

**BYLAWS**  
**LIDA LAKES IMPROVEMENT DISTRICT**  
**Approved April 9, 2022**  
**Amended June 15, 2024**

**Article I: NAME, LOCATION AND AUTHORITY**

Section 1. NAME

The name of the organization shall be Lida Lakes Improvement District. The organization may be referred to as LLID.

Section 2. LOCATION

The Lida Lakes Improvement District includes North Lida Lake, South Lida Lake, and Venstrom Lake, all located in Otter Tail County, Minnesota.

Section 3. AUTHORITY

The Lida Lakes Improvement District (LLID) is a non-profit local unit of government and shall operate in accordance with Minnesota Statutes 103B.501 to 103B.581, Minnesota Rules 6115.0900 to 6115.0980, the Otter Tail County Order Establishing Lida Lakes Improvement District dated July 13, 2021.

**Article II: PURPOSE**

Section 1. PURPOSE

To preserve and protect the lakes and to increase and enhance the use and enjoyment of the lakes. It is in the public interest that a lake improvement program is established to: preserve the natural character of the lakes and their shoreline environment where feasible and practical: improve the quality of water in the lakes; provide for reasonable assurance of water in the lakes, where feasible and practicable; and to assure protection of the lakes from 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 Lida Lakes Improvement District.

- a. Develop and implement a comprehensive plan to improve water quality;
- b. Apply for private or public grants and/or enter into 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 bodies of water included within the LLID and to transmit the studies to the Land and Resources 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 government or other county or city government 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 responsible;
- j. Conduct plans, studies, developments and improvements 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 cluster or community sewage and/or water supply systems; and
- l. Any and all other programs and services as provided for by law.

### **Article III: MEMBERSHIP, BOUNDARIES AND VOTING**

#### Section 1. MEMBERSHIP

Membership shall include all LLID riparian property owners and properties with easements, deeded access or are part of an association or group which may have access to the lake and according to the Otter Tail County Auditor and as described in the current Establishment Order.

#### Section 2. BOUNDARIES

The LLID boundary includes parcels that have lake frontage on Lida Lakes (on North Lida Lake and/or South Lida Lake, and/or Venstrom Lake) or otherwise have riparian rights but shall exclude agricultural land.

#### Section 3. VOTING RIGHTS

Members whose names appear as owners of qualifying riparian property according to the records of the Otter Tail County Auditor are eligible to cast votes on board member elections, budgets, and proposed projects by the LLID having a cost to the LLID in excess of \$5,000. No property shall have more than one vote for each action item at Membership meetings and one vote for each open Director position. If it is discovered that multiple votes are cast from eligible property owners for the same property, all ballots for the property in question will be considered ineligible and not counted for that property.

A riparian property is defined as a parcel or parcels held in separate and distinct ownership, regardless of the number of lots or parcels owned, the acreage, or the number of owners. When a riparian property is owned in common by members of a condominium, common interest community, planned unit development or other common ownership arrangement, the owners of each contiguous property with a unique PIN having an interest in the common riparian property shall have a vote and shall have all other rights and responsibilities, including being subject to assessment as riparian owners.

#### Section 4. VOTES

Except as otherwise provided herein, votes at all Membership meetings shall be cast in-person and/or absentee ballots. Absentee ballots will be provided the members prior to the Annual Meeting and will be due at such a date prior to the annual meeting that votes can be counted and presented at the annual meeting. The Board of Directors will have discretion to set the due date for absentee votes. Absentee ballots must be received by the date and time specified by the Board of Directors to be counted.

Section 5. TRANSFER OF MEMBERSHIP

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

**Article IV: FUNDING**

Section 1. INITIAL FUNDING (YEARS 1-4)

The initial (year 1) year, funding of the LLID shall be raised by the Lake Lida Property Owners Association. Funding for years 2, 3, and 4 will be raised through a flat-rate tax of no more than \$50 per year per qualifying parcel, based on LLID financial requirements.

