



Douglas La Follette, *Secretary of State*
Sarah Godlewski, *State Treasurer*
Joshua L. Kaul, *Attorney General*

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Thomas P. German, *Executive Secretary*

AGENDA

September 1st, 2020
2:00 P.M.

Board of Commissioners of Public Lands
101 E. Wilson Street, 2nd Floor
Madison, Wisconsin

Routine Business:

1. Call to Order
2. Approve Minutes – August 18th, 2020 (Attachment)
3. Approve Loans (Attachment)

Old Business:

4. None

New Business:

5. Conservation Easement on Mineral Estate

Routine Business:

6. Chief Investment Officer's Report
7. Executive Secretary's Report
8. Board Chair's Report
9. Future Agenda Items
10. Adjourn

AUDIO ACCESS INFORMATION

Toll Free Number: **(888) 291-0079**
Passcode: **6363690#**

Board Meeting
Minutes
August 18th, 2020

Present were:

- | | |
|---|--|
| Sarah Godlewski, Board Chair | State Treasurer |
| Josh Kaul, Commissioner | Attorney General |
| Doug LaFollette, Commissioner | Secretary of State |
| Tom German, Executive Secretary | Board of Commissioners of Public Lands |
| Richard Sneider, Chief Investment Officer | Board of Commissioners of Public Lands |
| Mike Krueger, IT Manager | Board of Commissioners of Public Lands |
| Denise Nechvatal, Senior Accountant | Board of Commissioners of Public Lands |
| Thuy Nguyen, Office Manager | Board of Commissioners of Public Lands |
| Julie Benkoske, Chief of Staff | State Treasurer |
| Jim DiUlio | Guest |

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:03 p.m.

ITEM 2. APPROVE MINUTES – August 4, 2020.

MOTION: Commissioner LaFollette moved to approve the minutes; Commissioner Kaul seconded the motion.

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

MOTION: Commissioner LaFollette moved to approve the loans; Board Chair Godlewski seconded the motion.

DISCUSSION: Commissioner LaFollette commented that he observed that the most common loans this time are refinance loans.

Mr. Sneider commented that it is common to see these loans this time of year. At the end of August BCPL closes off the ability to make prepayments on loans, which includes refinances, until the end of the year. BCPL does this because at this time borrowing entities are going through their levy process and if BCPL allowed prepayments and refinances during this time it would confuse matters greatly. August is a natural time for borrowers to get their refinances in.

Board Chair Godlewski asked if these communities experience cost savings through refinancing.

Mr. Sneider replied, yes, that is correct. The rates available through the State Trust Fund Loan Program and throughout the marketplace are very competitive right now. It is a good opportunity for borrowers to lock in low long term rates and

reduce their finance costs moving forward.

Board Chair Godlewski commented that it would be interesting to know how many communities are refinancing because of COVID and what the cost savings would be for these communities.

Comments about the Rosendale loan were made by Board Chair Godlewski and Executive Secretary German.

VOTE: The motion passed 3-0.

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$5,091,405.93** in State Trust Fund Loans to support **15** community projects in Wisconsin.

City of Chilton / Calumet County / Refinance BCPL loan #2019096 / \$733,983.00
Town of Unity / Trempealeau County / Finance purchase of fire truck / \$250,000.00
Town of Calamus / Dodge County / Finance roadwork / \$200,000.00
Town of Calamus / Dodge County / Refinance BCPL Loans 2018140.01 and 2018140.02 / \$72,359.50
Village of Bruce / Rusk County / Finance new village hall and shop facilities / \$212,000.00
Town of Dunkirk / Dane County / Finance roadwork and road equipment / \$350,000.00
Town of Dunkirk / Dane County / Refinance BCPL Loan #2020015 / \$229,467.78
City of Marshfield / Marathon and Wood Counties / Finance 2020 Capital Expenditures / \$736,000.00
Town of Lucas / Dunn County / Finance roadwork / \$700,000.00
Town of Neenah / Winnebago County / Finance new park shelter / \$208,000.00
Town of Neenah / Winnebago County / Refinance BCPL Loan #2018125 / \$82,359.94
Town of Neenah / Winnebago County / Refinance BCPL Loan #2012137 / \$57,870.63
De Pere School District / Brown County / Finance school remodeling / \$415,000.00
Village of Rosendale / Fond Du Lac County / Finance the purchase of police squad truck / \$56,000.00
Cambria-Friesland School District / Columbia and Green Lake County / Finance building projects / \$160,000.00
Cambria-Friesland School District / Columbia and Green Lake County / Refinance BCPL Loan #2019080 / \$268,021.82
Cambria-Friesland School District / Columbia and Green Lake County / Refinance BCPL Loan #2020004 / \$360,343.26

