

The Wright County Board met at 6:00 P.M. with Husom, Vetsch, Daleiden, Potter and Borrell present.

#### **TIMED AGENDA ITEMS**

##### **PUBLIC HEARING - PETITION FOR MAPLE LAKE IMPROVEMENT DISTRICT**

At 6:00 PM, Borrell opened the Public Hearing. The purpose was to look at the organization of a LID (Lake Improvement District) for Maple Lake.

Brian Asleson, Chief Deputy Attorney, explained there are several ways to form a LID but the most common is a petition from more than 50% of property owners in a district. In this situation, a petition was filed earlier this year with the Auditor to form a LID for Maple Lake. Subsequently, staff worked to verify signatures on the petition and approximately 54% of property owners signed.

The County Board will be required to take action within 30 days of the Public Hearing. If approved, the LID would be created by an order of the County Board. The County Board would set the initial LID Board of Directors and certain powers as outlined in State law. Asleson did not recommend taking action at this meeting but rather to direct staff to draft and present a prepared order at a future meeting.

Borrell asked about the dissolution of the LID if property owners decide they no longer want it. Asleson said the LID is there in perpetuity. There is a statute that addresses district property owners being able to disband at the annual meeting. There is also a provision in law that allows for a request for a referendum on whether the LID is formed and is done by petition of a lower percentage of property owners. If the Board decides to form a LID, there is generally a 30-day waiting period.

Borrell asked about the bylaws of the LID. Asleson said the petition the Board was presented included proposed bylaws. Past LID's have left bylaws to the LID Board of Directors. The County Board would appoint the initial Board of Directors and their powers. Additional bylaws can be included. Those appointed would serve until the annual meeting. If the LID is formed this fall, the annual meeting would be July or August of 2018. District residents would hold an election at that meeting. Statute addresses the initial order and staggered terms.

Borrell asked whether the County Board has the authority to place some type of cap on the tax amount. Asleson is not aware of a limit but property owners can determine that amount at the annual meeting of the LID. Part of the order can include a provision to allow property owners to vote at the annual meeting even if they can't attend.

Mike Raiche, President-Maple Lake Property Owners Association. Raiche is a resident of Maple Lake, owns a cabin on Maple Lake, and has lived in the area for 60+ years. He is finishing his 4<sup>th</sup> year and term as President of the Lake Association. Raiche gave a PowerPoint presentation to include (in part):

- A history of the Association's finances for invasive species treatment
- Action by the Association to look into the formation of a LID
- Petition status which includes a 55%+ acceptance
- Proposed 2019 budget and initial LID assessment totaling \$39,557.37 or \$135.47 per member assessment
- Reference to Wright County watercraft inspections
- DNR letter of support for the formation of the LID, identifying the lake as a "high quality" unimpaired lake at risk of becoming impaired
- Negative feedback received to include: LID assessment competes with school bonds; more government involvement; and impacts homeowners on a fixed income

- Reasons for the LID include: Reliable and consistent funding; more competitive when seeking grants; qualify for more cost-sharing programs; ability to pursue projects with multi-year commitments; and everyone participates and benefits

Raiche explained that the Association spent \$5,000 in 2017 on weed control compared to over \$110,000 in the past 5 years. The inability to host the Maple Lake fishing contest fundraiser the past couple of winters has depleted funding.

With a LID, the methods of collection include an assessment or an ad valorem tax (based on tax base). At a public meeting on the LID, a DNR representative commented that a cap is not needed on the amount of the tax. Those in the LID will control total expenditures for the following year.

Raiche said annual meetings will be held in August and a vote taken on the assessment amount. The information must be given to the Auditor/Treasurer by November 30<sup>th</sup> but preferably by the first part of November so the assessment can be placed on the tax rolls for the following year. If approval is gained for the Maple Lake LID, it will not be effective until 2019.

Raiche referred to the letter from the DNR and a bylaw attachment. The letter references Maple Lake as a “high quality, unimpaired lake at risk of becoming impaired,” and identifies a path or roadmap to solutions that can be controlled. The Lake Association currently works with professional firms to complete 3 and 4 year plans. The DNR supports the request to establish a LID for Maple Lake.

