

**BOARD OF COUNTY COMMISSIONERS
Crow Wing County, Minnesota**

DATE: July 24, 2012

OFFERED BY COMMISSIONERS: Thiede and Nystrom

RESOLUTION #2012-44

ORDER ESTABLISHING RUTH LAKE IMPROVEMENT DISTRICT

Based upon testimony received at a public hearing held at the Crow Wing County Courthouse in Crow Wing County, Minnesota, on July 10, 2012, the comments of the Minnesota Department of Natural Resources, the recommendations of staff, and upon all files, records, and proceedings herein, the Crow Wing County Board of Commissioners makes the following:

Findings

1. Crow Wing County recognizes that its lakes and rivers are important natural resources. Various state and local government programs have encouraged lake lot owners and lake associations to manage water quality and exotic vegetation in the county lakes.
2. Eurasian Watermilfoil is a non-native form of vegetation that has been spreading throughout Ruth Lake since its discovery there in 1997. Because of its invasive nature, this type of vegetation can choke out native vegetation and some forms of aquatic life.
3. On June 14, 2011, representatives of the Ruth Lake Association asked the county about the possibility of establishing a lake improvement district as a means of supporting past efforts by the association to manage Eurasian Watermilfoil.
4. To show support for a lake improvement district, letters of support were signed by 61% of the owners of property adjoining the lake and were submitted to the county asking that a lake improvement district be established for Ruth Lake. In addition, the City of Emily submitted a letter in favor of the district.
5. The requested budget for the district for lake management, aquatic vegetation control, demonstration sites and other water quality initiatives on Ruth Lake is \$13,500 per year, based on an assessment of \$90 per eligible property owner per year.
6. On June 12, 2012, the Crow Wing County Board of Commissioners recognized the receipt of a petition for a Ruth Lake Improvement District and gave notice of its intent to hold a public hearing on July 10, 2012.
7. Notice of the public hearing was sent to the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, local units of government, and all riparian landowners. Notice was published and posted as required by law.
8. On July 10, 2012, the Crow Wing County Board of Commissioners conducted a public hearing at the Crow Wing County Historic Courthouse concerning the creation of a Ruth Lake Improvement District. Oral and written comments were received by the Board.
9. A DNR Advisory Report was submitted by Bob Leibfried of the DNR which acknowledged the presence of Eurasian Watermilfoil in the lake and also approved the proposed boundaries of the LID to include those parcels riparian to Ruth Lake. The DNR was in support of the other efforts and projects that are proposed by the LID.
10. The DNR Lake Advisory Report was incorporated into the record.
11. The record reflected a range of views both supporting and not supporting the creation of the lake improvement district.
12. Funds from the DNR and voluntary contributions of interested individuals have not been enough to adequately control the nuisance.
13. The district is intended to contribute to the health and welfare of the greater public by improving water quality.
14. The district has proposed a number of specific projects with stated goals and objectives. These projects have measurable outcomes that can be monitored and assessed. Each project is manageable and attainable and can

be adequately funded within the limits of the proposed five-year budget.

15. The program will be financed by special assessments imposed on riparian landowners.
16. The lake management program will be done under the direction of the Minnesota Department of Natural Resources and will not cause or contribute to long-range environmental pollution.
17. The primary program to be undertaken by the district will be long-term aquatic plant management but the district will also focus on improving the quality of water in Ruth Lake and educating adjoining landowners in good stewardship.
18. Crow Wing County Environmental Services will be the primary office responsible for supervising programs of the lake improvement district.
19. Delegation of the powers stated below to the district will assure that representatives of the people most directly affected by the actions of the district will determine its management.
20. The Directors listed below meet the requirements of Minnesota Statute 103B.551.
21. Because of the county's residual financial responsibility under Minnesota Rule 6115.0980, the district will be required to maintain insurance and follow standard government accounting principles.

Conclusion

The establishment of a Lake Improvement District for Ruth Lake in Crow Wing County is warranted.

Wherefore, the Crow Wing County Board of Commissioners makes the following Order:

1. Ruth Lake Improvement District is hereby established.
2. The district shall include all riparian properties to Ruth Lake pursuant to county policies.
3. The lake improvement district is authorized to undertake long-term non-native aquatic plant management as outlined in the LID's foundational documents and as determined necessary and appropriate by its Board of Directors and in cooperation with the Minnesota Department of Natural Resources and Crow Wing County.
4. Projects of the lake improvement district will be financed by special assessments imposed on riparian landowners pursuant to county policies.
5. The initial assessment shall be set at \$90 per eligible property owner. The Board of Directors of the Ruth Lake Improvement District may, with the consent of the membership voting at the district's annual meeting, lower or raise the annual assessment as long as the maximum assessment does not exceed the initial assessment of \$90 per eligible property owner.
6. The lake improvement district will be managed initially by an eight (8) person Board of Directors, subject to the bylaws of the district and Minnesota Statutes and Rules. Directors shall be property owners in the lake improvement district and a majority of the Directors shall be residents of the district.
7. The elective officers of the district shall initially consist of a President, Vice-President, Secretary and Treasurer and four (4) Board Members. The initial Directors shall be appointed to terms of one, two and three years. President and Vice President shall serve for two (2) years. All other officers shall serve for three (3) years. There shall be one (1) new Board Member elected for a three-year term at each regular annual meeting subject to the bylaws of the district. The initial Board of Directors for the Ruth Lake Improvement District are:

President: Art Patterson
Vice-President: Kay Rohwer
Treasurer: Priscilla Pepek
Secretary: Bill Rexine
Board Member: Glen Knowlen
Board Member: George Pepek
Board Member: Bonnie West
Board Member: Mike Meelberg

