

Lake Minnewawa Lake Improvement District (LMLID)

Annual Membership Meeting

August 25, 2018 10:00 a.m.

McGregor Community Center

The meeting was called to order at 10:03 a.m. by Pat Rath.

A quorum was confirmed.

Board members present were: Pat Rath, James Bradley, David Warner, Cathy Larson, Steve Olson, and Sue Woodard. Dan Westberg was absent. Also present was recording secretary, Dora Potts.

Additional attendees included numerous LMLID members and spouses. Total attendance represented 15 properties on Lake Minnewawa.

Welcome

LMLID Board Chairman Pat Rath welcomed the attendees and introduced the current members of the LMLID board of directors:

- Patrick Rath, president
- Cathy Larson, vice president
- Jim Bradley, treasurer
- Dan Westberg, secretary (absent)
- Steve Olson
- David Warner
- Sue Woodard

He also introduced Dora Potts who serves the LMLID as recording secretary.

Rath then announced the purposes of the meeting:

- Review previous full-year financials and current YTD
- Elect open Board positions
- Give status on LMLID activities
- Approve any LMLID planned expenditures greater than \$5000
- Approve the 2019 LMLID budget
- Approve proposed changes to LMLID bylaws

Financial Report

Jim Bradley presented a detailed record of income and expenditures for the years 2017 and 2018, to date.

A summary of his presentation is as follows:

(The full statement can be found on the LMLID website.)

2017

Expenditures:	Administrative	\$ 2,747.41
	Grants/Projects	\$ 33,290.23
Revenue:	Payments from County	\$ 33,525.14
Fund balance:		\$ 8,535.57

2018 to date

		Budgeted	Spent (to date)
Expenditures:	Administrative	\$ 3,000.00	\$ 2,824.32
	Grants/Projects	\$ 33,800.00	\$ 16,516.84
Revenue:	Payments from County	\$ 33,800.00	\$ 19,998.81
Fund balance:		\$ 8,535.57	\$ 18,535.57

Discussion followed, during which members had these questions:

- Under Administrative Expenditure for 2018, isn't the \$1,616.00 figure a high price to pay for board insurance?
 - Board response: The board has shopped around extensively to find the lowest price for this type of insurance. Due to the small size of the LMLID board and the type of insurance, this was the lowest price available. The board certainly welcomes any information concerning lower rates for a comparable policy.
- The board has placed \$10,000 to be used for any future Aquatic Invasive Species expenditures in a CD. A member asked if there was a better place for these funds that would permit access to them without a penalty.
 - Board response: The CD is only for one year. Even in the event of an AIS emergency, it would take time to study and formulate plans for any response and this would likely use up the time remaining on the CD.

Board of Director Election

Rath shared that there were currently 2 seats on the LMLID Board of Directors up for re-election. Sue Woodard and Dan Westberg currently hold those seats and have filed to retain them. There have been no other nominations.

A voice vote was held to confirm Woodard and Westberg. A majority voted yes and the seats were confirmed.

Rath also noted that, LMLID bylaws state that, after 3 terms of board service, a director must step down for at least one year before serving.

LMLID Project Status

Rath told the membership that the LMLID continues to be open to requests for the funding of lake improvement projects but has only had requests from the Lake Minnewawa Association (LMA) to date. He presented the involvement of the LMLID in the funding of these projects and other lake improvement/protection initiatives. Membership discussion and board response are noted under each item:

- LMA weed harvesting operation
 - *Question:* What is involved in this?
Board response: the general operation costs of the harvester

- LMA harvester loan
- Establishment of a \$10,000 AIS fund

LMLID Proposed Budget for 2019

Rath presented the proposed LMLID budget for 2019. Funding will come from the \$33,800 revenue received from Aitkin County which is derived from the assessment of the 520 district property owners @ \$65 each. Additional information, membership discussion, and board response are noted under each item.

Rath also noted that the LMLID tries to keep a fund balance at the end of each year in order to cover funding costs incurred before the initial payment from the county the following spring. He also noted the provision that unused District funds up to an additional \$10,000 could be added to the AIS contingency fund.

- LMLID administration (\$3,500.00)
 - *Rath:* This is to cover the realities of board operation as mandated by the bylaws.
- Fish ladder project (\$3,000)
 - *Rath:* It appears likely that the DNR will fund most of the cost with grants, but there is more information to come about this project as the time approaches.
 - *Question:* Can the LMA ask the LMLID for money for this?
Board response: Yes, one of the top concerns of property owners, when surveyed by the LMLID, was fishing in the lake.
 - *Question:* Would it be appropriate for the LMA to ask the LMLID for funds for fish stocking when the DNR does not do this?
Board Response: Yes, for the same reason as above.
- Vegetation management (\$15,000)
 - *Question:* Does this cost just involve the weed harvester?
Board response: Yes, and all of its operational costs.
 - *Question:* Is the harvester really improving lake clarity?
Board response: Over the last 30 years, there has been a small improvement in clarity. On the other hand, by employing the harvester, conditions are not going backward, as they were in the past and new weeds are not being created. The LMLID could certainly do another study and compare the results to the first one and the board is certainly open to new ideas for weed management.
 - *Question:* What is the typical life-span of a harvester and should there be a proactive LMLID budget item?
Response from LMA member: The last one lasted 30 years and the LMA is planning in this regard.
- AIS long-term contingency fund (\$10,000)

- Miscellaneous contingency (\$2,300)

Rath asked for a show-of-hands vote on the proposed budget and approval of those items over \$5000. It was approved by a majority.

