

BYLAWS FOR CIRCLE LAKE IMPROVEMENT DISTRICT

ARTICLE 1 ESTABLISHMENT, DEFINITION, AND PRIORITY

Section 1. Establishment. The Circle Lake Improvement District (“CLID” or “District”) is established under Minnesota Statute 103B.535 by Rice County Board of Commissioners (“County Board”) via Rice County Board of Commissioners Order Establishing Circle Lake Improvement District dated January 22, 2019 (“Order to Establish”), and filed with the Minnesota Office of Secretary of State, Minnesota Pollution Control Agency, and Minnesota Department of Natural Resources.

Section 2. Definition of the Circle Lake Improvement District. The Circle Lake Improvement District is a non-profit organization subject to applicable county, state, and federal laws. The CLID is a political subdivision of the State of Minnesota. It is a local unit of government partially funded by a special taxation district authorized by Minnesota Statute 103B, Lake Improvement Districts, established by the Rice County Board of Commissioners Order Establishing Circle Lake Improvement District dated January 22, 2019, and bound by provisions where Minnesota Statute Chapter 13, MN Open Meeting Law and Minnesota Statute 15.17, Official Records, apply.

Section 3. Priority. These Bylaws, along with the Order to Establish referenced in Section 1, shall govern the activities of the Circle Lake Improvement District. The Order to Establish is an integral part of these Bylaws and is attached hereto for reference as **Exhibit A**. In the event of a question of priority or interpretation, the Order to Establish shall have precedence over the Bylaws.

ARTICLE 2 NAME, LOCATION, AND AUTHORITY

Section 1. Name. The name of the organization shall be Circle Lake Improvement District. The organization may be referred to as CLID.

Section 2. Location. The principal office will be at the discretion of the Board of Directors, and shall be located in Rice County, State of Minnesota and shall be near Circle Lake. The official address of the district shall be:

Circle Lake Improvement District
P.O. Box 248
Dundas, MN 55019

Section 3. Authority. The Circle Lake Improvement District 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, and within the limitations of the Rice County Board of Commissioners Order Establishing Circle Lake Improvement District dated January 22, 2019, and any amendments thereto.

**ARTICLE 3
PURPOSE, GOALS, AND OBJECTIVES**

Section 1. Purpose. The primary purpose and mission of the Circle Lake Improvement District is to serve as a steward of our lake community, to protect, preserve, promote, and improve the recreational and overall quality and integrity of Circle Lake.

The CLID will work within the lake community and cooperatively with the Circle Lake Association, Rice County, and State Agencies to continuously refine its goals and develop annual work plans to meet these goals. It will work closely with Rice County to oversee funds collected and expenses to accomplish this mission. The following are water-related land and resource management programs, remedial actions, construction projects, and other services that may be undertaken by the CLID:

- a. Develop and implement a comprehensive plan to improve water quality and monitor for potential long-term environmental effects;
- b. Apply for private and/or public grants and/or enter into contracts with federal or state agencies for the study and treatment of pollution, water quality, and/or weed problems and related demonstration programs;
- c. Enter into contracts with private businesses for the study and treatment of pollution, water quality, and/or weed problems and related demonstration programs;
- d. Undertake research to determine the condition and development of the body of water included within the Circle Lake Improvement District and to transmit the studies to the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and other interested authorities;
- e. Make cooperative agreements with the United States, State of Minnesota, Rice County, Forest Township or other cities to effect water and related land resource programs;
- f. Conduct programs of water improvement, conservation, and education;
- g. Implement and/or continue water quality monitoring programs;
- h. Serve as the local sponsor for grants;
- i. Provide input to the Soil and Water Conservation District regarding 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;
- 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 actions necessary for the administration of the Lake Improvement District..