ITEM 4. OLD BUSINESS - Revisit and discuss goals and priorities of BCPL

DISCUSSION: Board Chair Godlewski commented about the cover letter that was included with the goals and priorities memorandum that talked about how BCPL is at a unique juncture. The Board has two new commissioners, a new structure, a new Executive Secretary, investment authority has been expanded and a new investment policy has been created. She added that she wanted to make sure the commissioners were all on the same page and far as what they are working toward. This also aligns with an updated description created for the Executive Secretary position. She then discussed the goals and priorities of the agency. She shared that input for this document was provided at a strategy planning session with Mr. Sneider, now Executive Secretary German and now retired Executive Secretary Barry to identify goals for three areas: Investments, Operations and Lands. Since it has been over 6 months and the agency will be meeting in the next month or so together to do some planning, she thought it would be good to revisit these goals.

Board Chair Godlewski asked Commissioners Kaul and LaFollette if they would like to go over these goals again.

Commissioner Kaul responded that he would like future updates from the staff and then the commissioners could follow up with questions.

Commissioner LaFollette felt the memorandum was very straightforward.

Board Chair Godlewski highlighted a few of the items. She talked about investments. It is good to know and

communicate how the investments are performing and provide that data in an annual report. BCPL has done that biennially. She added that she would like to make it about the Trust Fund as much as possible, e.g. the distribution, the number of loans that were provided, where the loans went, the impact the loans had, essentially communicating the good news of this agency. The investment committee has been working on this reporting along with asset allocation and how to work toward the best investments. She talked about the investment committee structure, the voting members and non-voting members. She shared that there is a non-voting member from the University and added that it is helpful to have outside opinions and outside diverse thought. Having different perspectives creates good dialogue which helps ensure the best selection and returns possible. She also discussed the Impact Advisory Group and making investments in Wisconsin whenever those investment make the most sense for the agency and provides the best returns.

Commissioner LaFollette asked if she would like to go over the list under operations quickly to talk about whether the agency has or has not completed those projects.

Board Chair Godlewski replied that some items are in progress and others have not yet been started.

Commissioner LaFollette commented that he understands that to be the case.

Board Chair Godlewski explained that her intention was to remind everyone about what was talked about. She spoke about providing quarterly updates on the progress of these items. She suggested that Executive Secretary German take the lead as to the updates. She asked the other commissioners if that seems worthwhile.

Commissioner LaFollette suggested that Executive Secretary German write one or two paragraph status updates for each of the 12 or so items on the list. The commissioners could then get a feeling for where the agency is at with each item.

Board Chair Godlewski agreed that that was a good suggestion.

Commissioner Kaul shared that he would like updates and that Executive Secretary German should handle the updates however he feels is best. He commented that he would like regular updates and status check-ins to assess how things are going to aid in deciding to add or change things.

Executive Secretary German expressed that he is more than happy to provide updates in any format that the board would like.

Commissioner LaFollette shared the reason he suggested writing the one to two paragraphs is that it would make it easier for the commissioners to look at the updates. He added that doing it verbally at the meetings can be hard to follow. He would prefer to look at and read the updates before the meeting.

Board Chair Godlewski proposed having Executive Secretary German provide quarterly written highlights. She commented that the Board can be provided updates after the off site agency session. She hopes that that session will provide additional insights into the document. She thanked the other commissioners for their input.

Commissioner LaFollette asked about the status of the new Deputy Secretary.