Borrell referenced the tax cap and election of LID Board members. He is against taxation without representation and is more comfortable with a voting process to elect the Board. Raiche stated that statute requires a 3-year term.

Discussion followed on the proposed assessment and the LID area. The beacon system was used to identify property owners within 100’ of the lake that would be included in the LID. Daleiden’s concern would be assessing landowners that don’t have lake access. Potter asked how the Sherwood Forest area would be handled, which includes one lake access lot used by resident in back lots. Asleson stated the petition included and mailings were sent to those who own property within 100’ of the lake. Residents in Sherwood Forest that are not within 100’ of the shoreline would not be included in the count. There are three 20’ strips owned by the state, and the state is not assessed for these types of LIDs. However, cities and counties can be assessed. The total count of property owners within the 100’ area is 292; however, that number was increased to 294 as Wright County has access on the north end and the City of Maple Lake on the South end.

Borrell said written correspondence will be recognized as part of the record. Borrell asked for public comment on the proposed LID.

Ernie Puncochar. Puncochar lives on Maple Lake and questioned whether the assessment is the same for all landowners and types of land. Raisch responded the assessment is applied equally to all residents of the proposed district. Two PID’s owned under the same name will receive one assessment.

Daleiden asked what happens if people do not pay their assessment. Asleson commented that is treated the same as any other tax. If the amount becomes delinquent, the property could become tax forfeit and the resident could lose their property.

Don Latour. Latour has lived on Maple Lake for 42 years. He said a reason to form a LID would be to increase the manpower at the accesses in the fight against AIS. AIS could greatly reduce the fishing potential of the lake, and Starry Stonewort would result in decreased property values. Lake Koronis in Paynesville was referenced and the impact Starry Stonewort has made on that lake. The U of M is currently working on a treatment.

Allen Zabel. Zabel lives in Sherwood Forest and referenced the 100' boundary for the proposed LID. He asked why properties that drain to the lake are not included. Borrell said if the proposed LID area is increased to 200' or more from the lake, people become disinterested in the effort and the LID may not get passed. Raisch stated that members of the lake can decide to expand the LID area through another petition.

Tony Graham. Graham has lived on Maple Lake for 21 years. He spoke of the positive impacts the lake brings to his family life. He would not normally advocate for taxes but this impacts property values. He supports the LID to keep the lake healthy.

Kim Holland. Holland has resided in the Maple Lake area her entire life. A few years ago, the Maple Lake Property Association was formed through a 501c3 for the greater good of putting money towards the lake. She questioned the value of two lake associations for the size of Maple Lake. Borrell said a 501c3 is voluntary, residents can choose whether to fund it, and they may have different projects than a LID. Holland referenced the proposed 2019 LID budgetary materials that includes \$32,000 in spraying and \$6,000 for culverts. She suggested a swap of those expenditures to take care of the problem. Daleiden responded that the LID would decide what the money is spent on. The figures provided are preliminary and the County has no control over what is done. Those who live on the lake should show up to support what they feel is most important.

Julie Moore. Moore lived 40 years on the big part of the lake and has lived 12 years on the small part of the lake. She moved to Maple Lake because there was an active Lake Association. She is interested in keeping the lake clean and property values up.

Cheryl Meyer. Meyer is the President of the Sherwood Forest Association. Meyer said there are two public accesses to the lake and volunteers watch for invasive species. She asked why a LID is needed as the Sherwood Forest Association is active. Potter said the residents on the lake petitioned for the LID. By statute, the County Board decides whether to approve the LID. The County is involved so the LID would have taxing authority.

Meyer referenced what was mailed to residents and said they did not receive what the County Board received. She questioned whether people on the lake realize what is going on with the proposed LID. She suggested that if the concern is AIS, residents should volunteer at the accesses. Meyer does not understand why the government is involved. Vetsch said the Lake Association has been transparent and active to make sure information is sent to constituents. The County Board has received letters and emails of support from members.

