

**BYLAWS**  
**OF**  
**LAKE WASHINGTON SANITARY DISTRICT**

**PREAMBLE**

The Board of Managers (“Board”) of the Lake Washington Sanitary District (“District”), which was created pursuant to Minnesota Statutes Sections 115.18 to 115.37, as amended, (“Act”), enact, approve and adopt these Bylaws. The Board references the Act regarding the basic purposes of the Board and the District. The Board adopts these Bylaws to outline the operational procedures to be followed by the Board, its officers and employees in carrying out the purposes set forth in the Act. If at any time a conflict arises between these Bylaw’s provisions and the Act’s provisions and directives, the Act’s provisions and directives will in all cases be controlling.

**ARTICLE 1**  
**GENERAL**

1.1 **Name**. The District is known as the Lake Washington Sanitary District (“District”).

1.2 **Status**. The District is a public corporation and a governmental subdivision of the State of Minnesota and will be deemed a municipality or municipal corporation under law.

1.3 **Office**. The District’s principal office is located at 3724 Sioux Lane, Madison Lake, MN 56063. The District’s official meeting place is Lake Washington County Park Community Building, 7100 North Shore Drive, Kasota, MN 56050. The District may have other offices at such places as the Board may determine.

1.4 **Territorial Units**. The District is comprised of three (3) defined territorial units (“Territorial Units”). Each Territorial Unit is contained within the jurisdictional limits of the following respective governmental subdivisions: Kasota Township, Washington Township (both located in LeSueur County, Minnesota) and Jamestown Township (located in Blue Earth County, Minnesota) (the “Governmental Subdivisions”). The Territorial Units’ actual boundaries are delineated on the map attached as **Exhibit A**, identified as the “Boundary Plan - Lake Washington Regional Sanitary District.” The Board of Supervisors of each of the Governmental Subdivisions are referred to in these Bylaws as the “Governing Body” or “Governing Bodies.”

1.5 **Official Newspaper**. The District’s official newspaper is The Free Press published at Mankato, Minnesota.

1.6 **Official Seal**. The District does not have an official seal.

1.7 **Powers**. The District has the powers and purposes prescribed by Minnesota Statutes Sections 115.18 through 115.37, as amended, and all other powers provided by law.

## ARTICLE 2 BOARD OF MANAGERS

2.1 **Board's Powers.** A Board of Managers (“Board”) will be the District’s governing body. The Board will exercise all of the District’s powers, except so far as approval of any action by popular vote or by any other authority may be expressly required by law. Except as the law provides otherwise, the Board will have charge and control of all the District’s funds, property, and affairs, and will have all of the powers and duties provided by law for a statutory city council with respect to similar statutory city matters. Except as otherwise provided by law, the exercise of powers and performance of duties by the Board and its officers, and all other activities, transactions, and procedures of the District or any of its officers, agents, or employees, respectively, are governed by the provisions of law relating to similar matters in a statutory city, so far as applicable, with like force and effect.

2.2 **Board Action.** The Board may enact ordinances, prescribe regulations, adopt resolutions, and take other appropriate action relating to any matter within the District’s powers and purposes, and may do and perform all other acts and things necessary or proper to effectuate its powers and accomplish its purposes.

2.3 **Number, Qualifications and Representation.** The Board will consist of five (5) members. Each Board member will be a voter residing in the District. A Board member may, but need not be, an officer, member of any Governing Body, or an employee of a Governmental Subdivision. Each Territorial Unit must continue to maintain representation on the Board at all times and there must be at least one (1) Board member from each Territorial Unit.