Board Chair Godlewski replied that Executive Secretary German will be commenting on that in his report.

ITEM 5. NEW BUSINESS – NONE

ITEM 6. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Sneider commented that BCPL's allocation to preferred stock has been fulfilled. BCPL is now at the 5% status that

was approved by the investment committee a few months ago. He explained that page 12 in the packet is not a complete table but rather a preview of what BCPL will be able to provide shortly. The table does not include all of BCPL's assets but in a month or two all assets will be entered into the performance software and included in a new table. The goal of this reporting is to see how BCPL measures up to the benchmarks of the Board approved investment policy.

Commissioner LaFollette asked about the \$45 million private real estate that BCPL owns.

Mr. Sneider replied that it is two separate funds, \$40 million invested in Blackstone Real Estate Investment Trust for the Common School Fund and \$5 million in the same fund for the Normal School Fund.

Commissioner LaFollette shared that he recalls those investments and commented that those were indirect real estate purchases, so to speak.

Mr. Sneider further clarified that those investments are not publicly traded but do offer some liquidity on a monthly basis, should BCPL ever decide to get out of that investment.

Commissioner LaFollette asked about the losses.

Mr. Sneider explained that a lot of it has to do with timing. BCPL entered into that investment in late March, at the time COVID hit. It was marked down quickly after it was purchased but he believes it is on its way back up. The investment from the Normal School Fund has increased since it was made because it was made in a later month. He also points out the importance of diversification. He shared that the remaining assets have increased by about \$33.5 million.

Commissioner LaFollette clarified that he was inquiring about why the real estate investments reached almost a 6% loss.

Mr. Sneider explained that the loss is due to COVID.

Commissioner LaFollette asked if the agency knows what type of real estate it invested in.

Mr. Sneider replied, yes, it is known down to the specific properties.

Commissioner LaFollette asked about other reasons those specific properties have lost so much value.

Mr. Sneider responded that the reason for the loss in value is because this fund can invest up to 20% of its assets in securities, meaning in debt that is secured by real estate and in actual properties. It may invest in securities to provide additional liquidity and cash flow for the fund. During March and April that type of security was hit hard but it has now come back up.

Executive Secretary German added that the bulk of that fund is invested in industrial properties, primarily distribution centers for companies like Amazon. The vast majority is in pretty good shape but as Mr. Sneider pointed out there are some areas that were pressured by COVID. Those areas are a smaller portion of the fund but were pressured a little bit more, whereas the industrial properties that are distribution centers are going up in value. Overall, the fund is doing okay but it did get pushed down a bit by COVID.

Mr. Sneider commented that 75% of that fund is invested in industrial properties in addition to apartments. Those are the two areas that he thinks are best positioned moving forward in this environment.

Commissioner LaFollette commented that it is much more complicated today than it was in the past. In the past it was easier to keep track of things because it was all school loans or municipal loans. Now there are more complicated investments. He thanks everyone for their explanations.

ITEM 7. EXECUTIVE SECRETARY'S REPORT

Executive Secretary German shared that BCPL has selected a new Deputy Secretary, Jim DiUlio. Jim DiUlio is coming over from the Department of Financial Institutions where he has been one of the principal people managing the Edvest program which has over 5 billion in assets. Jim has had a good career in the investment world and BCPL is looking forward to him joining the agency at the end of the month.

Executive Secretary German commented that as part of the communication outreach for the proposed land exchange with the USFS, he made an informational presentation to the Voigt Intertribal Task Force of Great Lakes Fish and Wildlife Council. After passing along Commissioners' greetings to the tribal members and giving a short presentation, he answered questions. The agenda called for 20 minutes. The questions lasted an hour and a half. He thought it was the beginning of a good dialogue and a road to better relations with the tribes.

Commissioner LaFollette asked about the questions the tribe members asked.

Executive Secretary German replied that many of the members had not interacted much with BCPL in the past. In this exchange, land is going in two different directions, from the Forest Service to BCPL and from BCPL to the Forest Service. They had concerns about the land that was going from the Forest Service to BCPL because the Federal government has a memorandum of understanding with the tribe. They talked about how they can exercise their treaty rights. The State has no such agreement with the tribe. Those relations are governed by the Voigt decision. The tribe is trying to get a better sense of who we are and what we do, how we do it and why we do it. He reiterated that it was a good conversation.