Tom Larson. Larson lives on Lake Charlotte and has met with a few people from the Maple Lake Association. Lake Charlotte's LID has been in existence for 30+ years and the Association for 60+ years. Asleson helped with their LID formation and was a great resource. The people that have worked on the Maple Lake LID have put in a lot of time to get it to this point. Larson said the Lake Charlotte LID was initially formed because of flooding but they have also used funds toward milfoil, surveying, and treating weeds. The Lake Charlotte Association is active today and works with the LID. The goal of each is lake improvement. Professional services are utilized in the spring and fall for lake surveying and that is something that needs to be done. The LID and Association have two separate Boards, but members can serve on both. There are five members on the Lake Charlotte LID Board. Larson encouraged minimal members.

Jennifer Zakes. Zakes owns two parcels in the proposed district and asked whether there would be one or two assessments. Asleson responded that it is up to the LID on how they want to assess. In the current proposal, there would be one assessment. Zakes said at the Lake Association Meeting, discussion involved the LID and the annual fishing derby. It was suggested that the derby funds be used on other projects. She recommended that money (or a portion) be used to reduce taxes. Zakes said there are many people who use the lake through the accesses. She proposed the district be extended beyond 100' to reduce the amount of tax per property. Borrell said that would come with the risk of not reaching 50% support required for the formation of the LID.

Robert Manthey. Manthey is a resident on Maple Lake. He said if the discussion were about taxation without representation, he would be a person that would be irate about that. He viewed this as a tax with three unique benefits:

1. Ownership. All involved own a piece of property on the lake and it may be one of the largest investments any of them would make.
2. Personal Investment. Those working on the formation of the LID have put in hundreds of hours. Manthey said any taxation equipped with personal investment will go a long way and there will be a large return. He added that those working on this want to make participation fair and to see a direct benefit.
3. Direct Benefit. This is a tax with a direct benefit to the lake. He suggested that owners could have a 10-fold return on their investment or, by not making this investment they could potentially see a 10-fold decrease in their investment.

Don Schumacher. Schumacher has been a lake resident for 38 years. He spoke on behalf of himself, Ken Schumacher, Jerry Schumacher, Dan Schumacher, Darwin Tietgen, and Sheila Moussette, all of whom own cabins on Maple Lake and are in support of the LID. Schumacher said they are dealing with more difficult problems in terms of invasive species and weed control, and viewed the LID as an opportunity to provide a fair source of funding for projects that need to be done. It is a tax that will be voted on by LID members annually.

Dan Hinrichs. Hinrichs is the Board Chair for the Mink and Somers Lake LID which has been in existence since 2007. Mink Somers has a combined area of 459 acres, and the lakes are shallower than Maple Lake. Milfoil was found in 2013 and it was fortunate they had funding for treatment. A lake management company has been employed to identify lake vegetation. The limestone filter project this year resulted in phenomenal results and it is hoped it will take care of much of the nutrient problems. Other areas that need to be addressed are culverts and drain tiles that flow into the lakes. The Mink Somers Lake Association is a 501c3 organization and was formed in 2007. Members have the option to contribute more than their dues and use the contribution as a tax write-off. Hinrichs said various issues need to be addressed or the lakes will not improve.

Sheila Moussette. Moussette is a resident on Maple Lake and voiced support for the LID. She said weeds are not the only problem. A few years ago, there was a large spill of animal fecal matter into Maple Lake which raised the E.coli to dangerous levels.

Dan Nadeau, SWCD. Nadeau is involved with LID projects. The SWCD is contacted frequently on topics such as AIS, culverts, and fecal matter. When the E.coli matter arose in Maple Lake, the SWCD was contacted. They involved Tracy Janikula, Wright County Feedlot Program Administrator, who completed a sampling. Blowouts were repaired in the farmer's field. Sampling will continue. Nadeau referenced LID projects and said the limestone filter on Mink and Somers Lakes would not have been possible with LID grant funding. Nadeau said LIDS should not address the small problems but things such as capital projects and tiling or culvert projects. He suggested that the Maple Lake Association help fund some of the treatment efforts, and encouraged identification and treatment of problems upstream. With regard to AIS, it is important to continue to hire people for monitoring at both landings on Maple Lake.