Section 2. Goals. The primary goals include:

- a. To research, control, and eliminate the infestation of nuisance aquatic vegetation, aquatic invasive species (AIS), and other non-native species (i.e., Eurasian water milfoil, purple loosestrife, curly leaf pondweed, zebra mussels, and other species known and unknown, whether plant or animal);
- b. To develop and implement a comprehensive plan to improve overall water quality;
- c. To improve the quality of recreation and overall lake utilization;
- d. To continue carp removal project to control bottom sediment within the lake;
- e. To continue invasive aquatic plant control by herbicide spraying or mechanical removal systems;
- f. To promote native aquatic vegetation through targeted removal of invasive species and protection of native vegetation;
- g. To plant native grasses, forbs, and other vegetation along lakeshore and direct runoff areas;
- h. To address erosion control around Circle Lake and the contributing watersheds with streambank restorations, erosion control best management practices, ravine stabilization, etc.;
- i. To consider watershed improvement projects such as storage basins and wetland treatment areas, erosion control preventative measures, multi-purpose drainage management, and other watershed best management practices;
- j. To continue the monitoring and assessment of water quality and implemented practices to identify, re-evaluate, and target key areas for water quality improvements; and
- k. To address other water quality issues that arise in the future to improve the overall water quality of Circle Lake which may include increasing water clarity or lowering total phosphorus, Chlorophyll-a, nitrate, or other pollutant concentration.

Section 3. Objectives. In light of the problems presented due to invasive aquatic vegetation in Circle Lake, the creation of a Lake Improvement District will allow for control and treatment of aquatic plants and other in-lake studies and activities and will promote the public welfare, will benefit property located within the District, and will not cause nor contribute to long-range environmental pollution.

ARTICLE 4

BOUNDARIES, PROPERTY, MEMBERSHIP, VOTING AND TRANSFER

Section 1. Boundaries. The CLID boundary shall include all riparian properties within the natural hydrologic boundaries surrounding and abutting Circle Lake, including any properties accessing Circle Lake through easements or commercially classed riparian properties (“CLID

Property”). The CLID boundary and riparian properties are more clearly depicted on **Exhibit A**, attached hereto and incorporated herein by reference (“CLID Boundary”).

Section 2. “CLID Property”. A “CLID Property” is defined as a parcel or parcels with a Parcel Identification Number (PIN) within the CLID Boundary, as described above, held in separate and distinct ownership, regardless of the acreage or the number of owners, except, when a CLID Property is owned in common by members of a condominium, common interest community, planned unit development, or other common ownership arrangement (“common CLID property”), the owners of each unit having an interest in the common CLID property shall have a vote and shall have all other rights and responsibilities as an owner of CLID Property, including being subject to assessment.

Section 3. Membership. Membership shall include the owners of all CLID Property as defined above (“the Members” or “the Membership”).

Section 4. Voting. Each Member, as defined herein, is entitled to one vote per owner at the District Annual Meeting or at any special District meeting on Board member elections, budgets, and proposed projects by the CLID having a cost to the CLID in excess of \$5,000. No Member shall have more than one vote, regardless of the number of CLID Properties the Member(s) own within the CLID Boundary.

Section 4. Transfer of Membership. When a CLID Property is sold, the Membership shall transfer from the old Member-owner(s) to the new Member-owner(s). When a CLID Property is sold on contract for deed, the Membership shall transfer from the contract seller to the contract purchaser. When a CLID Property is leased or rented, the Membership shall remain with the owner-landlord, and shall not transfer from the owner-landlord to the tenant.

ARTICLE 5 FUNDING

Section 1. Initial Financing. Initial financing shall be raised by the Circle Lake Association, and supplemented via any of the following:

- a. County, State, and Federal grants;
- b. Donations and grants from private parties, corporations, or foundations; and
- c. Loans from governmental entities.

Section 2. Subsequent Financing and Special Projects. Circle Lake Improvement District activities may be financed by any of the means above mentioned, and also by one or a combination of:

- a. Imposing user charges on the users of lake improvement district services within the District under Minnesota law;

- b. Levying an ad valorem tax solely on property within the lake improvement district, to be appropriated and expended on projects of special benefit to the District; and
- c. Imposing special assessments.