Commissioner LaFollette asked if BCPL is authorized to loan money to the tribes.

Executive Secretary German responded that the loan program specifies certain entities that can borrow through loan program. Those entities include cities, villages, town, counties, lake protection districts and technical colleges. In Menominee the tribe is synonymous with some of those things. So, in Menominee County that is possible but in other counties BCPL cannot lend to tribes through the loan program.

Executive Secretary German shared, as noted previously, BCPL has more potential submerged land leases working their way through the process and expects there will be another one on the board agenda for the next board meeting.

Finally, Executive Secretary German is working with DOJ on defining a legal pathway for selling a conservation easement against our reserved mineral estate. Over the years, BCPL has reserved mineral rights on over 200,000 acres of land that it sold. He had previously reported to the Board about a situation where BCPL owned the mineral estate and the surface owner operated a cranberry bog on the property. BCPL received a request from that cranberry bog owner to join him in selling a conservation easement. Executive Secretary German believes this is not only legally permissible, but as fiduciaries, something BCPL should consider for its trust funds. By selling such a conservation easement on BCPL's mineral estate, it would not only be generating revenue for the trust fund, but also protecting the environment. In the words of the Board Chair, a win-win situation. This will be coming to the Board at the next meeting for consideration as well.

ITEM 8. BOARD CHAIR'S REPORT

Board Chair Godlewski commented that her report will be very brief. She welcomed Jim DiUlio to the agency. She shared that she formerly worked with Jim in a unique way. He was on the executive committee of the National Association of State Treasurers and was active in the 529 Plan nationally but participated in a lot of work with the financial officers for the State, so she is excited to see him in this role. She added that he was a great leader nationally and

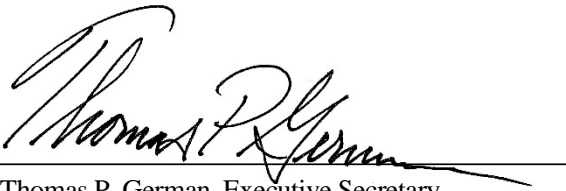
knows he will do a great job for the agency moving forward. She is excited for him to get to work at the end of the month and thanked him for attending the meeting.

ITEM 9. FUTURE AGENDA ITEMS

None

ITEM 10. ADJOURN

Commissioner LaFollette moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 3-0; the meeting adjourned at 2:31 p.m.

A handwritten signature in black ink, appearing to read "Thomas P. German", written over a horizontal line.

Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2020/2020-08-18 BoardMtgRecording.mp3>

**BOARD MEETING
SEPTEMBER 1, 2020**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Butler Clark County Application #: 02021036 Purpose: Finance purchase of grader	Town Rate: 2.50% Term: 5 years	General Obligation	\$179,500.00
2. Suring Oconto County Application #: 02021037 Purpose: Finance SCADA system upgrade and roadwork	Village Rate: 2.50% Term: 5 years	General Obligation	\$204,000.00
3. Brooklyn Green County Application #: 02021038 Purpose: Finance purchase of patrol/plow vehicle	Town Rate: 3.00% Term: 7 years	General Obligation	\$165,000.00
4. Woodville St Croix County Application #: 02021039 Purpose: Finance street and sewer projects and equipment purchases	Village Rate: 4.00% Term: 20 years	General Obligation	\$447,000.00
5. Rock Elm Pierce County Application #: 02021040 Purpose: Finance purchase of land and building for fire department	Town Rate: 2.50% Term: 4 years	General Obligation	\$110,000.00
6. Rock Elm Pierce County Application #: 02021041 Purpose: Refinance BCPL Loan #2019113	Town Rate: 2.50% Term: 4 years	General Obligation	\$64,920.17
7. Whiting Portage County Application #: 02021042 Purpose: Finance roadwork	Village Rate: 2.50% Term: 5 years	General Obligation	\$80,000.00
8. Brillion Calumet County Application #: 02021043 Purpose: Finance purchase of street equipment	City Rate: 2.50% Term: 2 years	General Obligation	\$57,190.00