8. Directors shall be elected at the annual meeting to be held in July or August of each year on a date set by the Board of Directors. Changes to the date of the annual meeting may be changed at the previous year's annual meeting. Nominees shall be elected by majority vote of the members present at the annual meeting of the Ruth Lake Improvement District. Property owners not present at the annual meeting may participate in the election of the District Board by absentee ballot.
9. Vacancies in the Board of Directors may be filled by a majority vote of the remaining Directors, subject to approval by a majority of votes of the property owners present at the next annual district meeting, subject to the bylaws of the district. A Director elected to fill a vacancy shall serve the unexpired term.
10. Directors may be removed by a two-thirds vote of the remaining Board Members, or by a majority of the property owners present at an annual meeting, subject to the bylaws of the district.
11. Individuals whose names appear as owners of Ruth Lake riparian property on the records of the Crow Wing County Recorder are eligible to cast votes for Board Members and on other lake improvement district matters. In addition, Common Interest Communities (CICs) and Planned Unit Developments (PUDs) have only one (1) vote, pursuant to county policies.
12. Voting for Directors will be by secret ballot. Ballots shall be mailed to each property owner within the district at least three (3) weeks prior to the annual meeting. Ballots may be sent or delivered to the Clerk of the Board prior to or on the date of the annual meeting, pursuant to county policies.
13. Directors may receive compensation for their services as determined by district members at the annual meeting and may be reimbursed for actual expenses necessarily incurred in the performance of their duties in the manner provided for county employees.
14. The following powers are hereby delegated to the Ruth Lake Improvement District:
 - a. to undertake research to determine the condition and development of Ruth Lake and the water entering it and to transmit the results of the studies to the Minnesota Pollution Control Agency and other interested authorities;
 - b. to conduct a program of water improvement and conservation, focused on improving the quality of water in Ruth Lake and educating riparian landowners in good stewardship. Non-native aquatic nuisance control is allowed upon consent by the Minnesota Department of Natural Resources;
 - c. to make cooperative agreements with the United States or state government or other counties or cities to effectuate authorized water and related land resource programs;
 - d. to take actions necessary for the administration of the lake improvement district;
 - e. to levy special assessments to finance implementation of the powers identified in this Order pursuant to Minnesota Statute 103B.555, Subd. 4.
15. The Ruth Lake Improvement District shall maintain general liability insurance in the amount of tort limits established by Minnesota Statute 466 and shall name Crow Wing County as an additional insured on such insurance policy. A copy of the insurance policy shall be filed annually with the Crow Wing County Auditor-Treasurer.
16. The County Auditor-Treasurer, or their designee, shall annually review the financial records for completeness, accuracy, and to ensure that expenses paid out are consistent with the terms of this Order, Minnesota Statutes, and Minnesota Rules governing lake improvement districts.
17. The lake improvement district shall, within four months after its annual meeting or November 1st (whichever is earlier), file an annual report with Crow Wing County, the Minnesota Department of Natural Resources, and the Minnesota Pollution Control Agency.
18. The duration of the district shall initially be set for five (5) years, pursuant to county policies.
19. The County Board will consider termination of the lake improvement district upon receipt of a petition signed by the majority of property owners in the district.

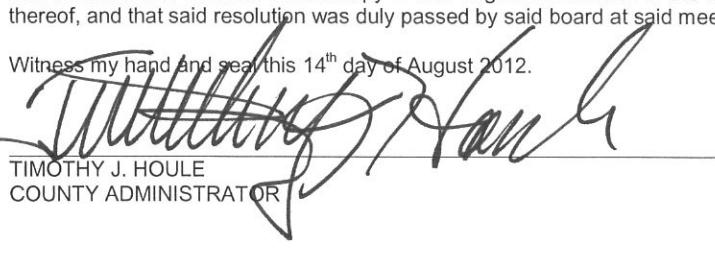
20. The lake improvement district shall operate in accordance with Minnesota Statutes 103B.501 to 103B.581, Minnesota Rules 6115.0900 to 6115.0980, Crow Wing County Policies, and within the limitations of this Order.
21. This Order will become effective thirty (30) days after its publication in Crow Wing County's official publication of record.
22. If any part of this Order is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Order.

This Order was approved by the Crow Wing County Board of Commissioners at its meeting on July 24, 2012.

STATE OF MINNESOTA)
COUNTY OF CROW WING) ss

I, Timothy J. Houle, County Administrator, Crow Wing County, Minnesota, hereby certify that I have compared the foregoing copy of the resolution of the county board of said county with the original record thereof on file in the Administration Office, Crow Wing County, Minnesota, as stated in the minutes of the proceedings of said board at a meeting duly held on July 24, 2012, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting.

Witness my hand and seal this 14th day of August 2012.


TIMOTHY J. HOULE
COUNTY ADMINISTRATOR

| | <u>YES</u> | <u>NO</u> |
|-----------------------|-------------------------------------|-------------------------------------|
| DISTRICT #1 – TRUSTY | <input checked="" type="checkbox"/> | |
| DISTRICT #2 – THIEDE | <input checked="" type="checkbox"/> | |
| DISTRICT #3 – NYSTROM | <input checked="" type="checkbox"/> | |
| DISTRICT #4 – FRANZEN | <input checked="" type="checkbox"/> | |
| DISTRICT #5 – HOUGE | | <input checked="" type="checkbox"/> |

(Published in the Brainerd Dispatch
June 27, 2012, 1t)

**NOTICE OF PUBLIC HEARING
RUTH LAKE IMPROVEMENT
DISTRICT**

The Crow Wing County Board of Commissioners has scheduled a public hearing, pursuant to Minnesota Statute 103B.521, for 10:00 a.m. on Tuesday, July 10, 2012, in the County Board Room, 3rd Floor, Historic Courthouse, Brainerd, MN.