Section 3. Primary Method of Subsequent Financing. The primary method of subsequent financing for the Circle Lake Improvement District shall be by annual owner membership service user charge (“CLID Charge”) in the manner described in herein.

ARTICLE 6

PARCELS ELIGIBLE FOR CHARGE, ASSESSMENT OF FEES, SERVICE CHARGE, OR TAX

Section. 1. Parcels Eligible for Assessing. All CLID Property as is defined herein shall be subject to assessment of fees, service charge, or tax.

Section 2. CLID Charge on Members. All Members will be charged one CLID Charge unless otherwise approved or modified at the Annual Meeting of the District as provided herein. The CLID Charge shall be the same for all Members. The amount of CLID Charge shall be determined by and based on the total proposed annual budget approved by the District at its Annual Meeting. Unless otherwise authorized, the total proposed annual budget shall be divided equally among the number of Members and not on a per CLID Property basis (i.e. one CLID Charge to each Member regardless of the number or size of CLIDP Property owned by a Member). The total CLID Charge to each Member may be allocated between and among the total number of CLID Property owned by the Member within the CLID Boundary.

Section 3. Alternative Methods of Financing. The District may utilize alternative methods of financing authorized under Article 5, Section 2 in addition to or in order to supplement the CLID Charge. However, the potential use of any such alternative methods of financing must be approved by the County Board after being specifically brought before and approved by a majority vote of Membership at the District Annual Meeting.

Section 4. Goal. It is the goal of the CLID Board of Directors that a Member of chargeable or assessable CLID Property not be subject to a fee, tax, or charge in excess of a \$300.00 total per year, including the application of the CLID Charge, regardless of the number of CLID Property a Member owns, unless a higher amount is recommended and approved at the Annual Meeting of the District.

Section 4. Exemptions. A CLID Property may be granted an exemption from the CLID Charge, the assessment of fees, or other taxes only by the CLID Board of Directors on a case-by-case basis.

Section 5. Submittal of Information to Rice County. The County Board may issue obligations to raise the revenue necessary to implement programs and projects of the CLID. The CLID shall approve a list of Members and CLID Properties and the applicable CLID Charge, or alternative

method of financing, at the Annual Meeting of the District. The CLID Board of Directors shall submit the list of chargeable, taxable, or assessable CLID Property to Rice County along with its annual budget no later than August 30th each year. It shall be the responsibility of the CLID to determine the proposed applicable CLID Charge, fee, or tax attributable to each CLID Property based on the CLID's proposed budget for any projects, programs, and administration of the CLID. At a minimum the submittal to Rice County shall include the following information:

- a. Identification of the CLID Properties to be charged or otherwise assessed;
- b. Name of each Member;
- c. Address of each Member;
- d. Manner and amount of charge, tax, or fee assessed to each CLID Property;
- e. The result of each item of business voted on by the Membership at the Annual Meeting; and
- f. The approved proposed budget and budget request to the County Board for the following year.

ARTICLE 7 BOARD OF DIRECTORS

Section 1. Board of Directors, Size, Terms, and Eligibility. All Directors must be Members and owners of CLID Property within the CLID Boundary. The Circle Lake Improvement District Board of Directors ("Board of Directors" or "Board") shall be managed and consist of a seven (7) person Board. Elected Directors shall serve three (3) year staggered terms to run from Annual Meeting to Annual Meeting. All Directors must be Members in good standing, and owners of CLID Property within the CLID Boundary.