Municipality	Municipal Type	Loan Type	Loan Amount
9. Brillion Calumet County Application #: 02021044 Purpose: Finance roadwork	City Rate: 3.00% Term: 10 years	NONE	\$321,481.00
10. Conover Vilas County Application #: 02021045 Purpose: Finance Pummels Road bridge project	Town Rate: 2.50% Term: 5 years	General Obligation	\$100,000.00
11. Conover Vilas County Application #: 02021046 Purpose: Finance Buckatabon dam bridge project	Town Rate: 2.50% Term: 5 years	General Obligation	\$160,000.00
12. Conover Vilas County Application #: 02021047 Purpose: Finance Park Pavilion Project	Town Rate: 2.50% Term: 5 years	General Obligation	\$125,000.00
13. Legend Lake Pro & Rehab Distric Menominee County Application #: 02021048 Purpose: Finance storage building	Lake District Rate: 2.50% Term: 3 years	General Obligation	\$150,000.00
14. Tomahawk Lincoln County Application #: 02021049 Purpose: Finance bike trail project	City Rate: 2.50% Term: 5 years	General Obligation	\$500,000.00
15. Fall Creek Eau Claire County Application #: 02021050 Purpose: Finance land purchase for residential development	Village Rate: 4.00% Term: 20 years	General Obligation	\$650,000.00
16. Jackson Burnett County Application #: 02021051 Purpose: Finance purchase of tractor/mower	Town Rate: 2.50% Term: 3 years	General Obligation	\$70,000.00
TOTAL			\$3,384,091.17

**BOARD MEETING
SEPTEMBER 1, 2020**

**AGENDA ITEM 5
PROPOSED CONSERVATION EASEMENT ON SEVERED MINERAL ESTATE**

- A. Since 1909, in accordance with state statutes, BCPL has reserved mineral rights and later water-power rights on the sale of School Trust Lands. BCPL has sold over 200,000 acres of land since then. As a result, BCPL has reserved and now holds more than 200,000 acres of “severed” mineral estate (the mineral rights are severed from the rights of the surface owner).
- B. There were a few modest attempts at exploring for minerals in the early 1990s on such severed mineral rights lands. However, BCPL records do not show that any minerals were ever mined or extracted from such lands or any mining leases were ever executed. As a result, these mineral rights reservations have generated no revenue for the respective trust funds.
- C. Conservation easements are often used for protecting natural resources and improving or maintaining air or water quality. In accordance with Wisconsin Law, BCPL may sell a conservation easement on its trust lands and on its severed mineral rights lands. In fact, conservation easements generally require that the holder of any mineral rights either join the surface owner in the agreement or waive such mineral rights.
- D. The surface owners of certain lands located in Price County, better described on **Exhibit A** (the proposed conservation “Easement Area”), have operated a cranberry bog and now wish to return such lands to wetland status and they seek to enroll their land into a wetland mitigation banking program. This would require the surface owners to execute a conservation easement to encumber their surface lands and would also require the holder of any mineral estate to join in the conservation easement. BCPL has reserved mineral rights on certain lands lying within the Easement Area.
- E. BCPL staff are not aware of the presence of any minerals in the Easement Area. As part of our due diligence, BCPL staff together with the surface owners, reached out to experts at the Wisconsin Geological and Natural History Survey which is part of the UW-Madison, Division of Extension. Esther Stewart, the Precambrian Geologist provided her assessment of the likelihood of economically extractable minerals. She concluded that, “While no known mineral deposits underlie the property, the bedrock geology could potentially host an as-yet undiscovered deposit, however the likelihood of any economic mineral deposit underlying the property is very small.” A copy of her letter is attached hereto as **Exhibit B**. Based upon her assessment, and the fact that no mineral exploration company had previously contacted BCPL to acquire mining rights for the Easement Area, BCPL staff were comfortable proceeding with the viewpoint that economically recoverable minerals were not likely present in the Easement Area.