The purpose of the public hearing is to consider a proposed service assessment of \$90 per riparian property owner per year for a term of five years, commencing in Fiscal Year 2013, for the Ruth Lake Improvement District.

Further information can be found on-line at

www.co.crow-wing.mn.us/index.aspx?NID=601
<<http://www.co.crow-wing.mn.us/index.aspx?NID=601>> or by contacting Mitch Brinks in the Land Services Department at (218) 824-1128 /s/

TIMOTHY J. HOULE, COUNTY ADMINISTRATOR CROW WING COUNTY, MINNESOTA

Dated at Brainerd, Minnesota, this 15th day of June, 2012.

Affidavit of Publication

State of Minnesota)
ss.
County of Crow Wing)

Ann Windorski, being duly sworn, on oath says that he/she is the publisher or authorized agent and employee of the publisher of the newspaper known as the Brainerd Dispatch, and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper, as provided by Minnesota Statute 331A.02, 331A.07, and other applicable laws, as amended.

(B) The printed Notice Of Public Hearing which is attached was cut from the columns of said newspaper, and was printed and published once each week, for 1 successive weeks; it was first published on Wednesday the 27th day of June, 2012, and was thereafter printed and published on every _____ to and including _____ the _____ day of _____, 2012; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice.

abcdefghijklmnopqrstuvwxyz

By: Ann Windorski,

Title: Agent

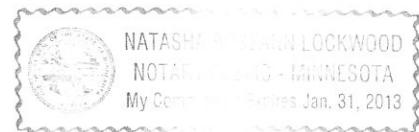
Subscribed and sworn to before me on this 27th day of June, 2012

Natalie Bozeman Lockwood
Notary Public, Minnesota

(Notarial Seal)

My Commission Expires

Publication Fee \$35.44



RATE INFORMATION

| | |
|--|-----------------------------|
| (1) Lowest classified rate paid by commercial users for comparable space | <u>\$9.45</u> /column inch |
| (2) Maximum rate allowed by law for the above matter | <u>\$13.90</u> /column inch |
| (3) Rate actually charged for the above matter | <u>\$9.45</u> /column inch |

Minnesota Department of Natural Resources

500 Lafayette Road • St. Paul, MN • 55155-40



June 29, 2012

Mitch Brinks
Water Protection Specialist
Crow Wing County
322 Laurel Street, Suite 14
Brainerd, MN 56401

Re: DNR Advisory Report on the Formation of the Ruth Lake Improvement District in Crow Wing County

Dear Mr. Brinks:

The Minnesota Department of Natural Resources has reviewed the petition submitted by the Ruth Lake Improvement Association to create the Ruth Lake Improvement District and prepared this Advisory Report in accordance with Minnesota Rules part 6115.0970 subp. 5

Goals of the Proposed Lake Improvement District

The stated primary goal of the Ruth Lake Improvement District is to control Eurasian Water Milfoil (EWM). Monitoring and herbicide treatment are the primary management strategies for controlling EWM in the proposed district. Other related LID goals are the protection of existing native vegetation and prevention of other invasive vegetation such as curly leaf pondweed through monitoring and management planning. The management plan also includes the following strategies and projects:

- Reduce the transport of invasive species at the public access
- Assess the condition of area wetlands
- Conduct a riparian buffer zone demonstration project
- Conduct a rain garden demonstration project
- Institute a comprehensive water conditions report

Background Information on Ruth Lake

1. Ruth Lake has a surface area of 600 acres with a littoral area (15 feet deep or less per M.R. part 6280.0100, sub 9) of 200 acres, or 33 percent of the lake's surface area. Generally, the littoral zone is the part of a lake where rooted aquatic plants are able to grow, though the maximum depth at which plants can grow depends on water clarity and so varies from lake to lake and even from year to year within the same lake. The lake's maximum depth is 39 feet¹. See attached map.
2. The lake's immediate watershed is approximately 2600 acres, and is at the upstream end of the Pine River watershed. The landscape is dominated by forest, wetland and low density residential. There is some pasture/hay land in the northwest part of the lake watershed. See attached map.
3. Ruth Lake is classified as a General Development (GD) lake. GD lakes have structure setbacks of 75 feet above the Ordinary High Water Level (OWHL) in areas without sanitary sewer systems.

¹DNR LakeFinder <http://www.dnr.state.mn.us/lakefind/results.html?lake=18021200>

4. The MNDNR maintains a public access on the northwest side of the lake. The access includes a concrete boat ramp and a fishing pier.
5. The MNDNR owns and manages a 21.2 acre Aquatic Management Area (AMA) on the north side of Ruth Lake. The primary goals of the AMA are to keep the shoreline in a natural unaltered state for fish and wildlife habitat benefits and to provide upland recreational opportunities.
6. EWM has been present in the lake since 1997. The MNDNR delineated EWM locations the request of lake residents in 2010 and 2011, and has permitted periodic herbicide treatments since 1997.
7. Curly leaf pondweed was reported once in 2011, but has not been reported since that time.
8. Water transparency, as measured by Secchi disk, has been improving over time. Data from 1977 to 2010 shows that transparency has been increasing by nearly one foot per decade. In 2010, the mean transparency depth ranged from 13 to 28 feet for the two lake monitoring sites².
9. Based on limited water quality data, the lake is classified as mesotrophic.

Issue Analysis

Aquatic Plant Management

Ruth Lake has a large littoral area with an abundant and diverse native aquatic plant community. This vegetation is critical to maintaining healthy fish populations. It is essential to protect and maintain these plants as they are important for protecting shoreline, maintaining water quality, and providing critical spawning habitat. In Ruth Lake, native plants are interspersed with EWM. Because herbicides approved for EWM control are not selective, and because chemical drift can occur in a lake environment, the DNR is concerned that herbicide application will have a deleterious effect on native plants as well, perhaps providing an opportunity for EWM to expand.