Section 2. Initial Board of Directors and Terms. The following individuals were appointed to serve as the initial Board of Directors ("initial Board of Directors" or "initial Board") by the County Board and shall serve as the initial Board for the corresponding initial terms, as indicated:

- a. Dale Petelinsik, for a three (3) year term to expire in 2022;
- b. Dean Sunderlin, for a three (3) year term to expire in 2022;
- c. Brian Panettiere, for a three (3) year term to expire in 2022;
- d. Mandi Morrissey, for a two (2) year term to expire in 2021;
- e. Keith Kluzak, for a two (2) year term to expire in 2021;
- f. Jeff Jirik, for a two (2) year term to expire in 2021; and
- g. Cheryl Bahnsen, for a one (1) year term to expire in 2020.

The time of the first election of Board of Directors by the Membership will be held at the second Annual Meeting of the Circle Lake Improvement District, which shall take place not later than August of fiscal year 2020, and under the terms set forth herein.

Section 3. Powers. The CLID Board of Directors shall have authority for and be responsible for the supervision, control and direction of the CLID including:

- a. Administrative and fiscal policies;
- b. Establishing the requirements, rights, privileges, and restrictions of the Membership;
- c. Scheduling and providing notice for the Annual Meeting;
- d. Managing the business of the CLID; and
- e. Performing such other duties as are specified in these Bylaws.

Section 4. Compensation. Directors shall serve in a volunteer capacity and receive no compensation for their services unless authorized by the Board after approval by a majority vote of the Membership at the Annual Meeting. Directors may be reimbursed for actual expenses necessarily incurred in the performance of their duties in the manner provided for County employees.

Section 5. Director Elections. 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.

Section 6. Responsibilities.

- a. The Board of Directors shall be responsible for verifying the correctness of chargeable CLID Property, Membership, determining the financial requirements of the CLID, and for establishing the CLID charge, fee, or tax assessment amount needed to meet the CLID financial requirements.
- b. All decisions requiring Board approval in between official Board meetings will be submitted by the Chairman through email to all Directors with confirmed receipt. Directors will have seven (7) business days to respond via email to the decision. If no response is received, the Board member's vote will be counted as in favor of the motion or action contemplated provided a quorum has responded.
- c. Directors shall make every effort to attend all Board meetings.
- d. The Board of Directors, by simple majority vote, may declare vacant the seat of any Director who has been absent from two (2) or more meetings without cause. A Director may request, and therefore receive, an excused absence by notifying any Officer prior to the meetings of the Board of Directors.
- e. Directors shall, by appointment of the Chairman, serve on steering committees or other ad hoc committees, and shall function as a liaison between the Board of Directors and such committees.
- f. Upon exiting the Board all documents and electronic files must be relinquished to the senior Officer.

Section 7. Vacancies. The Board of Directors may, by majority vote of the remaining Directors, elect members to temporarily fill vacancies until the next Annual Meeting. If the vacated Board seat has a remaining unexpired term, the remaining unexpired term must be filled by election at the Annual Meeting in accordance with Article 11, below.

Section 8. Removal of Directors. A Director may be removed from the Board by a majority vote of the remaining Directors. Reasons for removal include sale or transfer of all Circle Lake property of the Directors, death, conduct detrimental to the good of the CLID.

Section 9. Director Resignation. Any director may resign at any time by giving written notice to one of the Board's officers. The resignation shall be presented at the next board meeting and entered in the minutes.

ARTICLE 8 OFFICERS

Section 1. Officer. All Officers of the Circle Lake Improvement District (Rice County) shall be Directors.

Section 2. Officer Positions. The offices of the CLID shall be Chairman, Vice Chairman, Secretary, and Treasurer.

Section 3. Initial Officers. The initial Officers shall be elected by the Board of Directors at its first scheduled Board meeting following the establishment of the CLID.

Section 4. Officer Elections. Officers will be elected by the Board of Directors from among its members at the first scheduled Board meeting following any 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 5. Duties of Officers.