2.4 **Election.**

a. **Joint Electing Body.** The members of the Governing Bodies meeting in a joint session (“Joint Electing Body”) will elect the Board’s members. The Joint Electing Body will meet and elect the first Board members as soon as practicable after the District’s creation, and will meet and elect Board members for succeeding regular terms as soon as practicable after November 1 next preceding the beginning of the terms to be filled respectively. A majority of the members of each Governing Body will be required for a quorum at any Joint Electing Body’s meeting. In case of a lack of quorum or failure to elect, a Joint Electing Body’s meeting may be adjourned to a stated time and place without further notice.

b. **Central Related Governing Body.** The Minnesota Pollution Control Agency (“Agency”) has designated Lake Washington Township, LeSueur County, as the central related governing body for purposes of Minnesota Statutes Section 115.23 (“Central Related Governing Body”). The Central Related Governing Body’s chairperson and clerk will act respectively as chair and secretary of all meetings of the Joint Electing Body.

c. **Election Meeting Notice.** The Central Related Governing Body's clerk will give at least ten (10) days mailed written notice of all meetings of the Joint Electing Body to the clerk or recorder of each Governing Body, who will immediately transmit the notice to all respective Governing Body members.

d. **Nominations.** Nominations for Board members may be made by petitions, each signed by ten (10) or more voters residing and owning land in the District, filed with the Central Related Governing Body's clerk before the election meeting. No person may sign more than one petition. The Joint Electing Body will give due consideration to all nominations presented by petition but will not be limited to petitioned nominations and may nominate their own candidates.

e. **Election.** The Joint Electing Body will elect a Board member by a majority vote of the members present at the meeting. Instead of meeting as the Joint Electing Body, the Governing Bodies may also elect a Board member by resolutions adopted by all of the Governing Bodies separately, concurring in the election of the same person as a Board member. A majority vote of all the members of each of the Governing Bodies will be required for the resolution's adoption. The clerks of each of Governing Bodies must transmit certified copies of the resolutions electing a Board member to the Central Related Governing Body's clerk. Upon receiving concurring resolutions from all of the Governing Bodies, the Joint Electing Body's chair and secretary will certify the election results and furnish certificates of election.

f. **Election Results Certification.** The Joint Electing Body's chair and secretary will certify each election's results to the Agency's secretary, the county auditors of LeSueur and Blue Earth Counties and each Governing Body's clerk, and will make and transmit to each Board member elected a certificate of the Board member's election.

2.5 **Quorum; Voting.** A majority of the Board's members will constitute a quorum at all Board meetings for transacting business, but a lesser number may meet and adjourn to compel the attendance of absent Board members. Each Board member will have one (1) vote. Except as otherwise provided, an action within the Board's authority may be taken by the affirmative vote of a majority of the Board members present at a regular or special meeting.

2.6 **Term of Office.** The Joint Electing Body will arrange and determine the terms of the first Board members elected after the District's creation to expire on the 1<sup>st</sup> business day in January as follows:

a. the terms of two (2) members will expire in the 2<sup>nd</sup> calendar year after the year in which the members are elected;

b. the terms of the two (2) other members will expire in the 3<sup>rd</sup> calendar year after the year in which the members are elected; and

c. the term of the remaining one (1) member will expire in the 4<sup>th</sup> calendar year after the year in which the member is elected.

All Board members elected after the first Board members will be elected successively for regular terms beginning on expiration of the preceding terms and expiring on the 1<sup>st</sup> business day in January of the 3<sup>rd</sup> calendar year thereafter. Each Board member will serve until a successor is duly elected and qualified.

2.7 **Vacancies.** Any vacancy in the Board's membership will be filled for the unexpired term in like manner as provided for the regular election of Board members.

2.8 **Board Meetings.**

a. **Open Meetings.** Except as provided in Minnesota Statutes Section 13D.01 to .07, as amended, all Board meetings will be open to the public. The Board must keep minutes of its proceedings as a public record.

b. **Annual Meeting.** The Board will hold an annual meeting upon the Chair's call on or as soon as practicable after the 1<sup>st</sup> business day in January of each year, to elect the officers to serve until the 1<sup>st</sup> business day in January of the following year and to transact any other appropriate business.

c. **Regular Meetings.** The Board will hold regular monthly meetings on the 2<sup>nd</sup> and 4<sup>th</sup> Mondays of each month at 7:00 p.m. at the District's official meeting place, or at such other place as the Board may determine by resolution.