The Association has not yet adopted a Vegetation Management Plan (VMP), but will do so. Minnesota Rules (MR) 6280.1000, subpart 2 contain VMP requirements. The plan should contain procedures for monitoring and evaluation of EWM treatments sufficient to both detect whether the treatment is effective at reducing EWM and whether treatment is killing native vegetation. The DNR also suggests inclusion of an experimental design that would determine whether any changes in EWM distribution were caused by the herbicide or by other environmental factors; this could be accomplished by dividing the lake into treatment and control areas. The Association may also consider re-planting treated areas with native vegetation to reduce the amount of bare substrate available for re-colonization.

The Association should work closely with the regional DNR EWR and Fisheries offices, as well as the statewide EWM coordinator, to develop its VMP, obtain the necessary permits, and fulfill any other requirements for EWM treatment. Chip Welling (651-259-5149) is the DNR's EWM Coordinator. Mark Bacigalupi (218-833-8636) is the regional Fisheries Manager, and Lonnie Thomas (218-833-8689) is the Area Hydrologist for Crow Wing County.

Water Quality

Based on phosphorus and chlorophyll-a data collected over the past 10 years, the Minnesota Pollution Control Agency (MPCA) has found Ruth Lake to be suitable for swimming and wading, with good water clarity and low algae levels throughout the open water season. The lake's transparency, phosphorus, and chlorophyll-a levels are within range or better than other lakes in the area.

The petition document recognizes the relationship between nutrients and water quality and includes appropriate strategies for maintaining the lake's good water quality. These include efforts to address failing septic systems, protect riparian buffers, and manage stormwater runoff. We commend the

² Data collected by the MPCA through the Citizen Lake Monitoring program.

Association for including these strategies in their management plan. We also encourage the Association to pursue additional projects to promote and protect good water quality, such as acquiring and providing funds for shoreline restoration and in-lake habitat enhancement, beyond the demonstration projects already proposed. The area adjacent to the Aquatic Management Area would be an excellent location for such projects; consult with the local DNR office on appropriate projects in this area. Such projects may be eligible for DNR grants; consult the Shoreland Habitat Restoration Grant Program at <http://www.dnr.state.mn.us/grants/habitat/shoreland.html>. Further guidance can be found in the Restore Your Shore online program at <http://www.dnr.state.mn.us/restoreyourshore/index.html>. The DNR also provides a tool, Score Your Shore, to assess the quality of shorelines to identify areas in need of restoration and conservation, at <http://www.dnr.state.mn.us/scoreyourshore/index.html>. Finally, contact the local DNR office for the necessary permits for any shoreland restoration work.

The petition discusses the rehabilitation of drainage pipes from some backyards into the lake. The DNR suggests that the Association and the property owners consider creation of rain gardens or small wetlands at the backyard drainage points instead of trying to rehabilitate the pipes.

Public Access Cooperative Project

The LID proposal includes plans to establish an automatic surveillance system at the public access to monitor boats for invasive species contamination and transportation. A conversation with the President of the Ruth Lake Improvement Association also indicated that they would be interested in hiring an intern to do in-person monitoring. It is possible that this activity could be funded by a DNR grant. The DNR suggests that the Association go to the DNR webpage at http://www.dnr.state.mn.us/grants/aquatic_invasive/index.html for more information.

Wetlands Condition Study

The Association plans to map and evaluate the condition of wetlands within 1000' of the lake in order to protect the integrity of the wetland-aquatic interface. The DNR commends the Association for recognizing and seeking to protect these functions; however, the DNR cannot provide funding for this as stated in the proposal. The DNR suggests that the Association work with the County Land Services Department, and perhaps the Board of Water and Soil Resources (BWSR) as well, on this project.

Recommendations/Conclusions

Proposed LID Boundaries

The boundaries of the proposed LID include only properties that are riparian to Ruth Lake. MR part 6115.0920 subpart 5 requires that the LID boundaries include all lands and waters within the direct drainage basin of the lake (this basin is shown on the attached map). However, this rule also allows the County Board to create a LID district boundary less than the entire drainage basin with written Commissioner approval, if the boundary selected includes a sufficient amount of the lake's watershed to develop and implement feasible solutions to the problems the LID intends to address. Restriction of the district's boundaries to the riparian properties is sufficient to address the issue of EWM; therefore, in accordance with these rules, the DNR hereby approves the proposed boundaries identified in the petition. However, the DNR recommends the Board limit the authority of the LID to matters that can be addressed by the riparian property owners, such as aquatic plant management, other in-lake studies and activities, and Shoreland/riparian zone management practices.

Other

The information provided meets the requirements of lake improvement district statutes and rules. The DNR notes positively that the LID's projects and goals extend beyond just the management of invasive species and include items like lake buffers and rain garden demonstration projects. Also noted is the emphasis upon cooperation with related groups to achieve common goals.

Thank you for consideration of these comments. Please contact Kathy Metzker, DNR Land Use Hydrologist at 651-259-5694, if you have any questions. If approved, please provide the name and address of the primary contact of the Board of Directors for the LID and remind the LID of its obligation to provide DNR notice of annual meetings and copies of annual reports per MS § 103B.571.

