

**Order Establishing
Circle Lake Improvement District**

The Rice County Board of Commissioners ("County Board") hereby makes the Following Order:

1. The Circle Lake Improvement District ("CLID") is hereby established.
2. The CLID shall include properties within the natural hydrologic boundaries surrounding and abutting Circle Lake as identified on **Exhibit A** attached hereto.
3. Programs of the CLID may be financed by one or a combination of user charges (as described below), ad valorem taxes, or special assessments. Unless otherwise requested by the CLID Board of Directors ("Directors"), after approval by vote at the annual meeting, and approved by the County Board, the primary method of financing programs will be by user charge.
4. Projects of the CLID, upon approval by vote at the annual meeting and approval of the County Board, may be financed by any combination of user charges, ad valorem taxes, or special assessments. The County Board may issue obligations to raise the revenue necessary to implement programs and projects of the CLID.
5. The CLID may also use the following sources of funding:
 - a. County, State, and Federal Grants;
 - b. Donations and grants from private parties, corporations, or foundations; and
 - c. Loans from governmental entities.
6. The primary user charge structure will be calculated based on the total approved budget for programs and administration of the CLID divided by the total number of chargeable properties. Each property owner will be charged a user charge as determined by the CLID and approved by the County. The CLID shall be responsible for verifying the correctness of chargeable properties, property owners, and user charge. For unique property owners owning more than one property, the total user charge may be divided between and among the properties owned by that unique property owner.
7. Property owners of record or the buyer under a contract for deed of real property are entitled to one vote for Board members and on other CLID matters. No unique owner of property shall have more than one vote or be assessed more than one total user charge (i.e., one vote per user charge). A "CLID Property" is defined as a parcel 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, 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, including being subject to assessment, as

an owner of CLID Property.

8. The following powers are hereby delegated to the CLID:
 - a. Developing and implementing a comprehensive plan to improve water quality and monitor for potential long-term environmental effects;
 - b. Applying for private and/or public grants and/or entering 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. Entering into contracts with private businesses for the study and treatment of pollution, water quality, and/or weed problems and related demonstration programs;
 - d. Undertaking research to determine the condition and development of the body of water included within the proposed district and to transmit the studies to the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and other interested authorities;
 - e. Making 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. Conducting programs of water improvement, conservation, and education;
 - g. Implementing and/or continuing water quality monitoring programs;
 - h. Serving as the local sponsor for grants;
 - i. Providing input to the Soil and Water Conservation District regarding water use and application as deemed necessary and reasonable;
 - j. Conducting plans, studies, developments and implementations as allowed or permitted by law and approved by the County Board;
 - k. Coordinating with the proper government agencies for the planning and installation of cluster or community sewage and/or water supply systems; and
 - l. To take actions necessary for the administration of the Lake Improvement District.

9. The following individuals shall serve as initial Directors for the initial terms as indicated to the right of the individual's name:
 - 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.

10. The CLID will be managed by a seven (7) person Board of Directors. Directors shall be owners of property within the CLID.

11. Elected Directors shall serve three (3) year staggered terms to run from annual meeting to annual meeting.

12. 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. The first election of the Board of Directors will be held at the second annual meeting of the CLID, which shall take place not later than August of fiscal year 2020.
13. At least eight (8) weeks prior to the annual meeting, the Directors shall notify property owners, by mailed 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 nominating candidates for Director election, including the required qualifications of Directors; and
 - d. The preliminary budget and any budgeted program or project or other item of business to be voted on at the annual meeting.
14. The Directors shall allow at least two (2) weeks from the date of the initial notice for the filing of director candidate nominations.
15. At least two (2) weeks before the annual meeting, the Directors shall provide a second mailed notice to property owners containing:
 - a. The date, time, and location of the annual meeting;
 - b. The agenda for the final hearing, to include each and every item of business to be voted on by landowners at the annual meeting;
 - c. The slate of candidates for the Director election;
 - d. The final proposed budget and any budgeted program or project, or other item of business to be voted on at the annual meeting;
 - e. An absentee ballot for the election of Directors, including instructions for completing and returning the absentee ballot; and
 - f. A proxy delegation form, to include instructions for completing and returning the proxy delegation form and information on how it may be used.
16. In addition to the mailed notices described above, the Directors shall comply with notice requirements pursuant to Minnesota Statute 103B.571.
17. Voting for Directors will be in accordance with **Exhibit B** attached hereto. Property owners who are not present at the annual meeting may participate in the election of the Board of Directors by absentee ballot.
18. A Director may be removed from office by a majority vote of the remaining Board members for failure to attend meetings or for conduct detrimental to the good of the CLID.
19. A vacancy on the Board of Directors shall be filled by election at the next annual meeting. The Board of Directors may, by majority vote of the remaining Directors, elect members

to temporarily fill vacancies until the next annual meeting.

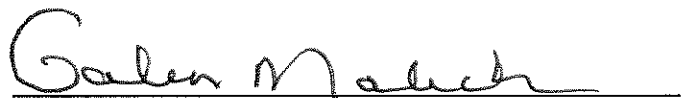
20. Directors shall serve in a volunteer capacity and receive no compensation for their services unless authorized by the property owners at the annual meeting. Directors may be reimbursed for actual expenses necessarily incurred in the performance of their duties in the manner provided for County employees.
21. The CLID shall maintain 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 Property Tax and Elections Director.
22. No later than August 31st each year (or at an earlier date if requested by the County Board) following the annual meeting, the CLID shall prepare and submit a proposed budget with the County. The proposed budget shall be in a form and manner approved by County staff and include the following information:
 - a. Identification of the parcels to be charged or otherwise assessed;
 - b. Name of parcel owners;
 - c. Address of parcel owners;
 - d. Manner and amount of proposed user charge, tax, or fee to each parcel;
 - e. The result of each budget item voted on by the owners at the annual meeting;
and
 - f. The proposed budget request approved at the annual meeting.
23. The County Board will consider for approval the proposed annual budget request as soon as possible upon receiving all of the above information. The CLID is responsible for timely providing its proposed annual budget to the County.
24. The County as a whole is not 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 LID, 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. 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, 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.

25. The CLID shall, within four months after its annual meeting, file an annual report with the Rice County Board of Commissioners, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency and the Rice County Soil and Water Conservation District. The annual report shall include the financial conditions of the CLID, the status of all projects in the CLID, the business transacted by the CLID, other matters affecting the CLID, and a discussion of the Directors' intentions for succeeding years.
26. The CLID may be terminated by petition of a majority of property owners pursuant to statutes section 103B.581.
27. The CLID may adopt and amend bylaws or other operating documents to assist the CLID in carrying out its duties and obligations. In the event of any discrepancy between any operating documents and this Order, the Order shall control.
28. The CLID shall operate in accordance with Minnesota Statutes §103B.501 to 103B.581 and Minnesota Rules 6115.0900 to 6115.0980 and within the limitations of this Order.
29. The Boards Findings regarding this Order are attached hereto as **Exhibit C**.
30. This Order will become effective 30 days after its publication.

This Order was made by the Rice County Board of Commissioners at its meeting on January 22, 2019.

RICE COUNTY BOARD OF COMMISSIONERS



Galen Malecha
Chair, Rice County Board of Commissioners

Dated this 22 day of January, 2019

ATTEST:



Sara Folsted
County Administrator