



September 5, 2014

Dear Resident:

It's been three months since the June 12 meeting in Prairie du Sac where we discussed the Department of Natural Resources' efforts to bring the resort's wastewater treatment facility into compliance with state laws passed to protect human health and the environment, and we feel it is time for an update. It's important to us that you have the latest information available.

### **Recap**

By way of a quick refresher, at the June 12 meeting you heard about persistent problems with the resort's wastewater treatment system. Problems included not meeting operating permit reporting requirements, not enough capacity to adequately treat inflow at certain times of the year, inadequate separation from groundwater and bedrock, and spills of sewage into nearby wetland areas.

You also heard that unless the operating problems and design deficiencies can be resolved, or there is an acceptable plan to resolve them, the department would revoke the facility's wastewater discharge permit, known as a WPDES permit, on April 1, 2015. This would leave the resort without the ability to legally operate its wastewater treatment system.

The current owner of the resort, Morgan Management, has defaulted on its bank loan. A court-appointed receiver, Janus Hotel Management, currently operates the resort and at the time of the June meeting, was actively seeking a buyer for the resort. Janus agreed to notify the Department of Natural Resources by September 15, 2014 whether or not a buyer for the resort had been found.

### **Has a buyer been found?**

Several potential buyers have indicated interest in the resort. However, the Crystal Lake resort is the subject of on-going litigation between its owner and its lender. Before any sale can proceed that litigation must be resolved. DNR is not aware of the exact date for such resolution.

Since this date is beyond the previously agreed upon date of September 15 for notifying DNR if a buyer has been found, and we do not at this time know the outcome of the September 29 hearing, the department will have to wait for the court's ruling the same as everyone else. This makes the September 15 date meaningless and no longer of any significance in the timeline for addressing treatment facility issues.

### **DNR's responsibility and commitment**

The department's responsibility to protect human health and the environment and enforce all applicable state laws is not changed by this upcoming court action.

The department *remains steadfast* in our willingness to work with a new owner or consider any other feasible plan brought forward for bringing the resort's sewage treatment facility into compliance, but

maintains its intention to revoke the resort's WPDES permit on April 1, 2015 if these conditions are not met.

**What is needed to renew the WPDES permit**

What the department needs in order to renew the WPDES permit is a commitment to bring the facility into compliance from a party with operating authority over the treatment facility. This can be the existing owner, a new owner, or a lessee with clear legal authority and ability to operate the wastewater treatment facility and discharge in accordance with the conditions of the WPDES permit.

**When does this have to happen?**

We understand that there is some confusion regarding what actions must take place by the April 1, 2015 date in order for the WPDES permit to be renewed.

Work necessary to bring the facility into compliance does not have to be completed by April 1. We can renew the operating permit based on the commitment described above. The renewed permit would lay out necessary actions and a schedule for completing those actions. Conditions such as these are frequently written into permits of this kind as they allow a facility to continue to serve its customers during the time necessary to make needed process upgrades and improvements.

In closing, let me again emphasize the department's willingness to work with an owner to bring the facility into compliance. We do understand the potential hardship this places on resort residents and we are willing to answer any questions or provide any information we can to residents as we work through these issues. We also have created a new Crystal Lake RV Resort webpage with information you may find useful. You can find it at [dnr.wi.gov](http://dnr.wi.gov) by searching for, Crystal Lake.

Please feel free to contact me, Tim Ryan, wastewater permitting supervisor, at 608-275-3277 [tim.ryan@wisconsin.gov](mailto:tim.ryan@wisconsin.gov) with your questions at any time.

Best regards,

Tim Ryan