Chairman: The Chairman shall preside over all CLID Board Meetings, Annual Meetings and Special Meetings. The Chairman shall ensure that these Bylaws and any rules and regulations as adopted by the CLID Board are enforced. The Chairman shall act as the spokesperson for the Board and be responsible for signing any contracts or documents on behalf of the CLID as approved by the Board of Directors. The Chairman shall, within four (4) months after the Annual Meeting, file an annual report with the Rice County Board of Commissioners, Minnesota Department of Natural Resources, Minnesota Pollution Control Agency, and the Rice County Soil and Water Conservation District.

Vice Chairman: The Vice Chairman shall assist the Chairman and act as parliamentarian. The Vice Chairman shall assume the responsibility of the office of Chairman in the absence of the

Chairman, and attend all meetings called by the Chairman. In the event of resignation or removal of the Chairman, the Vice Chairman shall become Chairman immediately and shall serve out the remainder of the Chairman's term.

Secretary: The Secretary shall keep permanent accurate records of all meetings of the Board and regularly submit minutes to the Board and perform other duties normally associated with this office. Meeting minutes will be sent to all Board members via email within one (1) week after a meeting. Concerns or requests for edits should be received within one (1) week after the minutes are sent. Minutes for each Board meeting shall be placed on the website within one (1) week after approval or as directed by the Board. Minutes from the Board meeting shall be formally approved at the beginning of the next meeting of the Board or by email vote. The Secretary shall maintain copies of all books, documents, and written communication related to the CLID and shall relinquish to the Board these materials upon expiration of term of office.

Treasurer: The Treasurer shall oversee the books of financial accounts, present a financial state of the CLID at each meeting and perform all other duties normally associated with this office, including: managing accounts, paying bills, securing insurance, providing a financial summary report at the Annual Meeting, and reporting to Rice County officials annually, or as required. The Treasurer shall provide for two authorized signatures on all checks over \$10,000. The Treasurer shall maintain copies of all books, financial documents, bank documents, tax documents, and the like, and shall relinquish to the Board these materials upon expiration of term of office. If an audit is requested by the Board, the Treasurer must provide requested information within seven (7) days.

ARTICLE 9 BOARD OF DIRECTORS MEETINGS

Section 1. Meetings. Directors shall hold at least two meetings annually, in addition to the Annual Meeting of the Membership. Special meetings may be called by the Chair or Vice Chair as directed by the Chair, or upon the approval by a majority of the members of the Board of Directors, as may from time to time be required to carry out the activities of the Board. All meetings of the Board are open to any CLID 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. Open Meetings. The provisions of Minn. Stat. Chap. 13D, which requires open meetings, apply to all meetings of the Board of Directors.

Section 3. Notice of Meetings. Notice of each regular meeting shall be issued stating the purpose of the meeting along with a proposed draft agenda to each Director no less than seven (7) days prior to the meeting date. Electronic email notice shall be the official means of notification, plus any other means that may be requested by a Board member. A special meeting

may occur in less than seven (7) days of notification provided notice is sent to all Board members and a quorum is present.

Section 4. Quorum. A simple majority of the current Board of Directors shall constitute a quorum at any meeting. Simple majority is defined as greater than fifty (50) percent. No action shall be deemed approved unless votes cast in favor on a motion are approved by a majority of the quorum.

ARTICLE 10 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 Circle Lake Improvement District. The Committee Chairman shall be approved by a majority of the Board of Directors. The Board of Directors shall authorize and define the powers and duties of all committees and task forces subject to the provisions of these Bylaws. No committee shall commit the CLID to contractual obligation or advocacy or opposition to any position without the specific authority of the Board of Directors.

ARTICLE 11 ANNUAL MEETING

Section 1. The first Annual Meeting shall take place in July or August, 2019, as determined by the initial Board of Directors, and all subsequent Annual Meetings shall be held annually in that period unless changed by vote of the previous Annual Meeting.