Sincerely,

DIVISION OF ECOLOGICAL AND WATER RESOURCES



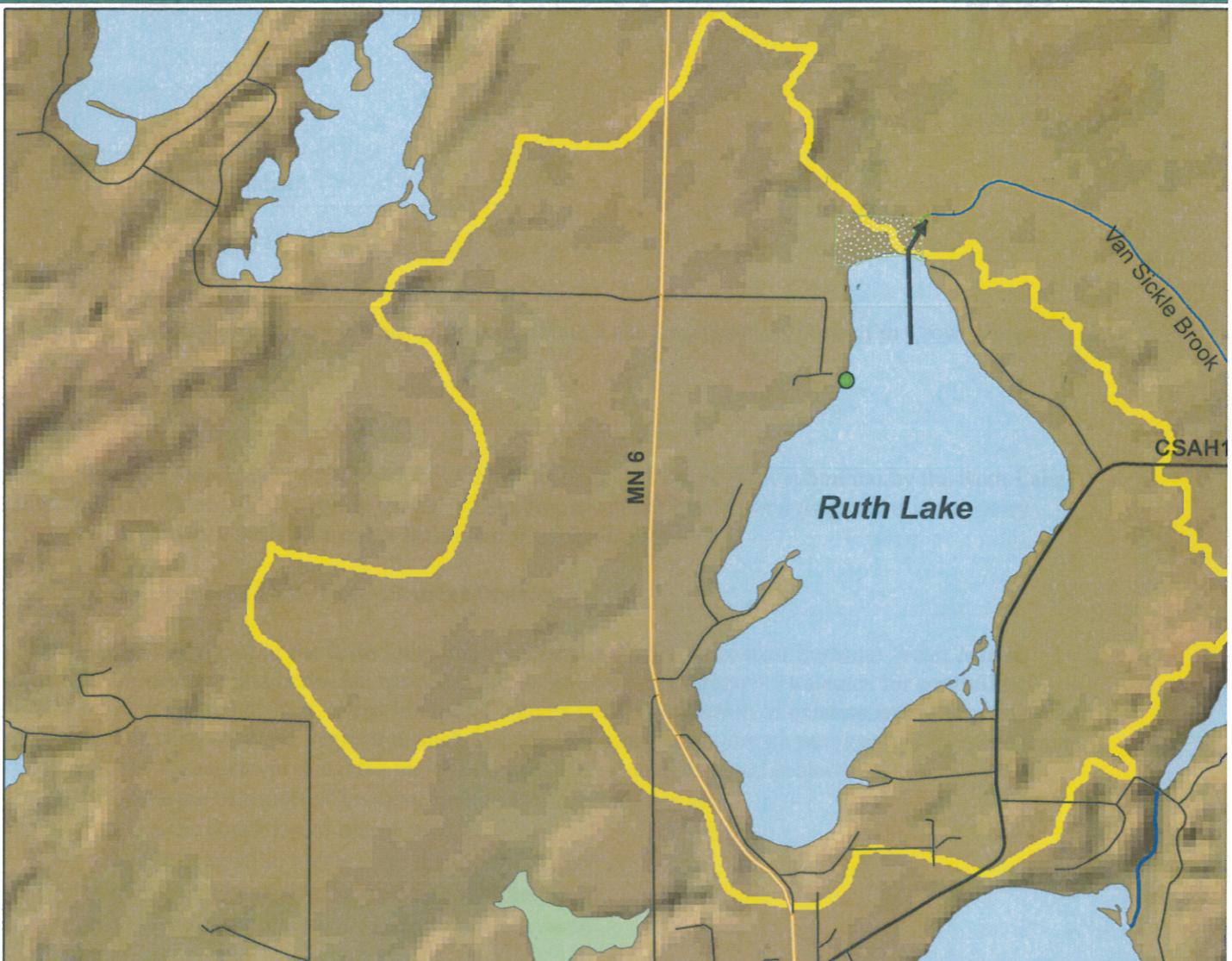
Bob Leibfried

NE Regional Manager

Attachment

c: Jennifer Shillcox, DNR Land Use Programs Supervisor
Chip Welling, DNR Eurasian Watermilfoil Coordinator
Lonnie Thomas, DNR Area Hydrologist (Crow Wing County)
Marc Bacigalupi, DNR Brainerd Fisheries Area Supervisor
Daniel Petrik, DNR Land Use Specialist
Kathy Metzker, DNR Hydrologist
Art Patterson, President Ruth Lake Improvement Association

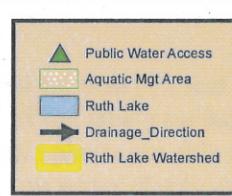
Ruth Lake Watershed



The watershed data presented here are part of the National Watershed Boundary Dataset (WBD). A Hydrologic Unit (HU) is the smallest division in the nested, hierarchical watershed classification system of the WBD.

