately. First the old culvert had to be removed. Sam's Salvage from Ironwood came down and removed the old culvert. They tried to flip it up on the north shore with three wreckers to no avail, so they took torches, cut it up and hauled it away. Ruzic Construction Co. from Neilsville WI was the general contractor to put in the cement and the Wheeler Bridge. Island City Dray was contracted to provide for the required backfill around the bridge abutments after the bridge had been completed.

Ruzic used the existing cement slabs behind the pilings as forms and the bridge base structure was poured on both sides. To enable wider access under the bridge, he then removed all the previously drilled pilings except for four pilings to be used as 'bumpers' to protect the base from passing boat traffic. This activity started in September 1990 with a deadline of being finished by opening day of fishing season. In two weeks the bridge was up and the back filling began. By October the bridge was complete with the exception of the wood fenders under the bridge near the cement slabs on the channel. The wood fenders under the bridge were installed later in the winter when the channel had iced up. By November the Association had a bridge over Osprey Narrows. The roads on either side were graveled and graded in 1991.

The bridge cost was \$32,500 and was paid off in five years. One tactic for repayment was to collect dues from delinquent members. These back dues contributed to the retirement of the outstanding debt for the bridge.

The bridge is posted at 20 Tons and the Wheeler part of the bridge is guaranteed for forty years. Not only does the Preserve have access over the channel, but it also guarantees another exit route in case a forest fire blocked a Bluebill Road exit route.

### ***Natural Lakes – Limiting Access to the Preserve***

When the Association was formed in 1971, two entrances were available to the Preserve – Bluebill Road and Deer Trail Road, the latter being situated at the junction of County Hwy B and County Hwy M. Deer Trail provided closer proximity to Morton Lake and the development of Bobcat Road and Natural Springs Road and the eventual development of the Moonshine area. Additionally, Deer Trail entrance provided a safer ingress/egress point from the Preserve. The Bluebill Road entrance was very close to a blind curve on County Hwy B, posing a safety issue entering and leaving the Preserve. In 1976, a connecting road was developed between Deer Trail and Bluebill just a quarter mile into Preserve. After a short time, its use for vehicular traffic became limited because of its lack of gravel and it only accommodated single lane traffic.

In the early 1980's, a few members in the Preserve became concerned about multiple entrances into Natural Lakes as it related to security. They lobbied to make Deer Trail the only entrance to the Preserve but to no avail. Residents along Bluebill wanted the Bluebill entrance to remain open.

By 1986, trespassing in the Natural Lakes was becoming more frequent. Fishing guides and their patrons were utilizing Morton, McCullough and Beaver for productive outings. Wildcat Lodge would sponsor

canoe outings for their patrons, using Bobcat as canoe drop-off facility for trips on the Presque Isle River. There were also two home burglaries reported. These incidents provided rationale for change. In July 1986, a security committee was formed. By the end of 1986, the Bluebill Road entrance was gated, making Deer Trail the only entrance into Natural Lakes. The connecting road between Bluebill and Deer Trail was graveled and widened and a guard shack was built and was manned at strategic times during the year.

### ***Natural Lakes Growth – Hard Surface Roads***

The developers created roads through the Preserve for optimal access for lot development and lake accessibility. The roads were all gravel and as the membership expanded, utilization and maintenance costs escalated. The year 1995 was pivotal regarding Natural Lakes roads. Taylor Investment Company had previously obtained the development rights for parcels north and west of Natural Lakes and they were requesting use of Bluebill Road. After many months of negotiations, the '1995 Bluebill Road Agreement' was executed between NLOAA and Taylor outlining conditions whereby the developers and eventually the residents of the newly developed area were allowed use of the road. This new area would be named Frontier Lakes. The '1995 Bluebill Road Agreement' provided that Frontier Lakes residents contribute to 50 percent of all maintenance and upkeep of the road. Predictably, maintenance costs of Bluebill became greater due to higher usage as Frontier Lakes grew in membership. In 2014, Frontier Lakes filed a lawsuit challenging the 1995 agreement. The main issues in contention were the legal definition of Bluebill Road, the status of Frontier Lakes' right-of-way on Bluebill Road, and the responsibilities shared by Natural Lakes Owners' Advancement Association and Frontier Lakes Owners' Association for maintenance of Bluebill Road. In 2016, the NLOAA BOD and the FLOA BOD reached a settlement entered as a final court order by the Circuit Court of Vilas. The settlement defines Bluebill Road as including Deer Trail starting from Vilas County Hwy B to Bluebill Spur to Bluebill Road to FL's entrance gate, provides that FL "shall enjoy a permanent right-of-way over Bluebill Road" from County Hwy B to the FL entrance gate, and provides that NL and FL will "jointly and equally share the cost of maintenance, repair, improvement and upkeep of Bluebill Road." NLOAA and FLOA agreed to cooperate and "strive to work with one another in good faith," in order to avoid any future legal entanglements.