Section 2. SUBSEQUENT FUNDING (YEARS > 4)

Lida Lakes Improvement District programs and projects may be funded by any of the means listed and in compliance with MN Statute 103B.555 FINANCING defined as:

- a. Assessing the costs of the projects upon benefitted property within the district in the manner provided under chapter 429.
- b. Imposing service charges on the users of LLID services within the district.
- c. Issuing general obligation bonds as provided in section 429.091.
- d. Levying ad valorem tax solely on property within the LLID, to be appropriated and expended solely on projects of special benefit to the district; or
- e. Imposing or issuing any combination of service charges, special assessments, obligations, and taxes.

Section 3. USE OF CARRY OVER FUNDS

Any carry over funds from prior years may be used to fund future projects or programs that are undertaken by the LLID. The use of carry over funds will be set during approval of the annual budget at the Annual Meeting.

**Article V: COMMUNICATION**

The official website, as designated by the LLID Board of Directors, is the official communication vehicle for meeting announcements, documentation, finance information, minutes, and any other LLID information. The LLID may also issue periodic newsletters to LLID members and other interested subscribers to provide up to date information and news. In addition, (US Mail) mailings to LLID members are made each year to provide important news and information to all members. The LLID also holds informational meetings, hearings, and an Annual Meeting to provide updates to members.

**Article VI: BOARD OF DIRECTORS**

Section 1. INITIAL BOARD OF DIRECTORS

The Board of Directors of the Lida Lakes Improvement District shall consist of seven (7) members. The board members must own property within the Lida Lakes Improvement District. The initial Directors shall be appointed to alternating terms of one, two, and three-year terms. (The County Commissioners appoint the initial Board of Directors).

## Section 2. ELIGIBILITY

Directors may be trustees of a trust, or officers or shareholders of a corporation so long as the trust or corporation is a property owner. Only one co-property owner, co-trustee, or officer or shareholder of a corporation may hold a seat on the board at a time. An eligible Director will only hold one position on the Board of Directors, regardless of the number of eligible properties associated with said Director. A majority of the Directors must reside in the LLID.

## Section 3. TERM

After the Initial year, two Directors shall be elected in years 2 and 3 to serve three-year terms. Three directors shall be elected in year 4 to serve in three-year terms. Subsequent years will continue on this same rotation such that each Director serves a term of 3 years. An annual term shall be from annual meeting to annual meeting. Directors are limited to serving two successive complete terms. An individual shall be eligible for re-election to the Board of Directors after a one-year absence.

## Section 4. NOMINATIONS

Nominations for Board of Director positions are due to the LLID Board of Directors by the Spring regularly scheduled meeting for inclusion into the Absentee Ballots. The Spring regularly scheduled meeting will typically be held in April. The Nomination must be in writing and indicate acceptance of nomination from the prospective Director. Other nominations brought forward after the April regularly scheduled meeting may be voted on as a "write in" on ballots presented at the annual meeting but will not be included on absentee ballots and/or in-person ballots.

If an insufficient number of qualifying nominations are received and a Director-elect is not identified as specified in Article VI, Section 5, an interim Director will be appointed by the remaining Board of Directors, subject to property owners confirmation as specified in Article VI, Section 6.

## Section 5. ELECTION OF DIRECTORS

Nominees shall be elected by majority vote of the Members at the Annual Meeting of the Lida Lakes Improvement District. In-person voting for Election of Directors will be cast via ballots presented at the Annual Meeting. Only those names received by the April regular Board of Directors meeting as specified in Article VI, Section 4 will be listed on ballots (in-person and absentee). Other names may be voted upon as a "write-in." Property owners may cast up to the same number of votes as available Director positions. Property owners may only cast a maximum of one vote per Candidate. Property owners not present at the Annual Meeting may participate in the election of the District Board by absentee ballot. Absentee ballots shall be sent to the location, and by the date, designated in the annual meeting notice. This will precede the Annual Meeting. Elections shall be by secret ballot if more than one person is nominated for any office. The Secretary/Administrator, with the assistance of the Treasurer, and with the assistance of other LLID members; or using an external party or voting/ballot service, shall count the ballots and record the results. The Chair shall announce the results during the annual meeting or thereafter. The election and voting process, the open voting period, and the timing of the announcement of results will be communicated to all LLID members along with the Notice of the Annual Meeting. Ballots from the annual meeting shall be preserved for one year from the date of the annual meeting. The winning nominee(s) will be the nominee(s) who receive the most votes for the open positions. Winning nominee(s) must be present at the annual meeting to accept the Director position or submit a letter of acceptance

within 30-days of the Annual Meeting. If the winning nominee fails to accept the Director position, the position will be presented to the nominee with the next highest total votes.