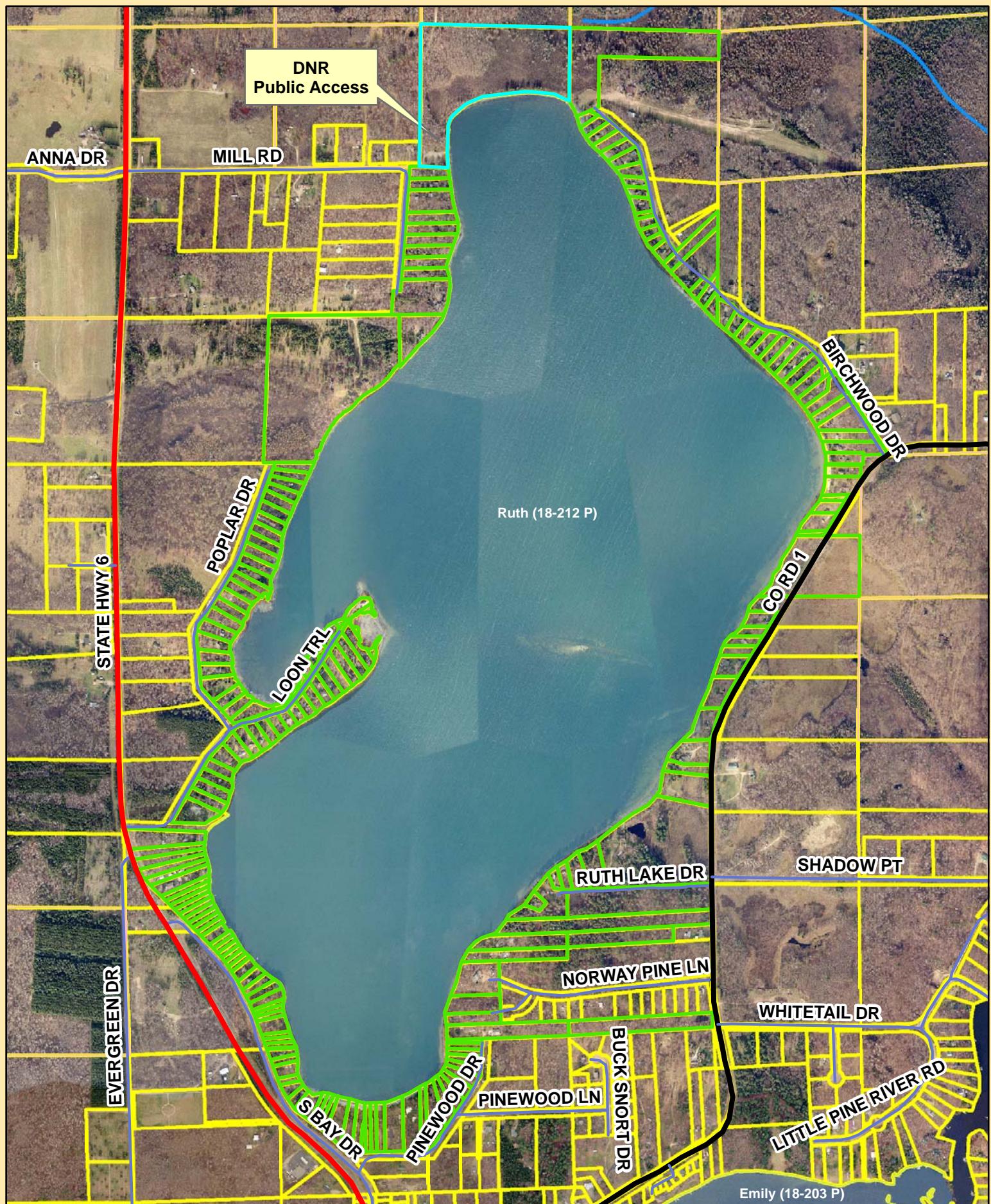
Electronic data for use in a GIS (Geographic Information System) can be downloaded from the DNR Data Deli:

<http://deli.dnr.state.mn.us/>



825 Meters





Land Services



Proposed Ruth LID

0 500 1,000

2,000

Feet

Proposed Extent of Ruth LID

Other Parcels

THIS DRAWING IS A COMPILED OF RECORDS AS THEY APPEAR IN THE CROW WING COUNTY OFFICES AFFECTING THE AREA SHOWN AND IS TO BE USED ONLY FOR REFERENCE PURPOSES. THE COUNTY IS NOT RESPONSIBLE FOR ANY INNACURACIES HERIN CONTAINED.

**Petition for Lake Improvement District
For Ruth Lake, Crow Wing County**

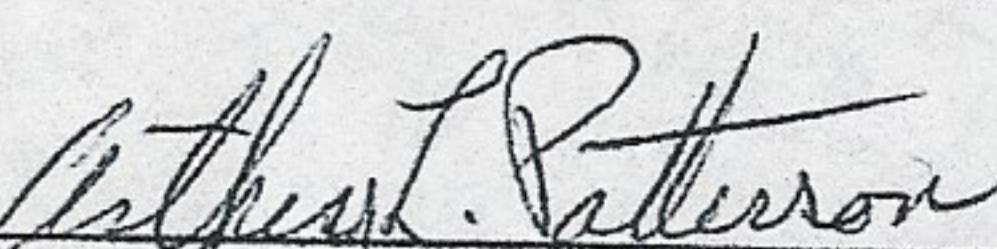
We the undersigned, representing the record owners of more than (60%) percent of the total land area within the proposed Lake Improvement District (referenced lots of parcels listed below, of land abutting Ruth Lake) hereby petition the Crow Wing County Board to create a Lake Improvement District for the necessary purpose of Improving water quality of Ruth Lake through lake management, aquatic vegetation control and related services to Ruth Lake. The proposed Lake Improvement District is legally described as follows.

Named: Ruth Lake Improvement District

Each owner of land abutting Ruth Lake will be assessed as (1) one unit. This Lake Improvement District is for an estimated amount of \$13,367.00 per year, per assessment unit share, for an initial period of (5) Five years. The lake improvement cost will be equally allocated among all property owners with an annual estimate of \$90.00 for each property owner with lands immediately adjacent to Ruth Lake. Budgets for subsequent years shall be determined during the last year of the assessment and will be subject to public hearing.

We the petitioners understand that the improvement shall be conducted in accordance with plans for the same to be prepared, reviewed and approved by the Crow Wing County Board and that the costs thereof, including expenses connected with engineering, planning and legal costs will be assessed against each parcel of land within said proposed district. This petition is submitted pursuant to Minnesota Rule 6115 and Minnesota statute 103B.521.

