

BYLAWS OF ORONO LAKE IMPROVEMENT DISTRICT

Approved: August 27, 2020

Article 1. Establishment and Name

The Orono Lake Improvement District [OLID] was established on July 21, 2019 by the Elk River City Council. The boundaries of the OLID includes all parcels as shown on Attachment A, which are the District Boundaries as determined by the Minnesota Department of Natural Resources (DNR) in accordance with Minnesota Statutes, Sections 103B.511 and 103B.535 and Minnesota Rules, Part 6115.0970, subp. 5, Part 6115.0920, subp. 4 and 5 and Part 6115.0960, subp. 3. Property owners within the OLID as per annual property tax statements shall be considered OLID members. These Bylaws provide a set of operating procedures for the District and establish a code of conduct.

Article 2. Mission, Purpose and Benefits

Section A. Mission

The mission of the Orono Lake Improvement District (OLID) is to protect, preserve and enhance Lake Orono. The OLID partners with the [Lake Orono Improvement Association \(LOIA\)](#), the [City of Elk River](#), the [Sherburne County Soil and Water Conservation District \(SWCD\)](#) and regional or state entities to implement a comprehensive program to alleviate current ecological stressors and recreational impairment on Lake Orono, brought about by aquatic invasive species, native plant overgrowth, algae proliferation, excess nutrients and sedimentation. Additional goals are to improve water quality, fisheries and habitat.

Section B. Purpose

- The OLID helps in achieving an equitable and stable ongoing funding means to manage water quality, sedimentation, existing aquatic invasive species (AIS), nuisance weeds, algae, and to be positioned to cope with future AIS threats.
- The OLID can provide funds that complement city, county, state, and Lake Association investments that alone are not sufficient.
- The OLID can fund the expansion of curly-leaf pondweed remediation to all infested public and private areas lake-wide.
- The OLID can improve water clarity and quality by pinpointing harm sources and implementing a reduction plan.
- The OLID can help manage fisheries and habitat and maintain and improve their quality.
- Establishing the OLID helps to facilitate the City of Elk River approved Lake Orono Restoration and Enhancement (LORE) Project and planning to address future dredging needs.
- In partnering with other entities the OLID can help facilitate an ongoing comprehensive lake management plan to monitor and improve water quality and address other lake related concerns as needed.

Section C. Benefits

- Property owners and all Elk River residents who use Lake Orono will enjoy a cleaner, clearer and safer-to-navigate lake that provides better recreational opportunities and improved wildlife habitat.
- A managed lake will maintain and improve property values as well as add to residents' enjoyment. The OLID is also an added way to be eligible for public grants.
- The OLID gives property owners within the OLID the opportunity to participate directly in management and funding decisions regarding the lake.

Article 3. Programs and Services

Pursuant to Minnesota Statute, Section 103B.551, subd. 3, the Elk River City Council has determined the water and related land resource management programs and services that may be undertaken by the OLID include:

- a) Develop and implement a comprehensive plan to monitor and improve water quality within the OLID as needed;
- b) Apply for and receive public or private grants and/or enter into agreements with federal/state/local agencies or private contractors for the study and treatment of issues related to pollution, aquatic invasive species and water level related issues;
- c) Undertake research to determine the water quality within the OLID and coordinate and share such research with the Department of Natural Resources, the Pollution Control Agency, and other interested agencies, including the Soil and Water Conservation District and the Elk River Watershed Association;
- d) Conduct programs for water quality monitoring, water quality improvement and conservation, including, but not limited to, programs to prevent, monitor and/or control the infestation of aquatic invasive species;
- e) Enter into cooperative agreements with federal/state/local agencies to effectuate water quality programs;
- f) Pursue adoption of the 2021-2024 Lake Orono Management Plan by the Elk River City Council and subsequent plans thereafter;
- g) Implement a comprehensive program to alleviate current ecological stressors and recreational impairment on Lake Orono, brought about by excessive aquatic invasive species, native plant overgrowth, algae proliferation, excess nutrients and sedimentation;
- h) Maintain, restore or establish natural upland buffers to encourage wildlife, help prevent decline in species, deter Canada geese, and provide enjoyment for future generations;
- i) Increase public awareness and use of Best Management Practices targeting the reduction of sedimentation, phosphorus and salt inputs from upstream and shoreline sources to Lake Orono;
- j) Build the public perception and "brand" of Lake Orono as a quality recreation destination, valuable community asset, and safe lake; and
- k) Such other programs, plans, studies or activities as may be approved by the City Council from time-to-time.