#### Section 6. DIRECTOR RESIGNATION

Any Director may resign. The resultant vacancy may be filled by an interim Director by a majority vote of the remaining Directors, until an interim Director is elected by the property owners. The interim Director position will be elected by a majority of the property owners during the Annual Meeting, as outlined in Article III, Section 4 and Article VI, Section 5. The resignation must be received a minimum of 90-days prior to the 15<sup>th</sup> day of August for approval to be included in that year's Annual Meeting. If the voluntary resignation is received within 90-days of the 15<sup>th</sup> day of August, the Board of Directors may conduct the property owner's vote the following year. The elected Director will serve out the remainder of the term of the resigning Director, and this service will not be considered a complete term as specified in Article VI, Section 3. All requirements outlined in Article VI will apply for elected or appointed Directors in this Section.

#### Section 7. REMOVAL OF DIRECTORS

Directors may be removed by two-thirds vote of the remaining Directors, or by a majority of members of the LLID. Consideration to remove a current Director may be brought forward during the Annual Meeting by members of the LLID, or by the Board of Directors during the Annual Meeting, regular meetings, or special meetings where removal of the Director is included in the agenda.

Once consideration for removal has been brought forward and approved, the Board of Directors shall set a meeting date to vote on the removal of the Director. The Board of Directors will provide notice to all members of the LLID a minimum of 30-days prior to the meeting date. The meeting may not occur more than 90-days after the consideration for removal has been approved. Grounds for removal by the remaining Directors include sale or transfer of all qualifying property of the Director, death, or conduct contrary to the listed responsibilities of the Directors.

#### Section 8. RESPONSIBILITIES

The Board of Directors shall be responsible for determining the financial requirements of the LLID and for establishing the property charge amount needed to meet the LLID financial requirements. Directors shall make every effort to attend all Board meetings. All Directors shall demonstrate and maintain the ability to protect, preserve and promote the quality and integrity of LLID in all matters that may come before them.

A Director shall:

- a. Attend or otherwise be a part of all board meetings whether virtual or in-person and to provide advance notice to the Chair in the event attendance is not possible. Unexcused absence from two or more board meetings may be grounds for declaring a board position vacant.
- b. Be consistently on time; ensure responsibilities are covered when not available or absent.
- c. Effectively communicate with other board members, LLID members and the community at large. This includes having a solid understanding and the ability to effectively and regularly check and use email, as well as basic understanding and the ability to open and respond to Microsoft Word, Microsoft Excel, PDF and other documents as necessary.

- d. Take responsibility for own actions; keeps commitments; completes tasks on time or notifies appropriate person with an alternate plan.
- e. Have a thorough understanding of and the ability to follow and enforce LLID Bylaws, relevant state statutes and the approved Establishment of Order.
- f. Disclose to the Chair and other board members any potential conflict of interest with any policy or pending business matter that may come before the LLID. Each Director may be required to sign a statement acknowledging this conflict of interest responsibility.
- g. Not divulge or share private and confidential information whether written or verbal with any person, firm, corporation, or other entity except on the direct written authority of the Chair. This may include certain board discussion, unofficial draft documents, email, financial data, banking information, personal information, LLID member information, etc.
- h. Act in a respectful, professional manner in all situations.
- i. Respond to all requests in a timely manner.
- j. Keep the Chair informed of any new or evolving matters.
- k. Act and defend the best interests of the members of the LLID.
- l. Directors shall, by appointment of the Chair, serve on committees, and shall function as a liaison between the Board of Directors and such committees. Director volunteers readily seek increased responsibilities; look for and take advantage of opportunities; ask for and offer help when needed.
- m. Upon exiting the board all applicable documents and electronic files shall be relinquished to the senior officer. The exiting director will make every effort to transfer any relevant information to the remaining directors.