WARNING: A PERSON WHO KNOWINGLY SIGNS THIS PETITION MORE THAN ONCE, SIGNS A NAME OTHER THAN HIS OR HER OWN, SIGNS WHEN NOT QUALIFIED, OR SETS OPPOSITE HIS OR HER SIGNATURE ON A PETITION, A DATE OTHER THAN THE ACTUAL DATE THE SIGNATURE WAS AFFIXED, IS VIOLATING THE PROVISIONS OF MINNESOTA LAW.

| Name | Signature | Lake Address | Mailing Address | Date |
|---------------------|--|-------------------------------------|-------------------------------------|-----------|
| Arthur L. Patterson |  | 41298 LOON TRAIL EMILY, MN 56447 | 41298 LOON TRAIL EMILY, MN 56447 | 6/20/2011 |



BY-LAWS

RUTH LAKE IMPROVEMENT DISTRICT

Article 1: Establishment

Section 1 Established under the Minnesota Statute 103B.501 by the Crow Wing County Board of County Commissioners¹

Article 2: Name of District

The name of this organization is: Ruth Lake Improvement District.

Article 3: Definition of the Ruth Lake Improvement District

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

/Article 4: Purpose

To preserve and Protect Ruth Lake and to increase and enhance the use and enjoyment of Ruth Lake, it is in the public interest that a lake improvement program is established to: preserve the natural character of Ruth Lake and the shore land environment where feasible and practical, to improve the quality in Ruth Lake; provide for reasonable assurance of water quality in Ruth Lake, where feasible and practicable; and to assure protection of Ruth Lake from the detrimental effects of human activities and certain natural processes. The Following water-related land and resource management programs and services may be undertaken by the Ruth Lake Improvement District.

- a. Develop and implement a comprehensive plan to improve water quality.
- b. Apply for private or public grants and/or enter contracts with federal or state agencies for the study and treatment of pollution problems and related demonstration programs.
- c. Enter into contracts with private contractors for the study and treatment of pollution problems and related demonstration programs.
- d. Undertake research to determine the condition and development of the bodies of water included within the Lake Improvement District and to transmit the studies to the Land and Resource Management Department, the Department of Natural Resources, the Minnesota Pollution Control Agency and other interested authorities.
- e. Make cooperative agreements with the United States or state governments or other county or city/Emily, MN to effect water and related land resource programs.
- f. Conduct programs of water improvement and conservation.
- g. Implement water quality monitoring systems.
- h. Serve as the local sponsor for state and federal project grants.
- i. Provide input to the Soil and Water Conservation District regarding surface water use and applications as deemed necessary and reasonable.
- j. Conduct plans, studies, developments and implementations as allowed or permitted by law and approved by the County Board from time to time.
- k. Coordinate with the proper governmental agencies for the planning and installation of private or community sewage and/or water supply systems and any and all other programs and services as provided for by law.

Article 5: Membership

Section 1 Membership Qualification

Owners of properties within the District boundaries are members.

a. "District Boundaries" Per Minnesota Administrative Rules, 6115.0920 Definitions:

The territorial boundaries of a lake improvement district: All lands and water within the direct drainage basin, as defined herein, shall be included within the district boundaries, except those exclusions for which written approval is obtained from the commissioner.

b. Crow Wing County, LID POLICY #9

Riparian properties per taxable parcel identification are eligible to sign the petition and vote on LID matters. Riparian contiguous lots in common ownership shall be allowed 1 vote if the lots are un-improved. All improved riparian contiguous lots in common ownership shall be allowed 1 vote for each improved lot. For the purpose of this policy, an improved lot shall be defined as having a structure that meets the requirements of a dwelling per the zoning ordinance.

Common interest communities, PUD,s and resorts only receive one vote.

Section 2 Voting Rights

Each Member is entitled to one vote at the annual Ruth Lake Improvement District meeting or any special Ruth Lake Improvement District meetings.

Section 3 Votes

Votes at all Membership meetings shall be cast in person.

Section 4 Transfer of Membership

When a parcel of land is sold, Membership shall transfer from the old owners to the new owners. When a parcel of land is sold on contract for deed, Membership shall transfer from the contract seller to the contract purchaser. When a parcel of land is leased, Membership shall not transfer from the landlord to the tenant.

Article 6: Funding

Section 1 Initial Funding

The initial (first) year, funding of the Ruth Lake Improvement District shall be raised by the Ruth Lake Improvement Association, and any personal donations received.

Section 2 Subsequent Funding and Special Projects.

- a. Ruth Lake Improvement District activities may be funded by the levying of an ad valued tax solely on property within the District. No establishment or increase in the ad valued property tax will be allowed if it affects the county levy subject to state-imposed levy limits.
- b. Ruth Lake Improvement District activities may also be funded by assessment of costs of projects upon the benefited property within the District in the manner provided under Minnesota Statutes Chapter 429.
- c. Ruth Lake Improvement District activities may also be funded by imposition of service charges on users of the Ruth Lake Improvement District services within the District, per Minnesota Statute 428A.05

Article 7: Board of Directors

Section I. Initial Board of Directors

The Board of Directors of the Ruth Lake Improvement District shall consist of six to nine members. The Board of Directors must own property within the Ruth Lake Improvement District, and a majority of the Directors must be residents of the District. The initial Directors shall be appointed to terms of one, two and three years. (The County Commissioners may appoint the initial Board of Directors.)

Section 2 Terms.

President and Vice President shall serve for two (2) years. All other officers shall serve for three (3) years. There shall be one (1) new board member elected for a three year term at each regular annual meeting subject to the bylaws of the district. * See Table A

Section 3 Nominating Committee

The Nominating Committee shall consist of two retiring Directors, and one person from the District, who will be selected at the Annual District Meeting. Their slate of nominees shall be submitted to the Board one month prior to the Annual District Meeting.