### ***Hard Surface Roads – Preliminary Activity***

In 1997, a member of the NLOAA Board obtained a bid to asphalt or seal coat Bluebill Road for approximately \$120,000/\$65,000 respectively, but there was minimal support for the project. In 1998, the Board created a Bluebill Road committee. Some members were upset that the 'Bluebill Road Agreement' violated the privacy of the Preserve by allowing non-members to traverse through Natural Lakes on Bluebill. Others felt that Bluebill Road activity had increased to a level that the current gravel road could not be sustainable. The new committee's charter was to study three options; 1) blacktop Bluebill Road and cede the road to Presque Isle and make it public; 2) blacktop Bluebill Road, but keep and maintain; 3) keep status quo. After obtaining many different types of road surface-type scenarios and cost options, the Board chose option #3; do nothing. The Board did make progress in 1999. The entrance into the Preserve was in constant need of repair. The guards at the guard shack commented about 'eating a lot of dust'. County Hwy B was being resurfaced at this time and the Board negotiated with Pitlik & Wick (the contractor working Hwy B) to pave the Deer Trail entrance. The work was completed by July 1999 at a cost of \$7,316 and Natural Lakes now had a paved asphalt road from County Hwy B intersection to past the guard shack. The camel's nose was now under the tent and the guards could breathe easier. At the

annual meeting in July, 2000, the Board proposed additional roads that could be paved. The membership voted 61- yes, 116 – no.

### ***Hard Surface Roads – First Attempt***

The name Natural Lakes Preserve connotes the desire to maintain the ‘naturalness’ of our area. When Bob Faliveno considered moving into our Preserve in 1995, he had the same mindset. He loved everything about the Preserve including the gravel roads as all members did when first being introduced to the Preserve. Even the flat tire he encountered when he first moved up here did not sway his thinking. However, as Bob Faliveno became more involved in the Association, he started to understand the cost of maintaining gravel roads, the dust effect from the roads on the Preserve, and damage that these roads could cause to vehicles. Bob began to attend Board meetings to involve himself more in Natural Lakes activities. After the failed vote in the year 2000, he became chairman of the Long Term Road Improvement committee. His first order of business was to create a mission statement for his committee and develop a ten year road paving plan that would be amenable to the membership. He presented the Committee’s overall plan at the annual meeting in 2001, and those in attendance provided a positive response. Detail planning would proceed including assurances from Frontier Lakes to pay their portion for Bluebill Road.

One decision the committee made during the proposal process was choosing the material content of the paved roads. Blacktop (asphalt) was considered but it was determined that was too expensive, too rigid for our climate in order to achieve best long term results and would not provide the most ‘natural look’ that could be achieved. Faliveno consulted with Department of Transportation representatives in Madison WI to understand various options which could be considered. The committee decided that “chip seal” would be the best fit for the Preserve, relative to maintenance, cost and esthetics. Chip seal is a mixture of aggregate stone, oil and sand, along with some adhesive additives. The stone selected was of a grayish-brown color lending itself to a more natural look. By its nature it is very flexible; it actually moves with normal traffic. This characteristic helps tremendously with the freeze and thaw action during weather transition months. Also future maintenance costs of chip seal would be much less expensive than blacktop roads.

Over the next year, the Committee selected which roads would be paved; determined funds required as well as conducted cost/benefit analysis. Due to the fact that this project was a capital improvement, the bylaws stated that a membership assessment would be necessary. The project identified 16.5 roads to be paved with an assessment of \$635 per member. The project was put to a membership vote at the July 2002 meeting. Vote was 112 – yes, 87 – no. However, the bylaws stated that a 75% affirmation was required for passage for member assessments over \$100. The vote failed. It was noted that Frontier Lakes members approved an assessment of \$525 per member for three miles and NLOAA members rejected a \$635 assessment for 16 miles. Curious at best!

### ***Hard Surface Roads – Second Attempt***

The NLOAA Board decided it must restart the ‘Hard Surface Road’ project in some way. The Board looked into chip sealing Bluebill Road. The Board calculated that a combination of the Frontier Lakes contribution, a NLOAA reserve fund with a small membership assessment of \$78 could be a winning combination. Although the bylaws only required Board approval for assessments under \$100, the proposition was put to a membership vote, although not necessary. The membership supported this

proposal by a vote of 181 – yes, 40 – no in September 2002. Bluebill Road would be chip sealed by June, 2003.

Another ‘Hard Surface Road’ revised proposal was presented to the membership at the annual meeting in 2004. Again the proposal was rejected 125 – yes, 32 – no, only garnering 68% of the vote, the bylaws requiring 75% of the vote.