Section 2. Notice. Notice of the Annual Meeting will be provided by the Circle Lake Improvement District Board of Directors in accordance with the requirements in Minnesota Statute 103B.571. The Annual Meeting shall be preceded by a minimum of two (2) weeks' published notice in the newspaper chosen by the Board and by written notice to be mailed at least ten (10) days in advance of the meeting to the County Board, town boards and statutory and home rule charter cities wholly or partially within the District, the Minnesota Pollution Control Agency, and the Minnesota Commissioner of Natural Resources. In addition, the following notice shall be provided:

- a. At least eight (8) weeks prior to the Annual Meeting, the Directors shall notify the Membership, by mailed notice:
 - i. The date, time, and location of the Annual Meeting;
 - ii. The Director seats open for election (either by expiring term or vacancy);

- iii. The method and timeline for nominating candidates for Director election, including the required qualifications of Directors;
 - iv. The preliminary budget and any budgeted program or project or other item of business to be voted on at the Annual Meeting.
- b. The Directors shall allow at least two (2) weeks from the date of the initial notice for the filing of director candidate nominations.
- c. At least two (2) weeks before the Annual Meeting, the Directors shall provide a second mailed notice to the Membership containing:
- i. The date, time, and location of the Annual Meeting;
 - ii. The agenda for the final hearing, to include each and every item of business to be voted on by the Membership at the Annual Meeting;
 - iii. The slate of candidates for the Director election;
 - iv. The final proposed budget and any budgeted program or project, or other item of business to be voted on at the Annual Meeting;
 - v. An absentee ballot for the election of Directors, include instructions for completing and returning the absentee ballot;
 - vi. A proxy delegation form, to include instructions for completing and returning the proxy delegation form and information on how it may be used.

Section 3. Election Procedures. The Election Procedures shall comply with all state and local rules and laws. The methods and procedures are more clearly defined on **Exhibit B** to the Order to Establish, which are attached hereto and incorporated herein by reference.

Section 4. Agenda. At the Annual Meeting the Circle Lake Improvement District, the Membership present at said meeting shall:

- a. Approve or disapprove proposed projects by the CLID having a cost to the CLID in excess of \$5,000;
- b. Review the business transacted by the District during the fiscal year;
- c. Review the status of ongoing projects;
- d. Review Rice County administrative costs and money in accounts, including escrow.
- e. Approve a budget for the fiscal year;
- f. Review process for timely placing the District on tax rolls;
- g. Review of signatures for signing checks with Auditor's Office;
- h. Elect one or more Directors to fill midterm vacancies in the Board of Directors; and

- i. Take up and discuss other District activities and consider other business as comes before the Directors.

Section 5. Annual Report. Each year the Board of Directors shall prepare and file with Rice County a report of the following:

- a. Name of the District;
- b. Date of Annual Meeting;
- c. Proof that published and written notice was properly provided prior to the Annual Meeting;
- d. Evidence that election ballots were mailed out to all Members in accordance with the Order to Establish the CLID;
- e. Insurance information showing general liability coverage in the amount of current tort limits by Minnesota Statute Chapter 466;
- f. Proof of permission from neighboring landowners if herbicide was being applied to lake;
- g. The financial condition of the District;
- h. The status of the projects in the District;
- i. The business transacted by the CLID;
- j. Summary of interaction/coordination with public and other agencies during the year;
- k. Intended studies and management programs;
- l. Remedial actions and construction projects, including specific details of such activity;
- m. Monitoring report to prevent long-term environmental effects;
- n. Membership and elected officers;
- o. A discussion of the Directors' intentions for succeeding years; and
- p. Other matters affecting the interest of the District relevant to the goals and accomplishments of the District.

Copies of the report shall be transmitted to the County Board, the Minnesota Commissioner of Department of Natural Resources, the Minnesota Pollution Control Agency, and the Rice County Soil and Water Conservation District within four (4) months after the Annual Meeting, and no later than November 1 (not to exceed the four-month requirement).