- F. While the likelihood of an economic mineral deposit may be very small, the rights held by BCPL still have some value. BCPL staff could not find any comparable valuations for such rights in the State of Wisconsin. Given the valuation difficulties, BCPL staff surveyed other Western States Land Commissions to determine whether any of those Land Commissions sold, waived, or encumbered their retained mineral rights in situations where there did not appear to be any valuable minerals present on such lands. The states that responded indicated that in such situations, they charged a fee ranging from \$50 to \$100 per acre to sell, waive or encumber their severed mineral estate.
- G. The surface owners in the present case are offering to pay BCPL the sum of One Hundred (\$100) per acre to grant the Wisconsin Department of Natural Resources a conservation easement on BCPL severed mineral estate within the Easement Area.
- H. BCPL staff believes that the sum of \$100 per acre is equal to or greater than the full value of the rights that BCPL has reserved to the lands within the Easement Area.
- I. BCPL staff further believes that granting a conservation easement in exchange for the sum of \$100 per acre allows BCPL to generate revenue from a trust asset that has not previously produced any revenue for the trust funds and at the same time improve and protect some wetlands in Northern Wisconsin.
- J. For the above reasons, BCPL staff recommends that the Board authorize the granting of a permanent conservation easement to the Wisconsin DNR on BCPL reserved mineral estate within the Easement Area on which BCPL for the sum of \$100 per acre encumbered by such easement and on such other terms and conditions as the BCPL Executive Secretary determines to be reasonable and necessary.

PROPOSED RESOLUTION

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the granting of a permanent Conservation Easement on BCPL's reserved rights on lands located within the Easement Area in accordance with Sections 24.39 and 700.40 of the Wisconsin Statutes for the sum of One Hundred Dollars (\$100) per acre and on such other terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

Exhibit A: Legal Description of Proposed Conservation Easement Area
Exhibit B: Letter from Wisconsin Geological Survey

EXHIBIT A
LEGAL DESCRIPTION OF PROPOSED CONSERVATION EASEMENT AREA

A tract of land lying in parts of the South East and South West Quarters of Section 17 and the North West and North East Quarters of Section 20, all in Township 39 North, Range 1 East, Town of Fifield, Price County, Wisconsin.



DIVISION OF EXTENSION

February 24, 2020
 Larry Konopacki
 Stafford Rosenbaum LLP

Dear Mr. Konopacki,

On February 20, 2019, you contacted me requesting a mineral assessment on a property located in part of the NE1/4-SW1/4, part of the SE1/4-SW1/4, part of the NW1/4-SE1/4, part of the NE1/4-SE1/4, part of the SW1/4-SE1/4, and part of the SE1/4-SE1/4 of Section 17, and part of the NE1/4-NW1/4, part of the NW1/4-NE1/4, part of the NE1/4-NE1/4, part of the SW1/4-NE1/4, and part of the SE1/4-NE1/4 of Section 20, all in T39N, R1 E, Town of Fifield, Price County, Wisconsin (see figure 1).

I currently serve as Precambrian Geologist for the Wisconsin Geological and Natural History Survey, part of the University of Wisconsin-Madison, Division of Extension. It is in this professional capacity that I offer the following.

Surficial sediments

Examination of USGS 1:24,000-scale topographic maps, well construction reports, LiDAR (60 cm resolution), extrapolation from the Pleistocene Geology of the Superior Region map (Clayton, 1985), and WGNHS Technical Report "Characterization of groundwater resources in the Chequamegon-Nicolet National Forest, Wisconsin" (Bradbury et al., 2018) indicate the surficial sediment underlying the property comprises till and Proglacial stream deposits of the Copper Falls Formation. Proglacial stream deposits are typically composed of sand and gravel and between 5 to 20 meters thick while till deposits are composed of unsorted gravelly, clayey, and silty sand typically about 1 meter thick (Clayton, 1985). The surficial sediment was deposited between about 20,000 to 11,500 years before present during the last glaciation as a result of advancement and retreat of the Langelde lobe of the Laurentide ice sheet. Quaternary deposits in Price County are complex and likely to vary significantly in character and thickness over short distances. Because of this local complexity, detailed site-specific investigations, including test drilling, are necessary to verify local conditions.