Deb Geyen. Geyen is a member of the Maple Lake City Council and a lifelong resident of Maple Lake. She viewed the lake as a true asset to the community and Wright County. The lake is used by many people outside of the County. If Starry Stonewort were found in the lake, she thought it would reduce property values and affect the tax base for the County. Geyen supports the LID project and extended appreciation to those who have spent countless hours on this endeavor. She asked that the County Board give consideration to approval of the LID for the enjoyment of future generations.

Sandy Noland. Noland has lived on Maple Lake for 3 years. Her lot is the lowest on the lake and has experienced flooding along with the road being washed into the lake. Neighbors helped her save the home. Nadeau from the SWCD contacted the Township and the road was repaired and a new culvert installed. The area was reseeded and there is now rock to slow the water flow down. She expressed appreciation to those who assisted her, and voiced support of the LID. She described members of the Association as wonderful people who care about the lake.

Noland said there are a lot of problems on the lake. Attention must be given to what is being washed into the lake; it is not just about spraying weeds.

Bob Porter. Porter is a neighbor of Noland and serves on the Maple Lake Board of Directors. For the past several years during rains, he has seen a plume of sediment from near Noland's home slowly work its way into the lake. He said this is from the farm field and the road. Porter has not seen this happen since the repair.

Porter said the LID project has been discussed for the past 3 years and he did not support it in the beginning. During the past two years, no funds were raised at the ice fishing derby and dues raised about \$5,000. About \$30,000 was used for AIS control. The Property Owners Association can't be depended on to fund the control of invasive species. This year, E.coli tests were performed. There was a boat lift found with zebra mussels but was caught prior to it entering the lake. Porter has contributed 100 hours into the LID project. For those concerned with taxation without representation, any project over \$5,000 by statute has to be approved by a vote of LID members and the LID budget has to be approved prior to any expenditures. Porter supports the LID.

Ernie Puncochar. Puncochar is a farmer and his family has been in this location since 1900. He is interested in what it might cost but also cares about the lake. He encouraged others to be careful about losing local control. Puncochar supports the LID.

Tony Heying. Heying lived on the lake in the mid 1970's and 20 years ago purchased a cabin with a failed septic. A lot of work has been put into the property. He said the lake quality needs to be good to attract people to invest in older properties. He said the larger problem needs to be addressed but weeds and AIS need to be controlled and kept in check. He referenced Grays Bay in Minnetonka, which had a substantial milfoil problem years ago. Efforts produced good results and now the area can be used for fishing and swimming. Heying asked how a non-profit contribution to the LID would be handled. Asleson was unsure how a contribution would be handled from a tax standpoint.

Borrell asked whether those who do not own land within 100' of the lake would be part of the LID. Asleson said the proposed line is drawn 100' from the lakeshore using the County's GIS system. If the County Board decides to form the LID, they could indicate the boundaries and identify the parcels included. Daleiden noted that the Sherwood Forest Association is beyond 100' but residents have lake access.

Daleiden asked about the process used by the County Board to appoint the LID Board. Asleson said there is no guidance in statute but the Mink Somers LID process could be used for reference. He recalled that the Association provided a list of five names and those people were included in the order. However, the County Board could solicit for this purpose.

Asleson said the record should include the letter from the City of Maple Lake in support of the formation of the LID and any public comment received via email. He summarized the letter from the DNR in support of the formation of the LID which references MR Part 6115.0920 Subpart 5 that requires that LID boundaries include all lands and waters within the direct drainage basin of the lake. The letter further reflects that the "rule also allows the County Board to create a boundary less than the entire drainage basin with written Commissioner approval if the boundary selected includes a sufficient amount of the lake's watershed to develop and implement feasible solutions to the problems the LID intends to address. Restriction of the district's boundary to the properties within 100 feet of the lake is sufficient to address the AIS mitigation and culvert and tile outlet projects for which the LID is being proposed. Therefore, in accordance with these rules, the DNR approves the proposed boundaries identified in the resolution." Nadeau stated that the Board could reference 100' or the riparian area.

