

EAGLE LAKE IMPROVEMENT DISTRICT

BY-LAWS

Article I. Establishment

Establishment under Minnesota Statute 103B.501 by the Otter Tail County Board of Commissioners Resolution No. 2019-74, adopted October 15, 2019 and the Order of Establishment, adopted June 22, 2021, and filed with the Minnesota Office of the Secretary of State, Minnesota Pollution Control Agency, and the Minnesota Department of Natural Resources. The Eagle Lake Improvement District By-Laws were adopted on July 9, 2022.

Article II. Name of District

The name of the organization is: Eagle Lake Improvement District, commonly referred to as ELID.

Article III. Boundaries

The boundaries of the Eagle Lake Improvement District shall include parcels that have lake frontage on Eagle Lake or otherwise have riparian rights but shall exclude agricultural land. Parcels added to riparian properties due to the road relocation are included.

1. As the use of agricultural lands within the District changes to non-agricultural use, the District shall, by confirming the change of use to the County Auditor and Assessor, and by notifying the owner of property and the Administrator of the Otter Tail County Department of Land and Resource Management, include those formerly agricultural lands in the District.

Article IV. Definition of the Eagle Lake Improvement District

The Eagle Lake Improvement District is a nonprofit organization subject to applicable county, state, and federal laws.

Article V. Purpose

The primary purpose of the Eagle Lake Improvement District is to preserve and protect the lake and to increase and enhance the use and enjoyment of the lake. It is in the public interest that a lake improvement program is established to preserve the natural character of the lake and the shoreline environment where feasible and practical; improve the water quality; provide for reasonable assurance of water in the lake, where feasible and practicable; and to assure protection of the lake from detrimental effects of human activities and certain natural processes. The following water- related and resource management programs and services may be undertaken by the Eagle Lake Improvement District.

- a. Develop and implement a comprehensive plan to eliminate water pollution;
- b. Receive financial assistance from and participate in projects or enter into contracts with federal and state agencies for the study and treatment of pollution problems and demonstration programs;
- c. Undertake research to determine the condition and development of the body of water included within the Lake Improvement District to transmit the studies of the Department of Natural Resources, the Minnesota Pollution Control Agency and other interested authorities;
- d. Make cooperative agreements with the United States or state government or other county or city to effectuate water and related land resource programs;
- e. Conduct programs of water improvement and conservation;
- f. Implement a water monitoring system;
- g. Serve as a local sponsor for state and federal projects or grants;
- h. Regulate water surface as deemed necessary and reasonable;
- i. Monitor and control water level and lake outlets; or
- j. Such other programs, plans, studies, developments or implementations as are allowed or permitted by law, and approved by the County Board from time to time.

Article VI. Membership, Voting, Elections and Absentee Ballots

Section 1. Membership Qualification

Owners of real properties located within the above stated boundaries in Otter Tail County who receive a tax statement are members, but excludes agricultural lands.

Section 2. Transfer of Membership

Membership is deemed transferred from the former owner to the new owner(s) when real estate within the Eagle Lake Improvement District is sold. When a real estate sale is financed by contract for deed or similar transaction, membership is deemed to have been transferred from the contract seller to the contract purchaser when the contract is signed. When real estate is leased or rented, Membership is deemed to have been retained by the landlord, and not transferred to the tenant.

Section 3. Voting Rights

Voting at the annual Eagle Lake Improvement District Annual Membership meeting or at any special Eagle Lake Improvement District meeting is done on a per parcel basis. A parcel means a taxable parcel of land with either a single owner or multiple owners, including legal entities in the form of a trust, partnership, corporation or limited liability company as reflected on the Otter Tail County tax records. Multiple owners of a single parcel shall collectively have one (1) vote per taxable parcel. An owner of multiple parcels constituting one property address is entitled to one (1) vote.

A governmental, non-profit or any other organization or entity that does not pay ad valorem real estate taxes is not entitled to vote as a member.

No person whose civil rights have been suspended or revoked is entitled to vote as a Member, nor shall he or she be entitled to serve on the Board of Directors of the Eagle Lake Improvement District.

Section 4. Nominations, Elections, and Absentee Balloting

The Board shall open nominations at least 70 days prior to the date of the Annual Membership Meeting. Nominations shall be accepted by the Elections Committee for the election of property owners to the Board of Directors. The Elections Committee shall be appointed by the Board of Directors at least 70 days prior to the Annual Membership Meeting, and has as its purpose the solicitation and acceptance of nominations to the Board.

Nominations shall be closed 40 days prior to the Annual Membership Meeting. Nominations received after the deadline shall not qualify for the preprinted ballot

of the Annual Membership Meeting or the Absentee preprinted ballot. Nominations will be accepted on the floor at the Annual Membership Meeting.