## **Article VII: OFFICERS**

### Section 1. OFFICERS

All officers of the LLID 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. At the Annual Meeting, the Board of Directors, with approval by the Members, may add an Assistant Secretary and/or Assistant Treasurer who will support the Executive Committee with general duties.

### Section 3. ELECTION OF OFFICERS

Officers will be appointed by the Board of Directors at the first board meeting following the Annual Meeting.

### Section 4. DUTIES OF OFFICERS

- a. The Chair shall preside over all the District Board meetings and the Lida Lakes 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 meetings of the Board of Directors, regularly submit minutes to the Board of Directors, and perform all other duties normally associated with this office. The Secretary may delegate the duties of preparing the minutes to a third

party. Minutes for each meeting shall be placed on the Lida Lakes Improvement District website within one (1) month after approval or as directed by the Board of Directors. Minutes shall be formally approved at the beginning of the next meeting of the Board of Directors. The Secretary shall maintain copies of all minutes and documents related to the Lida Lakes Improvement District.

- d. The Treasurer shall oversee the books of financial accounts, present a financial statement of the Lida Lakes Improvement District at each meeting, and shall perform all other duties normally associated with this office. The Board of Directors may vote to have the Treasurer pay all regular, routine monthly bills without a monthly regular meeting being held.

### **Article VIII: BOARD OF DIRECTORS MEETINGS**

#### **Section 1. REGULAR AND SPECIAL MEETINGS**

Directors shall hold four regularly scheduled meetings per year in the Winter, Spring, Summer (Annual Meeting) and Fall. These meetings will be scheduled and announced on the LLID website and through any other communications with LLID members. In addition, Directors shall hold special meetings as needed in addition to the Annual Meeting. The Chair, or any LLID Director with approval of at least one-third (3/7) of the Directors may call special meetings.

Special meetings will be scheduled and announced on the LLID website and through any communications with LLID Members. All meetings of the Board are open to any LLID member and the public to attend. Voting rights for meetings other than the Annual Meeting are limited to Board members only. A Board meeting may be held in person or electronically.

#### **Section 2. NOTICE OF MEETINGS**

Annual meeting will be announced according to the current establishment order. Notice of each regular or special meeting shall be issued stating the purpose of the meeting along with a proposed draft agenda to each Director no less than two (2) days prior to the meeting date. The LLID website shall be the official means of notification, plus any other means that may be requested by a Board member. A special meeting may occur with a minimum of seven (7) day notification to Board members and posting on the website. An emergency meeting may be called by the Chair for items that require immediate action with three (3) day notice to Board members and posting on the website.

#### **Section 3. QUORUM**

A simple majority of the current Board of Directors shall constitute a quorum at any meeting. Simple majority is defined as 4/7 participation. No action shall be deemed approved unless votes cast in favor on a motion are approved by a majority of the quorum.

#### **Section 4. MEETING CODE OF CONDUCT**

Participation in the Lida Lakes Improvement District's meetings is subject to the observance of the organization's rules and procedures. *The activities outlined below are strictly prohibited.* Any participant who violates this Code is subject to discipline, up to and including removal from the meeting.

- a. Abusive language towards a volunteer or another participant.
- b. Discourtesy or rudeness to a fellow participant or volunteer.
- c. Verbal, physical, or visual harassment of another participant or volunteer.

- d. Actual or threatened violence toward any individual or group.
- e. Conduct endangering the life, safety, health, or well-being of others.
- f. Failure to follow any meeting policy or procedure.
- g. Bullying or taking unfair advantage of any participant or volunteer.
- h. Failing to cooperate with meeting organizers or leader.
- i. Bringing into LLID meeting dangerous or unauthorized materials such as firearms, weapons, or other similar items.

**Article IX: COMMITTEES**

The Board of Directors may vote to create committees as needed for the purpose of completing or implementing specific tasks, projects, or events to benefit the goals of the LLID. The Committee 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 subject to the provisions of these bylaws. No committee shall commit the LLID to contractual obligation or advocacy or opposition to any position without the specific authority of the Board of Directors.

**Article X: ANNUAL MEETING**

Section 1. TIME

The annual meeting shall be held in August of each year on a date set by the Directors LLID Board of Directors. The Annual Meeting can be held in-person in a location near the LLID or can be held electronically with the approval of the Board of Directors.