The surface topography of the area underlying and immediately surrounding the parcel of interest is hummocky, characterized by small hills and depressions. Locally, depressions form lakes and wetlands (see figure 1). Well construction reports and the 1:100,000 Generalized Water-Table Elevation Map of Price County (Cates and Batten, 1999) indicate the water table is generally about 0 to 45 feet below the land surface, and wetlands are present over much of the property. Well construction reports from wells within and surrounding the property penetrate between 45 to 80 feet of clay, sand, and gravel. Plate 5, "Elevation of bedrock surface" from Bradbury et al. (2018) indicates depth to bedrock of about 50 to 90 feet. The only nearby pit, the Kronberger Pit, is located about 1.5 miles north of the property and about 400 feet south of State Highway 70. The pit is situated on a topographic ridge that is likely composed of till (Clayton, 1985, Bradbury et al., 2018 plate 1). A smaller extension of this ridge extends into the northern part of section 17. Given the relatively small size of the ridge, the shallow water table, and the distance to major roads, it is unlikely that economic deposits of unconsolidated material underlie the property.

Wisconsin Geological and Natural History Survey

3817 Mineral Point Road Madison, WI 53705 608-262-1705 WGNHS.org
 Kenneth R. Bradbury, Director and State Geologist

Bedrock

Data describing the bedrock geology of the area is limited. The bedrock geology has been mapped at 1:500,000-scale as Early Proterozoic metasedimentary rocks and mafic volcanic rocks of the Pembine-Wausau Terrane (USGS, 2004). This general geologic terrane has been the focus of metallic mineral exploration over the last 50 years. The property is located immediately south of the Niagara Fault, a major structural boundary that juxtaposes the Gneiss Dome Corridor to the north and the Pembine-Wausau Terrane to the south (USGS 2004). The bedrock geology underlying the property is mapped as Early Proterozoic basalt and andesite (figure 2). This bedrock unit hosts several volcanic massive sulfide deposits in Wisconsin, including Thornapple/ Eisenbray, Clear Creek, and Lynne.

Non-metallic mineral deposits

No bedrock quarries are present on or near (within about 45 miles) the property. The relatively thick surficial sediments and shallow water table are unfavorable for economic extraction of non-metallic mineral deposits, and the likelihood of commercial surface extraction of non-metallic bedrock on the property is remote.

Metallic mineral deposits

In the late 1970's and early 1980s Amax Exploration Inc. drilled and abandoned multiple exploration holes within 10 miles of the property. Many of these exploration holes targeted a geologic unit that is present immediately north of the Niagara Fault (Early Proterozoic schist, USGS 2004). The closest known occurrence of metallic minerals is the Agenda Area, which includes taconite iron ore deposits located north of the Niagara Fault and about 10 miles north of the property. There is little to no likelihood that the bedrock that hosts these taconite deposits underlies the property. The basalt and andesite bedrock unit that is mapped underlying the property does host several volcanic massive sulfide deposits. The Lynne and Thunder River Deposits are located about 20 miles southeast of the property. While no known mineral deposits underlie the property, the bedrock geology could potentially host an as-yet undiscovered deposit, however the likelihood of an economic mineral deposit underlying the property is very small.

Oil, gas, and fossil fuels

There are no known economic deposits of oil, gas, or fossil fuels in Wisconsin, and there is no chance that the crystalline bedrock that underlies the area could host oil, gas, or fossil fuels. Pete deposits are documented associated with the Quaternary, unconsolidated material (Clayton, 1985).

Sincerely,



Esther Stewart
Precambrian Geologist
Wisconsin Geological and Natural History Survey

References:

- Bradbury, K.R., Hunt, R.J., Pruitt, A., Juckem, P.F., Schoephoester, P.R., Maeul, S.W., Fehling, A.L., 2018, Characterization of groundwater resources in the Chequamegon-Nicolet National Forest, Wisconsin: Park Falls Unit. Wisconsin Geological and Natural History Survey Technical Report 004-03, 48 pp., 10 plates.
- Cates, K.J. AND Batten, W.G., 1999, Generalized Water-Table Elevation Map of Price County, Wisconsin. Wisconsin Geological and Natural History Survey Miscellaneous Map 49, 1 plate, map scale 1:100,000.
- USGS Open-File Report 2004-1355, Integrated geologic map databases for the United States; the upper Midwest states: Minnesota, Wisconsin, Illinois, and Indiana.