Notification of the Annual Membership Meeting shall be made by mail to all property owners. The mailing shall include an absentee ballot application form with instructions on how to deliver it to the proper authority. The request for an absentee ballot must be signed by the property owner. Absentee ballots shall be made available 26 days prior to the Annual Membership Meeting. Absentee ballots must be delivered to the proper authority 3 days prior to the Annual Membership Meeting. Ballots received after this date will not be accepted unless they are delivered to the Annual Membership Meeting.

The Eagle Lake Improvement District Board or its agent shall perform the following duties as they relate to the Nomination and Election process, including Absentee voting procedure

- a. Verify the qualification of each nominee's status as an owner as of the last date for nominations. Only verified nominees will be allowed on the ballot, and the status of each nominee shall be reported to the Board and recorded in the Board's next meeting minutes.
- b. Mail to each owner at least 70 days prior to the Annual Membership Meeting information about Board elections, to include among other things how to prepare nominations, the mailing address for submission of nominations, applicable deadlines, qualifications, and other information pertinent to the office.
- c. Make absentee ballots available to all Voting Members requesting such ballots.
 1. The ballots shall include an envelope used to seal the ballot.
 2. The envelope shall have the name and signature of the absentee voter affixed to the outside of the envelope
 3. If a request for an absentee ballot comes from someone who is not listed as a Voting Member in District records, an absentee ballot shall NOT be sent to this person. Instead, a letter stating that proof of qualifying ownership is required before an absentee ballot will be mailed. An absentee ballot will thereafter be issued upon receipt of such proof of ownership.

- d. Prepare to receive from an absentee voter or his or her designee an absentee ballot sealed in the appropriate envelope. Ballots may be delivered to the Annual Membership Meeting or delivered to the District or its designated agent as specified in this section 4.
- e. All absentee ballots must be received by the District as described above in order to be valid. It shall be the sole responsibility of the absentee voter to ensure the timely delivery of the absentee ballot to the District.
- f. All absentee ballots received by the District in a timely manner shall be brought to the Annual Membership Meeting for counting with ballots cast at the Annual Membership Meeting. While the ballots are to remain sealed until voting at the Annual Membership Meeting, the identities of the absentee voter shall be ascertained before the Annual Membership Meeting to facilitate the registration of in person voters at the Annual Membership Meeting.

Section 5. Board Election Results

Vacancies on the Board of Directors shall be filled by the person or persons receiving the highest number of votes cast, as determined by the Election Committee and reported to the Meeting at which such election occurs.

Article VII. Board of Directors

Section 1. Membership

The Board of Directors of ELID shall consist of resident and nonresident owners within the District. The board members must own property within the district and a majority of the directors must be residents of the district. The initial directors are appointed by the Otter Tail County Board of County Commissioners to alternating terms of one (2 director positions), two (3 director positions) and three year (2 director positions) terms. After the initial year, directors will be elected to three year terms. No director may serve more than two successive complete terms.

Section 2. Removal of Director

Directors may be removed by a two-thirds vote of the remaining board members, or by a majority vote of the property owners present at an annual meeting.

Section 3. Vacancies

Vacancies in the Board of Directors may be filled by a majority vote of the remaining directors, subject to approval of a majority vote of the property owners present at the next annual meeting. A director elected to fill a vacancy shall serve the unexpired term. Property owners not present at the annual meeting may participate in the election by absentee ballot.

Section 4. Compensation

Members of the Board of Directors serve without pay, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties. Receipts must be attached to each claim for reimbursement. Claims for reimbursement must be approved by the Board.

Section 5. Authority

The Board of Directors has the authority, as delegated in the Order of Establishment and pursuant to Minnesota Statute 103B.551, to:

1. Acquire by gift or purchase equipment, structures or control works that affects the level of water in the district.
2. Construct and operate water control structures, equipment or control works that are approved by the Commissioner of Natural Resources under 103G.245.
3. Undertake projects to change the course current or cross section of public waters that are approved by the Commissioner of Natural Resources under section 103G.245.
4. Acquire property, equipment or other facilities, by gift or purchase to improve navigation.
5. Contracts with a board or managers of a watershed district with in the Lake Improvement District or the board of supervisors of a Soil and Water Conservation District within the district for improvements under chapter 103C and 103D.
6. Undertake research to determine the condition and development of the body of water and the water entering it and to transmit the results of the studies to the Pollution Control Agency and other interested authorities.