Section 4 Election of Directors

Nominees shall be elected by majority vote of the Members present at the Annual Meeting of the Ruth Lake Improvement District. Property owners not present at the Annual Meeting may participate in the election of the District Board by absentee ballot.

Elections shall be by secret ballot. Nominees must submit a letter of acceptance or be present at the annual meeting to accept the nomination.

Section 5 Vacancies

Vacancies in the Board of Directors may be filled by a majority vote of the remaining Directors, subject to approval by a majority of votes of the property owners present at the next Annual District Meeting, as outlined in Article 7, Section 2. A Director elected to fill a vacancy shall serve the unexpired term.

Section 6 Removal of Directors

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

Article 8: Board of Directors Officers:

Section 1 Officers

All officers of the Ruth Lake Improvement District shall be Directors.

Section 2 Officer Positions

The officers shall consist of: Chair, Vice Chair, Secretary, and Treasurer. These officers are the Executive Committee. The Executive Committee may meet from time to time without notice to other Board members for planning purposes and to facilitate the activities of the Board.

Section 3 Election of Officers

Officers will be elected by the Board of Directors from among their number at the first board meeting following an annual meeting at which new Directors are elected. Election will be by secret ballot if more than one person is nominated for any office.

Section 4 Duties of Officers.

- a. The **Chair** shall preside over all the District Board meetings and the Ruth Lake Improvement District Annual Meeting.
- b. The **Vice Chair** shall preside in the absence of the Chair and perform duties normally associated with this office.
- c. The **Secretary** shall keep accurate records of all meeting of the Board of Directors, regularly submit minutes to the Board of Directors, and perform all other duties normally associated with this office.
- d. The **Treasurer** shall present a financial state at each meeting and shall perform all other duties normally associated with this office.

Article 9: Directors Meetings.

Section 1 Meetings

Directors are to hold at least four quarterly meetings annually, in addition to the Annual Meeting of the Membership, as shall be scheduled by the Chair, or in the Chair's absence, by a majority of the remaining members of the Executive Committee. Special meetings may be called by the Chair, or Vice Chair as directed by the Chair, or by three members of the Board of Directors, as may be from time to time required to carry out the activities of the Board.

Section 2 Notice of Meetings

There shall be at least ten days prior notice given in writing or by mail to each Director for any regularly scheduled meeting. In the case of special meetings, written or electronic notice shall be given to Directors not less than three days previously. In either case, any Director may waive such notice by written or electronic notice to the Secretary.

Section 3 Quorum

A majority of the Board of Directors duly serving shall constitute the necessary quorum for the transaction of business.

Article 10: Committees.

Section 1 Appointment and records

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

Section 2 Funds

Should any committee require funds for purposes of its work, the committee shall make application to the Board of Directors in writing with a full statement of the funds required and the purpose for which such funds are to be expended. Upon request of the Board of Directors, the committee shall meet with the Board at any regular or special meeting thereafter to review the request and secure approval of the same. No committee shall expand any funds without the approval of the Board of Directors of The Ruth Lake Improvement District. All funds secured by any formed committee shall be turned over to the Board of Directors. All disbursement of funds, for any Committee shall be dispersed by the Treasurer of The Ruth Lake Improvement District only after such approval is given by the Board of Directors.

Article 11: Annual Meeting of District.

Section 1 Time

The Annual District Meeting shall be held on the Third Saturday of August of each year, unless changed by vote at the previous annual meeting.

Section 2 Notice

The annual meeting shall be preceded by a minimum of two weeks' published notice in Northland Press and Brainerd Dispatch , and by written notice mailed at least ten days in advance of the meeting to the county board or joint county board or joint county authority, town boards and statutory and home rule charter cities wholly or partially within the District, the Minnesota Pollution Control Agency, and Commissioner of Natural Resources; and if there is a proposed project by the District having a cost in excess of \$5,000.00, thirty days written notice will be given to all property owners within the assessment district.

Section 3 Agenda

At the annual meeting the District property owners present shall:

- a. Elect one or more Members to fill 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 \$5,000.00;
- d. Take up and consider other business that comes before them;
- e. Approve taxes or assessments to satisfy budget requirements.

Section 4 Annual Report

Each year the Board of Directors shall prepare and file a report of the financial condition of the District, the status of the projects in the District, the business transacted by the District, other matters affecting the interest of the District, and discussion of the Director& intentions for the succeeding years. Copies of the report shall be transmitted to the county board or joint county authority, town board and city councils of the statutory and home rule charter cities wholly or partially within the District, the Commissioner of Natural Resources, and the Minnesota Pollution Control Agency by four months after the annual meeting.

Article 12: Fiscal Year.

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

Article 13: Expenditure of District Funds.**Section 1 Approval.**

All projects and expenditures must be submitted to the Board of Directors.

All Expenditures must be approved by a majority vote of the Membership at the District annual meeting, or a special meeting of the District

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

All projects in excess of \$5,000.00 must first be approved by the Board of Directors and a majority vote of the Membership at the District's annual meeting, or a special meeting of the District.

Section 3 Audit.

There shall be an annual independent audit of financial records, submitted to the Chair prior to the Annual District Meeting.

Article 14: Amendment of By Laws.

These By-Laws 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 and approved by majority vote of the Members at any annual or special meeting.

Article 15: Rules of Order.

The rules contained in the current edition of Roberts' Rules of Order (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.

Table A (Directors Reelection Schedule)

| OFFICE | REELECTION REQUIRED |
|-----------------------|--------------------------------|
| President | After 2 years |
| Vice President | After 2 years |
| Secretary | After 3 years |
| Treasure | After 3 Years |
| Director 1 | After 3 Years |
| Director 2 | After 3 Years |
| Director 3 | After 3 Year |
| Director 4 | After 3 Year |