Article 4. Authority

Pursuant to Minnesota Statute, Section 103B.551, subd. 3, the Elk River City Council has delegated to the OLID the authority to:

- a) Acquire equipment, or other facilities, by gift or purchase to improve navigation;
- b) contract with a board of managers of a watershed district or the board of supervisors of a soil and water conservation district for improvements under chapters 103C and 103D;
- c) Undertake research to determine the condition and development of Lake Orono and the water entering it and to transmit the results of the studies to the Pollution Control Agency and other interested authorities;
- d) Develop and implement a comprehensive plan to reduce water pollution;
- e) Conduct programs of water improvement and conservation;
- f) 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;
- g) Make cooperative agreements with the United States or state government or other counties or cities to effectuate water and related land resource programs.

Article 5. Fiscal Year

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

Article 6. Financing and Budget

Funding for the OLID shall be from any combination of the following:

- a) Receipts of private and public donations and public or private grants.
- b) The OLID may request that the City Council approve one or more of the following funding sources, which approval may be granted, revoked, or modified by the City Council annually:
 - i. Assessment of costs of projects upon the benefitted property within the district in the manner provided in Minnesota Statutes Chapter 429; and
 - ii. Imposition of service charges on the users of OLID services; and
 - iii. Levy of an ad valorem tax on property within the OLID, to be appropriated and expended solely in projects of special benefit to the OLID.
- c) Beginning in 2020, the OLID will build and maintain a cash reserve equal to half of the annual budget to assist with cash flow shortages due to inherent timelines associated with the tax settlement and payment schedule.

A budget must be approved by a majority of all property owners voting at the Annual Meeting each year. Any projects in excess of \$5,000 must be approved by a majority of the property owners at an Annual Meeting. In the annual budget for the District, which will be submitted to the Elk River City Council following the Annual Meeting in September of each year, the Board of Directors will include sufficient funds to cover the costs of administering the District. The submission of the budget request to the City Council will include a list of properties to be assessed or charged.

Article 7. Membership

Section A. Member Qualification

The OLID is comprised of the current owners of all parcels shown on Attachment A that are located within the boundaries as defined in the Order Establishing the OLID by the Elk River City Council effective July 21, 2019.

Section B. Voting Eligibility and Procedures

Property owner must own Lake Orono riparian property or have deeded access and be listed in the County tax system as property owner. Up to two tax system listed property owners are eligible to vote unless the property is owned under a trust, common ownership, HOA or other legal entity which is eligible to one vote. At the OLID Annual Meeting each eligible property owner must sign in to receive their budget approval and election ballot.

Section C. Transfer of Membership

Membership is deemed transferred from the former owner to the new owner(s) when real estate within the OLID is sold. In cases where real estate is financed from contract seller to contract purchaser, membership resides with the party whose name is on the current tax statement. 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 be retained by the landlord, and not transferred to the tenant.

Section D. Criteria for Assessment of Fees, Service Charges, or Taxes

- Charge is based on PID (parcel identification) numbers.
- Property must be riparian (waterfront property) or deeded access.
- OLID boundaries must be in accordance with the criteria of Minn. R. 6115.0970, subp. 5, Minn. R. 6115.0920, subp. 5. and Minn. R. 6115.0960, subp. 3. as determined by the MN DNR. The ruling on OLID boundaries was provided in the findings of the DNR's advisory report to the City of Elk River dated May 23, 2019.

- Single residences/households with property less than 10 acres will be charged 1 unit. Residential property more than 10 acres will be charged 2 units.
- Attached same-owner parcels that form the residence will not be charged.
- HOA with limited lake and dock access properties and similar apartment rental property will be charged .5 unit each, HOA owned common access properties will be charged 1 unit each and commercial property will be charged 4 units each.
- Lake access property that is owned by the City of Elk River, Orono Cemetery and the Central Minnesota Boy Scout Council are not part of the OLID and will not be charged.
- All service charges to property are proposed by the OLID directors, voted on by members then sent to the City of Elk River for review, approval and final transfer to Sherburne County.
- The Elk River City Council has final approval for all property charges.

Article 8. Board of Directors

Section A. Director Requirements and Elections to the Board of Directors

The Board of Directors of the OLID shall consist of five members. The Board members must own property within the OLID and a majority of the Directors must reside within the OLID. The initial Directors will be appointed by the City Council with designated alternating terms of one, two and three years. Thereafter, Directors will be elected by property owner members at the OLID annual meeting. No Director may serve more than two consecutive complete terms. Directors may be removed by two-thirds vote of the remaining Board members, or by a majority of the property owners present at the next Annual Meeting. A vacancy may be declared if a Director is unable or unwilling to serve, if a Director fails to attend three consecutive meetings, or if a Director no longer owns property within the district. A Director elected to fill a vacancy shall serve the remaining unexpired term. Property owners not present at the Annual Meeting may participate in the election of the Board of Directors by absentee ballot. Absentee ballots must be received at the office of the OLID no later than one business day prior to the date of the Annual Meeting. Absentee ballots received after that date shall be void.