7. Develop and implement a comprehensive plan to eliminate water pollution.
8. Conduct a program of water improvement and conservation.
9. Construct water, sewer, or water and sewer system in the manner provided by section 444.075 or other applicable laws.
10. Receive financial assistance from and participate in projects or enter into contracts with federal and state agencies for the study and treatment of pollution problems and related demonstration programs.
11. Make cooperative agreements with the United States or state government or other counties or cities to effectuate water and relate land resource programs.
12. Maintain public beaches, public docks and other public facilities for access to the body of water.
13. Provide and finance a government service of the county or statutory or home rule city that is not provided throughout the county or, if the government service is provided, the service is at an increased level within the District.
14. Regulate water surface use as provided in section 86B.205, 103G.605 and 103G.621.

Article VIII. Board of Directors Officers

Section 1. Executive Committee

The officers of ELID shall consist of a Chairperson, Vice-Chairperson, Secretary and Treasurer which form the Executive Committee. Officers will be elected by the Board of Directors at the first Board meeting following the Annual Meeting at which new Directors were elected. All officers will be Directors. Elections will be by secret ballot if more than one person is nominated for any office.

Section 2. Duties

The duties of the officers are as follows:

- a. The Chairperson shall preside over all the District Board meetings and the ELID annual meeting.
- b. The Vice-Chairperson shall preside in the absence of the Chairperson and perform duties normally associated with this office.
- c. The Secretary shall keep accurate records of all meetings of the Board of Directors, regularly submit minutes to the Board of Directors and perform all other duties associated with this office. The Secretary shall maintain copies of all minutes and documents related to ELID and pass

them on to a succeeding Secretary. The Secretary may delegate the duties of preparing the minutes to a third party.

- d. The Treasurer shall oversee the books of financial accounts, present a financial statement of the ELID at each meeting and perform all other duties associated with this office. The Treasurer shall provide for two authorized signatures on all checks upon the ELID bank account. The Board of Directors may approve the Treasurer to pay all regular routine monthly bills without a monthly regular meeting being held. The Treasurer shall keep control of all records and pass them on to a succeeding Treasurer.

Article IX. Board of Director Meetings

Section 1. Meetings

The regular Board of Director meetings are to be held four times per fiscal year, in addition to the annual membership meeting, unless deemed unnecessary to do so. Meetings are to be scheduled by the Chairperson, or in the Chairperson's absence, by a majority of the remaining members of the Executive Committee. A Board of Directors meeting may be held in person or by electronic means. Special meetings may be called by the Chairperson, the Vice-Chairperson as directed by the Chairperson, or by 3 members of the Board of Directors, as may be from time to time necessary to carry out the activities of the Board.

Section 2. Notification of Meetings

There shall be a least 10 days notice given in writing or by e-mail to each Director for any regularly scheduled meeting. In case of special meetings, written or electronic notice shall be given to the Board of Directors no less than 3 days before the meeting. Directors shall give notice if/if not attending by written or electronic communication to the board members.

Section 3. Quorum

A majority of the Board of Directors duly serving shall constitute a quorum for the transaction of business. The Board may issue a continuance of a meeting if necessary. All Board members are entitled to vote on all matters unless otherwise prohibited from voting due to conflict or disability.

Article X. Annual Membership Meeting

Section 1. Time

The annual membership meeting of ELID will be held annually on a Saturday in July or August unless changed by vote at the previous annual meeting.

Section 2. Notice

The annual meeting shall be preceded by two weeks' notice in the Battle Lake Review and written notice mailed at least ten days in advance of the meeting to the county board, the township board, the Pollution Control Agency and the Commissioner of Natural Resources.

Section 3. Agenda

At the annual meeting the district property owners present shall:

- a. elect one or more directors to fill any midterm vacancies in the Board of Directors.
- b. approve a budget for the fiscal year.
- c. approve or disapprove proposed projects by the district having a cost to the district in excess of \$5,000.
- d. take up and consider other business that comes before them.

At the annual meeting all district property owners, including absent members by absentee ballot, shall elect one or more directors for board positions with expiring terms.

Section 4. Annual Report

Each year the Board of Directors shall prepare and file a report of the financial conditions of the district, the status of all projects in the district, the business transacted by the district, other matters affecting the interests of the district and a discussion of the Directors' intentions for the succeeding years. Copies of the report shall be transmitted to the county board, township board, the commissioner of natural resources and the Pollution Control Agency by four months after the annual meeting.

Section 5. Quorum

A majority of the Board of Directors in attendance at the annual meeting shall constitute the necessary quorum for the transaction of business.

Article XI. Special Membership Meetings

Special membership meetings may be called by the Board of Directors with the same form of notice required for the annual membership meeting. Written notice of any special meeting shall be mailed to the membership no less than two weeks prior to the meeting and shall specify the purpose of the special meeting.