Section 2. NOTICE

At least eight (8) weeks prior to the annual meeting, the Directors shall notify property owners, by mailed initial notice:

- a. The date, time, and location of the annual meeting.
- b. The Director seats open for election (either by expiring term or vacancy).
- c. The method and timeline for electing Directors of the LLID.

All other notice requirements as specified in state law will be followed.

Section 3: AGENDA

The Board of Directors will propose a draft Agenda during the January regular Board of Directors meeting. Members of the LLID may provide suggestions for modifications to the draft Agenda by the April Board of Directors meeting. The Board of Directors will have discretion on the final Agenda.

At the Annual Meeting of the LLID property owners present shall:

- a. Elect one or more Members to fill the vacancies in the Board of Directors;
- b. Approve a budget for the fiscal year, which shall include the amount of funds carried over from prior years.
- c. Approve or disapprove proposed projects by the District having a cost to the District in excess of \$5000;

Take up and consider other business that comes before them. Any LLID Member that would like to make a presentation to the general membership at the Annual Meeting, must inform the Board of Directors on or before the April regular meeting so necessary



materials can be prepared and the meeting agenda can be prepared. The request will be reviewed by the Board of Directors at the April meeting and is subject to Board approval before being included in the Annual Meeting agenda.

#### Section 4. ANNUAL REPORT

Each year the Board of Directors shall prepare and file a report of the financial condition of the Lida Lakes Improvement District, status of all projects in the District, the business transacted by the District, other matters affecting the interest of the District, and discussion of the Directors' 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 statutory and home rule charter cities wholly or partially within the District, the Commissioner of Natural Resources, and Minnesota Pollution Control Agency by four months after the Annual Meeting.

#### Section 5. MEETING PROCEDURES

Unless otherwise specified in this document or state law, the Annual Meeting will be conducted in the same manner as Board of Directors meetings. The role of the Membership of the LLID will be to vote on agenda items requiring a vote of the Membership and participate in discussion as requested by the Directors. Modifications to any agenda items requiring a Membership vote are allowable and shall be modified through action of the Board of Directors. Input from the membership at large may be taken under consideration at the discretion of the Board of Directors. A new agenda item requiring a vote of the Membership of the LLID may not be added to the agenda after the April Board of Directors meeting. Modifications to existing agenda items are permissible during the Annual Meeting through action of the Board of Directors.

### **Article XI: EXPENDITURE OF 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 Members at the Districts annual meeting, or a special meeting of the District. The Board of Directors may authorize the Treasurer to pay regular monthly bills before monthly or quarterly 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 Meeting, or special meeting of the District.

#### Section 3. FINANCIAL REPORTING

Each year, the Board of Directors shall prepare and file an annual report of all Lida Lakes Improvement District financial activity as required by Minn. Stat. §103B.571, Subd. 4. The complete report shall be distributed to the Chair prior to the Annual Meeting and to the Lida Lakes 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 shall 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. The cost of any audit, if greater than \$5000 must be included in the budget and approved by the general membership at the Annual Meeting.

**Article XII: PARLIAMENTARY PROCEDURE**

The procedure of the meetings of LLID shall be governed by and conducted according to the abbreviated version of Robert’s Manual of Parliamentary Procedure as adopted by the Board of Directors. The Vice Chair, or a Director appointed by the Chair, shall be the parliamentarian.

**Article XIII: PERSONAL LIABILITY**

No Director shall be personally liable for the debts or obligations of the LLID of any nature nor shall any of the property of the Directors be subject to the payment of the debts or obligations of the LLID. The LLID Board will maintain liability insurance coverage for the LLID.

**Article XIV: 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 LLID shall be indemnified by the LLID 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 LLID may obtain insurance to cover this indemnification.

**Article XV: AMENDMENTS**

The Board of Directors may adopt or amend these bylaws by a majority vote of the Directors present and entitled to vote at any meeting of the Board.

**Certification:**

These bylaws were adopted and approved by the Board of Directors on April 9, 2022.

These bylaws were amended and approved by the Board of Directors on June 15, 2024.