Section B. Duties of the Board of Directors

The Board of Directors shall have the authority to direct the activities and programs of the OLID only to the extent such authority has been granted to the OLID in the Order Establishing the OLID by the Elk River City Council dated June 16, 2019. The Board of Directors may adopt rules of procedure for conducting meetings and shall maintain a public record of all meetings, reports and financial activities. Such reports and records shall be forwarded to the City at the request of the City Liaison. The Board of Directors shall coordinate the efforts of the OLID with the City, the Soil and Water Conservation District, the Elk River Watershed Association, the Department of Natural Resources, the Pollution Control Agency and other interested agencies, as applicable.

Section C. Nominations and Elections of Board of Directors

Absentee ballots shall be made available to OLID members as part of the Annual Meeting notice mailing. Valid absentee ballots are those that are qualified and stamped as approved by the OLID'S Secretary, Treasurer or other Director.

Applications for OLID Board vacancies may be made by physical mail to the OLID business address no later than 21 days before the Annual Meeting in order to be placed on the ballot that goes out with the Annual Meeting notice, or may be made from the floor at the Annual Meeting. All nominees made from the floor at the Annual Meeting must be present. Each application for a OLID board position shall be required to provide either a written candidate statement with their application or make a verbal candidate statement at the Annual Meeting. All nominees shall follow the candidate statement guidelines as provided by the OLID directors.

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 OLID Directors and reported at the

Annual Meeting at which meeting such election occurs. If an election would result in a majority of the Board not being residents of the District as required by Minnesota Statute, Section 103B.551, subd. 1 vacancies on the Board shall be filled in the order of the highest votes received by such candidate(s) as will satisfy the statutory requirement.

Section D. Officers/Board of Directors

The officers shall consist of Chair, Vice-Chair, Secretary, Treasurer and Parliamentarian. No person can serve as more than one officer. All officers of the OLID shall be Directors. Officers will be elected by the Board of Directors from among their numbers at the first board meeting following the Annual Meeting, or at such other times as vacancies may occur.

Duties of Officers:

- Chair: The Chair shall preside over all OLID Board Meetings, Annual Meetings and Special Meetings. The Chair shall ensure that these Bylaws and any rules and regulations as adopted by the OLID Board are enforced. The Chairman shall act as the spokesperson for the Board and be responsible for signing any contracts or documents on behalf of the OLID as approved by the Board of Directors. The Chair shall, within four (4) months after the Annual Meeting, file an annual report with the Elk River City Council, Minnesota Department of Natural Resources and Minnesota Pollution Control Agency.
- Vice Chair: The Vice Chair shall assist the Chairman. The Vice Chair shall assume the responsibility of the office of Chair in the absence of the Chair, and attend all meetings called by the Chair. In the event of resignation or removal of the Chair, the Vice Chair shall become Chair immediately and shall serve out the remainder of the Chair's term.
- Secretary: The Secretary shall keep permanent accurate records of all meetings of the Board and regularly submit minutes to the Board and perform other duties normally associated with this office. Meeting minutes will be sent to all Board members via email within one (1) week after a meeting. Concerns or requests for edits should be received within one (1) week after the minutes are sent. Minutes for each Board meeting shall be placed on the website within one (1) week after approval or as directed by the Board. Minutes from the Board meeting shall be formally approved at the beginning of the next meeting of the Board or by email vote. The Secretary shall maintain copies of all books, documents, and written communication related to the OLID and shall relinquish to the Board these materials upon expiration of term of office.
- Treasurer: The Treasurer shall oversee the books of financial accounts, present a financial state of the OLID at each meeting and perform all other duties normally associated with this office, including: managing accounts, paying bills, securing insurance and providing a financial summary report at the Annual Meeting. The Treasurer shall maintain copies of all books, financial documents, bank documents, tax documents, and the like, and shall relinquish to the Board these materials upon expiration of term of office. If an audit is requested by the Board, the Treasurer must provide the requested information within seven (7) days.
- Parliamentarian: The Parliamentarian shall assist the Chair in managing meetings and advises on parliamentary procedures, reviews the OLID's Bylaws each year and drafts revisions for Board consideration as needed, provides information on and supervises nomination, election and voting processes.

Section E. Quorum

A simple majority of the current Board of Directors shall constitute a quorum at any meeting. Simple majority is defined as greater than fifty (50) percent. No action shall be deemed approved unless votes cast in favor on a motion are approved by a majority of the quorum.

Section F. Board of Director's Meetings

Directors are to hold regular Board meetings, in addition to the Annual Meeting of Members, and shall be scheduled by the Board Chair, or in the Chair's absence, by a majority of the remaining Board members. Special meetings may be called by the Chair or by three Board Members as may be required to carry out the business of the Board.