Article XII. Funding

Funding for ELID shall be:

- a. Start-up funds will be provided by the Eagle Lake Lakeshore Association.
- b. Activities may be funded by the levying of an ad valorem tax solely on property within the District. No establishment or increase in the ad valorem property tax will be allowed if it affects the county levy subject to state-imposed levy limits.
- c. Activities may also be funded by assessment of costs of projects upon the benefitted property within the District in the manner provided under Minnesota Statute Chapter 429.
- d. Activities may also be funded by imposition of service charges on users of the Lake Improvement District services within the District. Minnesota Statute 428A.05.
- e. Finance projects and services of the District by issuing obligations as provided in Minnesota Statute 429.091.

Article XIII. Expenditure of District Funds

Section 1. Approval

All projects and expenditures must be submitted and approved by the Board of Directors. The Board of Directors may approve the Treasurer to pay regular monthly bills before Board meetings.

Section 2. Projects in excess of \$5,000.00

All projects in excess of \$5,000.00 must be first approved by the Board of Directors and a majority vote of the Membership at the Annual or Special Membership Meeting.

Section 3. Repair of Existing Projects in Excess of \$5,000.00

Maintenance, operations and capital maintenance expenditures for existing District Projects does not need to be approved by the Members of the District if the funds for such maintenance, operations and capital maintenance are paid out of the dedicated reserve funds for the maintenance of existing District Projects and such dedicated reserve funds were approved as part of the budget for the fiscal year. Notwithstanding the foregoing, the Board of Directors is required to approve by resolution all expenditures for the maintenance, operations and capital maintenance of existing District Projects.

Section 4. Financial Reporting

Each year, the Board of Directors shall prepare and file an annual report of all Eagle Lake Improvement District financial activity as required by Minnesota Statute 103B.571, Subd4. The complete report shall be distributed to the Chairperson of the Board prior to the Annual Meeting and to the Eagle Lake Improvement District Members at the Annual Meeting. Yearly financial reports shall be electronically filed with the Minnesota State Auditor. Any audits as required by the State Auditor may be completed by an independent audit firm. The Board of Directors may request an appropriate audit of the District's financials after a Treasurer departs their position and a new Treasurer is elected. If the audit cost is greater than \$5,000, this cost must be included in the budget and approved by the general membership at the Annual Meeting.

Article XIV. Committees

Section 1. Creation

The Chairperson, with the approval of the majority of the Board of Directors at any regular or special meeting, may create and appoint such additional committees as deemed necessary. The Chairperson of each committee, upon its organization, shall be designated by the appointing authority and each such committee or committee Chairperson shall report to the Board of Directors their committee's progress. All committee members shall be members of the Eagle Lake Improvement District or consultants approved by the Board of Directors.

Section 2. Funding

Should any committee require funds for the purposes of its work, the committee shall make application to the Board of Directors, with a full statement of the funds required and the purposes for which such funds are to be expended. Upon request of the Board of Directors, the committee shall meet with the Board of Directors at any regular or special meeting thereafter to review the request and secure approval of the same. No committee shall expend or commit to expend any funds without the approval of the ELID Board of Directors. All funds secured by any committee shall as soon as practicable be turned over to the Board. All disbursement of funds for any committee shall be dispersed by the Treasurer of the ELID, only after such approval is given by the Board of Directors.

Article XV. Fiscal Year

The fiscal year shall be the calendar year starting January 1 and ending December 31.

Article XVI. Amendment of By-Laws

The ELID By-Laws may be amended by any annual or special meeting of the Members for which due notice has been given, but only after such amendment has first been presented and approved by a majority vote at a meeting of the Board of Directors.

Article XVII. Personal Liability and Insurance

Section 1. Personal Liability

No Director of the ELID shall be personally liable for debts or obligations of the District nor shall any property of the Directors be subject to the payment of the debts or obligations of the ELID.

Section 2. Insurance

In order to adequately protect the Eagle Lake Improvement District, the Board of Directors may purchase adequate insurance coverage for the District, including Liability Insurance and Directors and Officers Liability Insurance.

Article XVIII. Indemnification

To the full extent permitted by Minnesota law, current and former Directors who are made a party or threatened to be made a party, to a civil, criminal, administrative, arbitration, or investigative proceeding by reason of their position and activities on behalf of the Eagle Lake Improvement District shall be indemnified by the ELID against judgments, penalties, fines, settlements, costs of defense including reasonable attorney's fees, other losses incurred in connection with proceeding. Acts of intentional fraud and/or criminal conduct shall not be indemnified. This indemnification shall inure to the benefit of the heirs, executors, and administrators of those who are indemnified. The ELID may obtain insurance to cover this indemnification.

Article XIX. Rules of Order

The rules contained in the current edition of the *Robert's Rules of Order (Newly Revised)* shall govern the convention in all cases to which they are applicable and which are not governed by the By-Laws of the District.