### ***Hard Surface Roads – Third Attempt***

The Long Term Road committee now needed to perform a ‘failure analysis’ regarding their proposal to the membership – what is wrong and why? The committee concluded that they must provide a long term plan for all 23 miles of roads in the Preserve. The plan must also address the member ‘dues assessment’ process. It had become apparent that members preferred another financing vehicle.

At the July 2005 annual meeting, a total Preserve ‘Hard Surface Road’ plan was presented. 1) All roads in the Preserve would be paved thru a phased approach; 2) it will be a 15 year plan; 3) bylaws must be changed to allow NLOAA to finance the plan via bank loans but the debt, at any given time, will not exceed \$400,000; 4) bylaws must be changed to only require approval of 60% of the membership; 5) a special Board meeting will be held in October 2005 for a membership vote. At the October meeting, the membership approved the plan.

As a result of the vote, Phase II road surfacing was planned. The Blue Bill Road project had been defined as Phase I. The Phase II project would consist of 10.2 miles of roads: Bald Eagle, Bear Trail, Beaver, Blue Heron, Deer Trail and all roads providing access to our boat landings except for Dunn Lake. In 2006, the Board obtained a loan of \$382,000 at 7 ¼% and the project was completed in the fall of 2006. It is noteworthy to mention that the Board created a provision to fund a Reserve Account (Chip Seal Resurfacing Fund) to provide funding for re-Chip Sealing of existing hard-surfaced roads precluding the requirement of borrowings funds for any re-surfacing effort.

By 2008, the principal balance of the loan had been reduced to \$272,000 allowing the Board to borrow additional funds to initiate Phase III. A line of credit of \$120,000 was established and Phase III was defined. It consisted of 3.3 miles of road: Natural Springs, Horned Owl, and Red Fox and the project was completed in 2008. In 2011, the Board consolidated both loans into a five year fixed loan at 5 ¼% with a principal of \$261,000

In 2012-13, the U.S. Government and White House continued their muted economic recovery policy and, in turn, interest rates remained low. The NLOAA Board’s opinion was that road surfacing expense will continue to escalate and the borrowing interest rate would never be lower. The Board made a decision that the Association should take advantage of the historically low interest rates to fund completion of the road project. There were six more miles of roads to be chip sealed at a cost of \$480,000. The outstanding loan principal was \$120,000. Bob Ford and Colin McDonough developed a ‘Bank Loan Request Portfolio’ depicting the credit worthiness of NLOAA and presented it to no less than 15 lending institutions. A loan of \$600,000 was required, \$200,000 over the Association’s authorized borrowing limit. The increased borrowing limit request was presented at the July 2013 annual meeting and the proposition was approved by 83% of the voting membership. A fifteen year loan fixed loan (5/5/5) was negotiated with the first 5 years starting at 4.62%. The payment per month is calculated to be \$5000 until the loan is paid off. Phase IV was authorized and initiated. Dick Fields spear-headed the effort after the Board selected Pitlik and Wick as our chosen supplier. Phase IV consisted of all Moonshine area roads,

Snowshoe, Coyote Pass, Ruffed Grouse, Little Fawn, Tall Timbers, River Park, and Teal. Ottawa and Blue Goose (Dunn Landing) will remain gravel. The road project was completed in 8 years.

One can only wonder how much the Association could have saved if the membership had supported the original proposed assessment of \$635 as opposed to spreading the project out over 8 years. The cost per mile at the initial request was \$12,000 per mile. The cost of Phase IV was \$88,000 per mile. You do the math and don't forget to add the cost of borrowing!

### ***Natural Lakes Growth – Continuous Improvement***

The NLOAA Board meets nine times a year including the annual meeting in July. At the annual meeting three directors are elected to replace those ending their three year term. This transition promotes diversity in thought which allows the Board to propose and, if approved, implement projects that continually improve the quality of life of members.

### ***Natural Lakes Growth – Boat Launch Landing Gates***

As time passed, membership and homes increased in numbers resulting in Natural Lakes' increased popularity. Anecdotal evidence presented to the Board indicated that our lakes were being used by unauthorized visitors. It had been reported that even fishing guides were seen utilizing our lakes. At the same time, *aquatic invasive species* (AIS) was becoming a concern in northern Wisconsin. The fact that the Preserve's lakes are situated on private property with no public access made a potential invasive species issue solely the members' responsibility. An earlier proposal by Bob Ford to install an electronic gate at the Natural Lakes entrance inexplicably did not garner enough support to proceed. It would not only have protected our lakes, but the whole Preserve. In August 2006, the Board authorized a committee to investigate and recommend a potential solution to protect our lakes alone. The Boat Landing Gate committee was formed, headed by John Summerkamp. The committee recommended that we 'gate' four landings on Morton, McCullough, and Beaver at a cost not to exceed \$3000. The Board approved the action and the gates were purchased and installed by May 2007.

