

Lake Minnewawa Lake Improvement District (LMLID)

Board of Directors' Meeting
December 8, 2018 10:00 a.m.
McGregor Public Library

The meeting was called to order at 10:02 a.m. by Pat Rath. A quorum was confirmed. Board members present were: James Bradley, Pat Rath, Cathy Larson, Steve Olson, David Warner, and Dan Westberg. Sue Woodard was absent. Guests in attendance were Tim and Arlyss Rinowski and Terryl Patterson, representing the LMA. Also present were Bruce Patterson and recording secretary, Dora Potts.

Meeting Agenda

Pat Rath presented the agenda for approval, which was unanimous.

Financial Report

Jim Bradley presented the financial report.

With the previously approved purchase of a \$10,000 CD, the LMLID will now show two separate financial balances. The current amounts are:

<i>Cash</i> balance (in checking account):	\$ 14,646.97
<i>Fund</i> balance (above, plus CD):	\$ 24,646.97

Financial Activity Notes:

- Prior to the establishment of the above totals, the LMA submitted their final requests for 2018, with complete documentation, and all have been paid.
- Financial activity since September 2018 is as follows:

October 2018:

Paid:

Sportsmen's Club	\$ 200.00	rent
Voyageur Press	\$ 16.00	required publication
Navico	\$ 195.00	database maintenance

November 2018

Paid:

McGregor Community Center	\$ 100.00	rent; to be refunded
Dora Potts	\$ 50.00	clerical

areas can be established, if that is determined to be necessary. Netting was done about 15 years ago on the lake.

The netting procedure involves wearing neoprene waders and shuffling feet along the lake bottom to stir up the water. Fish eggs are netted and their species is determined: walleye, sucker, etc.

The LMA would like to undertake this project and estimates \$1,000 would be needed for supplies, including the waders.

Westberg motioned to allocate these funds and Rath seconded. The motion was approved, unanimously.

Absentee Voting for LMLID Board Members

For the purpose of addressing membership concerns about this topic *and* being legally compliant, Westberg consulted the office of the MN Assistant Attorney General, who referred him to the MN Secretary of State. A representative of that office recommended the following procedure, saying that it would satisfy all LID requirements to which the LMLID is subject.

Notice for Absentee LMLID Ballot

- A. To obtain absentee ballot:
 - 1. Contact board secretary for absentee ballot
 - 2. Ballot must be received by secretary 2 days prior to LMLID annual meeting
- B. When requesting absentee ballot, this information must be included:
 - 1. Land parcel ID number
 - 2. Name of individual identified by Aitkin County records as responsible for property taxes

Note: There shall be 1 vote per member property.
- C. Contact Information
 - 1. [LMLID secretary phone number]
 - 2. [LMLID secretary email address]
 - 3. [LMLID secretary postal address]
- D. Absentee ballot will be opened and recorded at the LMLID annual meeting.
Absentee ballots will be tallied with the ballots collected from those in attendance.

*This notice will be mailed out with the LMLID annual meeting information.

The annual meeting information will include the number of director positions that are open. A list of open positions and a sample ballot will be available 10 days prior to the annual meeting.

Following this procedure will *not* require the LMLID to revise its bylaws since it is just a procedural change and will incur little additional cost.

Dan Westberg moved that the LMLID adopt this procedure regarding the provision of absentee voting. David Warner seconded, and the motion was approved unanimously.

Errors and Omissions (E & O) Insurance

Dan Westberg consulted experts in insurance to answer questions raised by board members regarding adequate coverage and obtaining coverage in the most cost-effective manner. He reported the following:

- There is no need for insurance above the level currently purchased by the LMLID as even if the LMLID were to be sued, it could only be for the amount of LMLID assets and that it would most likely be difficult to convince a judge that there was a case for a lawsuit.
- However, it is necessary for the LMLID to carry such insurance because, in the event of such a suit, the insuring entity would be obligated to defend and cover legal fees. This would prevent these fees from coming out of the funds allocated for lake improvement.
- There is insurance available from a different company that would reduce the cost from \$1592 annually to \$680 (plus tax) for \$500,000 coverage.