ARTICLE 12 BUDGET

The CLID shall prepare and submit a proposed budget, which shall include sufficient funds to cover the costs of projects, programs, and administration of the District, with the County Board no later than August 31st of each year (or at an earlier date if requested by the County Board). Any proposed budget, including projects in excess of \$5,000, shall be approved by a majority of all Members voting in the Annual Meeting each year. The proposed annual budget shall be in a form and manner approved by Rice County staff, and shall include the following:

- a. Identification of the CLID Properties to be charged or otherwise assessed;

- b. Name of Members;
- c. Address of Members;
- d. Manner and amount of proposed user charge, tax, or fee to each CLID Property; and
- e. The proposed budget request approved at the Annual Meeting.

The county as a whole is not be responsible for sharing the administration and other costs to administer and operate the CLID. Accordingly, all expenses and costs incurred by the county each year to administer the CLID, including, but not limited to, costs involved in extending charges or assessments, and costs involved in modifying the structure, authorities, or establishment of the CLID, shall be added to and incorporated into the CLID's budget for the following year. The purpose of incorporating such amounts into the CLID's budget is to reimburse the county for expenses and costs incurred on an annual basis. The CLIDs proposed budget may not be approved by the County until all costs and expenses of the County from the previous year are incorporated into the budget (this includes the costs incurred by the County to initially establish the CLID). The County will provide an accounting of all costs and expenses to the CLID for incorporating into the annual budget by July 15th, unless otherwise modified by the County, in order to allow time to incorporate such information into the CLIDs' budget in advance of the Annual Meeting. Costs or expenses incurred by the County to establish or administer the CLID may be carried over from year-to-year at the discretion of the County; however, any carried over amounts shall be reimbursed as required by the County in any year the County requests such amount.

ARTICLE 13 EXPENDITURE/RECEIPT OF DISTRICT FUNDS

All request for funds, whether individually or for project expenditures, must be submitted to the Circle Lake Improvement District Board of Directors. All expenditures must be pre-approved by a majority of the Directors.

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 the 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 same. No committee shall expend any funds without the approval of the Board of Directors of the CLID.

All invoices or claims for expense reimbursement must be signed off by at least one member of the Board that is not the signatory on the claim voucher. The Treasurer, or designate from the Board, must sign off on the claim voucher.

All funds secured by donation, fund raising, or from any committee shall be turned over to the Board of Directors.

Accounting functions may be performed by Rice County, pending approval of a contract by the Board of Directors. Any services provided will be on a flat fee basis. Any other financial arrangements must be Board approved.

**ARTICLE 14
FISCAL YEAR**

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

**ARTICLE 15
PARLIAMENTARY PROCEDURE**

The procedure of the meetings of Circle Lake Improvement District shall be governed by and conducted according to the current abbreviated version of *Robert's Manual of Parliamentary Procedure* as adopted by the Board of Directors. The Vice Chairman shall be the parliamentarian.

**ARTICLE 16
PERSONAL LIABILITY AND INSURANCE**

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

Section 2. Insurance. In order to adequately protect the Circle Lake Improvement District, the Board of Directors will maintain adequate insurance coverage for the District, including General Liability Insurance in the amount of tort limits by Minnesota Statute Chapter 466 and shall name Rice County as an additional insured on such Insurance policy. A copy of the insurance policy shall be filed annually with the Rice County Property Tax and Elections Director.

**ARTICLE 17
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 Circle Lake Improvement District shall be indemnified by the CLID 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 CLID may obtain insurance to cover this indemnification.

**ARTICLE 18
AMENDMENTS**

The Board of Directors may adopt or amend these Bylaws by two-thirds (2/3) vote of the Directors present and entitled to vote at any meeting of the Board.

**ARTICLE 19
CERTIFICATION**

These Bylaws were adopted and approved by the Board of Directors on August 19, 2019.

DEAN SUNDERLIN

CHAIRMAN

MANDI MORRISSEY

SECRETARY