Potter said the lake's trophic status is mesotrophic and asked Nadeau to provide additional information. Nadeau said there are different lake water quality levels in the County, and Maple Lake is probably in the middle. He described it as a tipping lake. There are years with higher volumes of rainfall which moves the lake into the bad water quality category (based on Phosphorus, Chlorophyll-a, and Secchi depth). Maple Lake still has a good mix of fish. Water quality issues or AIS will change that. Potter said it is in the best interest of residents to keep lakes

clean for recreation and value. He viewed this as an opportunity to try to address the problem and to prevent it from getting worse.

Mike Raiche, President-Maple Lake Property Owners Association. Raiche extended appreciation to those that came to the hearing to show support and comment, and for the Board's participation. He viewed it as a great investment of tax dollars where they will see the benefit right away.

The public hearing was closed at 8:00 P.M.

Asleson asked the Board to set a date to bring this to a County Board meeting. The County is supposed to notify the DNR as they want to be present.

Vetsch said the proposed bylaws do not include items that were discussed at the hearing. He referenced Page 3, Article 6, Funding, Section 2, Other, which reflects, "Any other form of fundraising, including an ad valorem tax based on the value of a Member's property and approved by the Board of Directors and by a vote of the membership shall be permitted." Borrell said that should be removed as the discussion has been the exact opposite of that statement. Vetsch would like the opportunity to make sure that what was discussed at this hearing is included in the bylaws. Asleson said the draft bylaws may have come from one of the other LID's. In the past, the County Board may have referred to the statute which lists several ways to finance a LID. The order only has to include language on funding. Vetsch said to be transparent and as discussed at the hearing, it would be to include such things as assessments based on a per name basis.

Daleiden referenced Page 3, Article 8, Board of Directors, Section 1, Initial Board of Directors, which reflects, "A majority of Directors must live within the district, in homesteaded property." Daleiden said those who own cabins should have the opportunity to serve as a director on the LID. Asleson responded that Statute reflects to be on the LID Board, a person must be a property owner and majority of the LID Board has to be made up of residents. This would allow for what Daleiden referenced.

Daleiden referenced Page 6 Article 11, Annual Meeting of Membership, Section 2, Notice, which reflects that notice of the annual meeting will be mailed at least ten days in advance. He would like to see that timeline extended. Section 2 references notice published in the County's official newspaper. Daleiden said notice should also be published in the local newspaper.

Asleson's suggestion was not to go into that level of detail in the order. The only requirement in the order to establish the LID is to provide the name of the district and boundaries, include the types of programs and services which will be addressed and the manner of financing of the services, and appoint the initial LID Board including terms. There is a reference in statute that indicates if the LID is has a project over \$5,000, they must mail notice to everyone in the district. The statute does not get into the detail of whether it has to be 10 days or 30 days in advance. Daleiden does not like the idea of five people creating the bylaws. Vetsch's concern is that those who signed the petition did so on the basis they would pay \$135 whether they have one or two parcels. However, in the draft bylaws document it looks like they can do it by vote.

Vetsch asked whether the County could meet with Association members to discuss who would be recommended for the LID Board and to make revisions to the bylaws. He would prefer to have the revisions when this is discussed again at a County Board meeting. Asleson said there is a 30-day limit in which the County Board must act within. Asleson suggested he meet with some of the organizers of the LID and come up with a list of 5-7 directors and to discuss the other items. He did not feel the County Board should adopt bylaws for the LID. The County Board would adopt an order establishing the district and setting out some of the higher level of detail.

Asleson said in the past, the County Board referenced the statute number and gave the LID's some of the choice. The County Board can say in their order, "service charge only." He prefers to call it a service charge as it is not really a special assessment. Vetsch wants to make sure that what people were told while signing the petition is

what they are getting. Asleson said he will take care of this in the order. Borrell asked if future County Board action would be required to change the order, and Asleson said that is correct.

Asleson said 10-days' notice is required to the DNR before future Board discussion. Asleson requested the Board take action to direct the County Attorney's Office to prepare a proposed order establishing a LID.

Vetsch made a motion to direct the County Attorney's Office to draft documents for the proposed Maple Lake LID to include corrected wording on service fees based on discussions at the public hearing. The motion was seconded by Husom and carried 5-0. This item will be placed on the 11-14-17 County Board Agenda.

The Public Hearing closed and the meeting adjourned at 8:12 P.M.