David Warner made a motion to acquire the new insurance and void the previous policy (with reimbursement of any unused premiums). Westberg seconded and the motion passed unanimously.

Aitkin County Request

Pat Rath provided the board with information concerning a recent request by the chairperson of the Aitkin County Commissioners to submit a 5-year plan and amend the LMLID bylaws to state that the LMLID adheres to the *county* statutes, as opposed to MN State statutes for LID operation.

Pertinent background information:

- The original bylaws stated that the LMLID would adhere to “all State and County LID related statutes.” When the LMLID was formed, Aitkin County had no LID statutes, so the Aitkin County attorney contacted LMLID instructing that any reference to county statutes should be stricken from the bylaws because the LMLID was created before any county regulations and was grandfathered in to adhere to only state statutes. This change was made to the bylaws by the LMLID at that time.
- Since that time, there has been *no* communication from Aitkin County concerning any facet of LMLID operation until the current requests and no mention prior to this of the LMLID needing to follow county regulations or file county-required reports.

There was discussion about the legality of changing bylaws after having legal direction in the past to follow only state statutes. In the interest of providing a response to Aitkin County in a timely manner, Rath will submit these minutes to the county, including the LMLID-approved plan to provide for absentee ballots in the future, and await their response. If the bylaws changes are still directed by the county after that, Rath suggested that the LMLID would need legal advice before taking any action on that. Several firms were suggested in case legal consultation was needed. Board members agreed that it was preferable to seek advice from an attorney who was familiar with this type of law since related fees could be more efficiently applied.

Rath made a motion to allocate up to \$2500.00 if he needed to obtain such legal counsel before the next LMLID meeting in May 2019. Jim Bradley proposed to amend this motion to include “getting written documentation of legal recommendations.” Rath proposed the motion, so amended, and Westberg seconded. The motion passed unanimously.

2019 LMLID Calendar

Rath presented the proposed calendar for 2019 LMLID meetings. All meetings are at 10:00 a.m. and will be held as follows:

May 25	Regular board meeting	Minnewawa Sportsmen’s Club
June 22	Regular board meeting	Minnewawa Sportsmen’s Club
July 27	Regular board meeting	Minnewawa Sportsmen’s Club
August 24	Annual membership meeting	McGregor Community Center
September 28	Regular board meeting	Minnewawa Sportsmen’s Club
December ____	Regular board meeting	Time and date to be determined

All meeting dates will continue to be published in the Voyageur Press.

Save the Date: Well and Septic System Event at Minnesota National

Dan Westberg attended an informational meeting concerning this event which is being presented on May 4, 2019 by the University of Minnesota in collaboration with the Minnesota Department of Health. The event will include informational meetings with information for the public, food, and assorted vendors. There will be more information to come. Westberg encouraged all board members to help publicize this important opportunity for all community residents.

Reaching Out

Rath encouraged all board members be alert for any opportunities for the LMLID to fund area projects that are related to the health and use of Lake Minnewawa. He cited two possible examples: kids’ fishing projects and fishing opportunities for disabled veterans. Rath noted that

these were not the only two possibilities but that LMLID board members could be instrumental in directing people in charge of such projects to apply for LMLID funding.

Open Discussion

David Warner asked that there be a revision of one word in the September LMLID minutes to reflect that Warner's Point is a "corporation" instead of an "association." The recording secretary made a note of this and will make that change.

Dan Westberg made a motion to adjourn and it was seconded by Cathy Larson. The meeting adjourned at 11:22 a.m.

Submitted by Dora Potts, as recording secretary
December 10, 2018

Approved by Pat Rath, LMLID Chairperson
December 10, 2018

Approved by Dan Westberg, LMLID Secretary
December 10, 2018