Article 9. Annual Meeting

Section A. Annual Meeting

The Board of Directors shall hold at least one Annual Meeting. The first Annual Meeting shall be held in July or August and shall continue to be held annually during that period unless changed by a vote at the previous Annual Meeting. Notice of the Annual Meeting shall be published and shall be mailed to the City of Elk River, the Department of Natural Resources and the Pollution Control Agency as required by Minnesota Statute, Section 103B.571, subd. 2.

Section B. Notice

Notice of the Annual Meeting shall be provided by the Board of Directors in accordance with the requirements of Minnesota statute 103B.571, subd. 2. The Annual Meeting shall be preceded by at least two weeks published notice in the newspaper chosen by the City of Elk River for official notices, and by written notice to be mailed to all members at least 10 days prior to the Annual Meeting.

Section C. Quorum

A quorum is set by a simple majority (greater than 50%).

Section D. Agenda

In addition to other business that may be conducted at the annual meeting, the property owners who are present at the Annual Meeting shall:

- i. Elect Directors to fill any midterm vacancies;
- ii. Approve a budget for the fiscal year; and
- iii. Approve or disapprove proposed projects by the OLID having a cost to the OLID of \$5,000 or more; and
- iv. Take up and consider other business that comes before them.
- v. In addition, all district property owners in the OLID, including absent members, shall elect one or more directors for board positions with expiring terms.

Article 10. Meeting Rules, Office Location and Official Address

Section A. Meeting Rules

All meetings will be held using Roberts Rules of Parliamentary Procedures.

Section B. Office Location and Official Address

The principal office will be at the discretion of the Board of Directors, and shall be located in Sherburne County, State of Minnesota and shall be near Orono Lake. The official address of the district shall be: Orono Lake Improvement District, P.O. Box 851, Elk River, MN 55330.

Article 11. Annual Report

Each year the Board of Directors shall prepare and file with the city a report of the financial conditions of the OLID, the status of all projects in the OLID, the business transacted by the OLID, 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 Elk River City Council, the Commissioner of the Department of Natural Resources, and the Pollution Control Agency no later than four months after the Annual Meeting.

Article 12. City Liaison

The City of Elk River City Administrator or such other person as the City Council may designate from time-to-time shall be the liaison between the City and the OLID and may review, on behalf of the City, the OLID's programs. The City liaison, or designee, and the Commissioner of the Department of Natural Resources, and their designees, shall be given prompt access to and inspection of all records, structures, facilities and operations of the OLID at reasonable times. The City liaison, or designee, will make an annual report to the City Council on the activities and programs of the OLID.

Article 13. Committees and Task Forces

The Board of Directors may vote to create committees or task forces as needed for the purpose of completing or implementing specific tasks, projects, or events to benefit the goals of the Orono Lake Improvement District. The Committee or Task Force Chair shall be approved by a majority of the Board of Directors. The Board of Directors shall authorize and define the powers and duties of all committees and task forces subject to the provisions of these Bylaws. No committee or task force shall commit the OLID to contractual obligation or advocacy or opposition to any position without the specific authority of the Board of Directors.

Article 1. Personal Liability and Insurance

Section 1. Personal Liability. No Director shall be personally liable for the debts or obligations of the Orono Lake Improvement District of any nature nor shall any of the property of the Directors be subject to the payment of the debts or obligations of the OLID.

Section 2. Insurance. In order to adequately protect the Orono Lake Improvement District, the Board of Directors will maintain adequate insurance coverage for the District, including Liability Insurance and Directors and Officers Liability Insurance.

Article 15. Indemnification

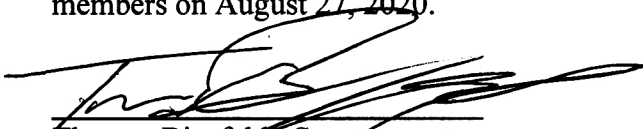
To the full extent permitted by Minnesota law, current and former Directors who are made a party, or threatened to be made a party, to a civil, criminal, administrative, arbitration, or investigative proceeding by reason of their position and activities on behalf of the Orono Lake Improvement District shall be indemnified by the OLID against judgments, penalties, fines, settlements, costs of defense including reasonable attorney's fees, and other losses incurred in connection with the proceeding. Acts of negligence, 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 so indemnified. The OLID may obtain insurance to cover this indemnification.

Article 16. Amendments

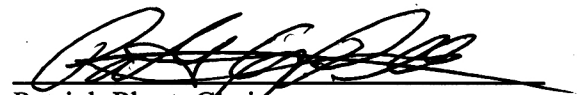
These Bylaws may be amended at any annual or special meeting for which due notice has been given and when such amendment has been approved by the majority of the Board of Directors and approved by majority vote of the members at any annual or special meeting.

Article 17. Certification

These Bylaws were adopted and approved by the OLID Board of Directors and OLID property owner members on August 27, 2020.



Thomas Binsfeld, Secretary



Patrick Plant, Chair

Attachment A: Map of Orono Lake Improvement District