A few members in Natural lakes objected to the landing gate installations and reported the NLOAA's actions to Vilas County. The committee had failed to consider the need for a permit from the Vilas County to install gates, in part, due to the fact that there are many other landing gates in the surrounding areas without permits. The Board received notification from the Vilas Zoning Department that we were in violation of the zoning ordinance requiring a permit for our gates and that we would have to remove them to avoid a fine. The gates were taken down in September 2007.

As one might expect, the project now became a challenge. Application for a permit was denied. The zoning ordinance defined a 'gate' as a 'fence' which cannot be installed within 35 feet of a shoreline. To insure support from the membership, the Board issued a survey regarding the landing gates in January, 2008. 166 members responded; 80% of those were in favor. In June 2008, the Board contested the permit denial via a Administrative Appeal to Vilas that a 'gate' is not a 'fence', but lost the argument.

With membership support, the Board concluded it would apply for a variance to the ordinance. In May 2009, a variance hearing was conducted with the Vilas Board of Adjustments (BOA). Inexplicitly, all gates were approved except for Bobcat Landing. The NLOAA Board then retained a lawyer to appeal the

BOA decision. In September 2009, NLOAA prevailed. After three years, the gates were installed in Spring 2010.

### ***Natural Lakes Growth – Bald Eagle Park Pavilion***

In August 2006, a few of the Board members expressed an interest in the construction of a community center in Bald Eagle Park. The rationale was that Association could conduct Board meetings in the facility as well as make it available for other Association activities. The building could also be made available for member use. The Board created an exploratory committee to understand the pros and cons of such a project. In September 2006, a very preliminary estimate of the effort led the Board to the conclusion that the membership should be surveyed to see if there is any interest. In December 2006, only 28% of the members responded, voting 44% in favor and 56% against the construction of the building. The Board surmised that the membership did not want to take on any other capital expenditures until the road project was completed, and road debt was paid off.

Enter the NLOAA Social Committee with Kay Lynch - chairperson. Knowing that there was no appetite within the membership to fund any type of structure in Bald Eagle Park, the Social Committee devised a volunteer funding plan with a twist. Instead of a community center building, they proposed to build a 'shelter' at the park. The NLOAA's Fall Fling Party in September 2007 conducted a "Silent Auction" which kicked off the fund-raising. Subsequently, with the urging of Kay, many other fund-raisers took place including the February Ice Party, football pools, and personal contributions. By spring of 2010, leveling excavation took place, cement poured, construction began. The steel roof was installed and electrical and lighting were completed. Most notable is that all the labor to complete construction came from member volunteers, their friends, and donated materials. It had been estimated that the 'shelter' would have cost approximately \$19,000 if we had to pay for all material, labor and equipment used. The actual costs came in around \$9000 -- all raised through fund-raising and personal contributions. A 'Grand Opening' potluck was planned at the completed Pavillion in July 2010, immediately following the NLOAA annual meeting. There was a bonus to all of this. When the power company had come in to hook up power to the shelter, they had a few extra 'used' utility poles on their trailer. WPS donated a pole and light, and installed it for NLOAA, providing a light for the Bald Eagle Park sled hill!

### ***Natural Lakes Growth – NLOAA Website***

Up until 2007, all communication to members was via U.S. Mail, At the 2007 Annual meeting, Bob Ford presented a proposal to the membership for the development of the Natural Lakes Website which would improve communications and file keeping. Up until this time, there were three different membership files (all different from one another) used for different purposes, e.g. minutes, dues, communication and meeting notices. Bob Ford presented various functionalities that would be incorporated in the website. It was enthusiastically received. There was one privacy concern regarding housing the NLOAA membership on the website. Bob indicated that the website would require a user id and password and a membership list that would never be provided to any solicitors (profit or non-profit); however, NLOAA members will have access to the most current membership list for easy convenience. Bob launched the site a year later in 2008. The NLOAA web has greatly enhanced communication within Natural Lakes and currently saves approximately \$12,000 a year in just mailing, handling and paper costs!

### ***Natural Lakes Growth – Other Improvements - Utility Power***

In 1998, Wisconsin Electric/Wisconsin Gas made a proposal to install natural gas within Natural Lakes. The gas company ran buried lines along 70% of Natural Lakes roads and provided up to 80 feet of service to a residence at no charge. Many members took advantage of the offer. Many of the original home were all electric.

Electrical power outages are not uncommon within Natural Lakes. In 2015 Wisconsin Public Service funded a project (System Modernization Reliability Project) that buried approximately 5.35 miles of power cable along the roads in Natural Lakes (about ¼ of the Preserve). Although power outages still occur with minimal regularity, occurrences have been reduced because of the buried cables along these roads.

As opportunities arise, the NLOAA Board will continue to invest in Natural Lakes to insure the quality of life within the Preserve.

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## **Acknowledgements**

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