Proposed Bylaw Changes

Cathy Larson presented the text of the proposed changes to the LMLID bylaws. These proposed changes had been approved by the LMLID board of directors, but no bylaw changes can go into effect until they have the approval of the LMLID membership at an annual meeting. The changes in question concerned the provision for absentee ballots to members for voting in director elections, only.

Discussion was as follows:

- *Member:* Why is this being considered if the additional mailings required will add to LMLID administrative costs?
Larson: The concern was brought up in the 2017 annual meeting and the LMLID has received enough feedback on the issue to warrant addressing it with the membership.
- *Member:* As the first LID in the county, isn't the LMLID immune to the county statutes for providing absentee voting and only required to follow state statutes?
Rath: Our LMLID is governed by state statutes.
David Warner: The state statutes require that every member has the opportunity to vote for Directors. We are out of compliance, which could be grounds for dissolving the LMLID.
Jim Bradley: The LMLID attorney recommends these bylaw changes. This concerns neighbors who are out of the country or in the cities and cannot get here for one day for the annual meeting.
Rath: The LMLID does not have an attorney.
- *Member:* What if an unknown person is voted in, largely as a result of absentee ballots, and does not properly serve when on the LMLID board?
Board response: There are provisions in the bylaws as to the necessity of an elected board member to properly serve.
- *Additional discussion:*
 - *Member:* We don't need to support apathy of those who want a vote but do not take the time or effort to attend the meetings.
 - *Member:* What if we propose this change as a contingency for one year and see how it goes? [LMLID note: A proposal cannot be revised without first going back to the board at their next meeting for approval.]
 - *Member:* I'm not in favor of anything that is not choice-based, as in an owner *requesting* an absentee ballot if it's needed. Then the board could make a decision as to the validity of each request.

[At this point, David Warner requested time to exit the meeting to use his phone to retrieve a copy of the state statutes regarding the issue. His request was declined by Larson as it would not be necessary or productive to prolong the discussion to accommodate Warner because the possible variations of interpreting such a statute would not bring clarity to the issue.]
 - *Warner:* The LID operates under county and state guidelines.

- *Rath:* The LID only operates under state guidelines, no county.
- *Member:* What would the procedure be if someone were to challenge the current procedure on this?
Larson: The procedure would probably be to take the LMLID to court. There would be several negative impacts in this situation.
- *Member:* What are other LIDS doing about this issue?
Board: About half are in compliance and half are not. It seems to be a matter of interpretation of the statute. This also seems to be a case in which the board would not be immediately dissolved, but we would be directed to comply.

David Warner moved to hold a vote for the motion for the provision of absentee ballots for board seat elections, as first presented by Larson. Jim Bradley seconded the motion. A show-of-hands vote was taken, and the motion failed, with the only votes (3) in favor of the motion being made by LMLID board members. All others in attendance voted against the motion to amend the bylaws.

Guest Speaker: Walleye Fishing

Tim Rinowski spoke to the group on the current state of walleye fishing in Lake Minnewawa. His presentation was entitled, "Going from Great to Greater!"

Rinowski has participated in several efforts since 2013 to track and verify fish populations in the lake. He shared various details of these experiences and his knowledge the lake studies.

- He participated in ride-alongs with the DNR to stock and track Walleye in 2018. At that time, 1.15 million walleye fry were added to the lake.
- The studies were done in "historic locations" (i.e. samples were taken in the same 6 spots each time). The DNR says we are doing very well with the walleye population.

Concerning the proposed "fish ladder" at the dam, Rinowski said:

- This ladder is to enable spawned fish to enter the lake, whereas we are now losing them to downstream locations. To allow this, there will be no alteration of the dam, but there will be an addition to it. There will also be no effect on lake levels.
- Rinowski has been told that this is a slow process, but ours is next on the list. Grand Rapids field experts will inspect the site in September. The total cost is expected to be \$60-70 thousand, but the DNR appears to have grant resources for at least most of the funding.
- Attracting AIS with the ladder is not a concern. Only Asian carp can navigate a fish ladder such as the proposed one and they cannot get through a Brainerd location.

Rinowski and board members fielded additional questions about the fish ladder:

- *Board:* The LMLID will have an opportunity to ask questions about the ladder when the DNR comes to speak about it. There will be a study and public hearings involved, as well as the involvement of engineers.
- Spirit Lake is currently undertaking this project. It was suggested that the LMLID contact their association, if one exists, to find out more about the process.

Robbie Danko moved that the meeting be adjourned, and the motion was seconded by Greg Pfiefer. The meeting was adjourned at 11:14.

Submitted by Dora Potts, as recording secretary
August 27, 2018

Approved by Dan Westberg, LMLID Secretary
August 28, 2018