Surface topography underlying Price County parcel

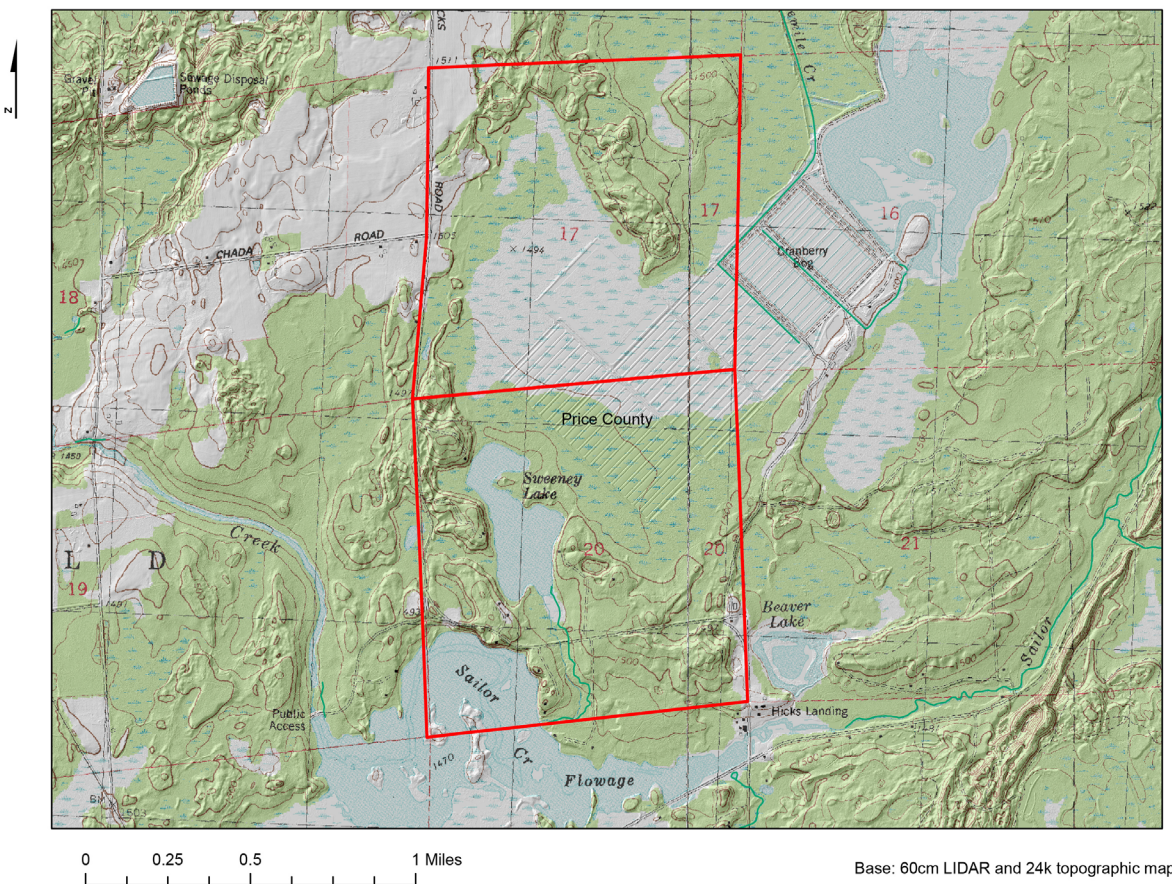


Figure 1. Map showing land surface topography and location of property to the township, range, and section. Sections 17 and 20 are outlined in red. Note there is no modern map of surficial geology for this area. Refer to Clayton (1985) for information on the surficial material near the area.