d. **Special Meetings.** The Chair or any two (2) Board members may call a special meeting at any time by written notice, sent by regular mail, to each Board member at least three (3) business days before the meeting, or upon such other notice as the Board may by resolution provide. The Board will also give notice to the public of any special meeting as provided in Minnesota Statutes Section 13D.04, as amended.

e. **Meeting Place.** The Board will hold all meeting at the District's principal office or any other place the Board may designate. The Board's secretary will notify the Minnesota Secretary of State, the Agency's secretary, the county auditors of LeSueur and Blue Earth Counties and each Governing Body's clerk of the locations and post office addresses of the Board's meeting place and offices and any changes to them.

2.9 **Compensation.** Board members will serve without compensation, but the District may pay them for their actual expenses incurred while engaged in performing the duties of their office or otherwise engaged in the District's business.

2.10 **Committees.** The Board may appoint standing or temporary committees in its discretion with the powers and duties as the Board may prescribe. All committees will report to the Board as the Board prescribes. If the Board does not designate a time to report, all

committees appointed will report to the Board at the Board's next regular meeting following the committees appointment.

### **ARTICLE 3 OFFICERS AND EMPLOYEES**

3.1 **Officers.** The District's officers will be a Chair and a Vice-Chair, who must be Board members, and a Secretary and a Treasurer, who may but need not be Board members. The Board will elect the officers at its annual meeting for terms expiring on the 1<sup>st</sup> business day in January next following. Each officer will serve until a successor is duly elected and qualified. The offices of Secretary and Treasurer may be combined. Except as otherwise provided, the Chair, Vice-Chair, Secretary, and Treasurer will have like powers and duties, respectively, as the mayor, acting mayor, clerk, and treasurer of a statutory city. The Board may create other officers as it deems desirable.

3.2 **Employees.** The District may, by resolution, create and employ a utility superintendent and any other employment positions having the duties as the Board determines.

3.3 **Surety Bonds and Insurance.** The board may procure surety bonds for its officers and employees in the amounts it deems necessary to assure proper performance of their duties and proper accounting for funds in their custody. The Board may also procure insurance against such risks to property and such liability of the Board and its officers, agents and employees for personal injury or death and property damage and destruction in the amounts as the Board deems necessary.

### **ARTICLE 4 FINANCIAL MATTERS**

4.1 **General.** The Board will have complete authority over all of the District's financial affairs and will be responsible for determining all expenses of the District, auditing and settlement of accounts, and in the collection, safekeeping and disbursements of all public monies coming into its possession.

4.2 **Disbursements.** All disbursements must be duly authorized by the Board and must be made only upon regular vouchers issued by the Treasurer. The vouchers must indicate the fund out of which the disbursement is to be made. No checks must be issued until there is an amount of money to the credit of the fund out of which the voucher is to be paid which is sufficient to pay the voucher and all then outstanding vouchers against and encumbrances upon the fund. All orders and checks in excess of \$500.00 must be signed by the Treasurer and countersigned by the Chair or Vice-Chair. Any check for the payment of money violating any provision of this Section will be void and any Board officer violating any provision of this Section will be personally responsible for the amount of any payment which is made contrary to this Articles' provisions. All claims against the District must be accompanied by an itemized, verified statement, payroll, or time sheet, signed by the officer who has personal knowledge of

the facts of the claim and vouches for the claim's correctness and reasonableness. The Board, by resolution may make further regulations for the safekeeping and disbursement of District funds.

4.3 **Budget.** The Chair, Treasurer and a Board member selected by the Board will comprise the Budget Committee, which will be responsible for preparing the District's annual budget and for such other duties as the Board may prescribe. Not later than the 1<sup>st</sup> meeting in July of each year, the Budget Committee will prepare and submit to the Board a budget for the ensuing fiscal year. The budget will be the principal item of business at the Board's regular July meeting and of all subsequent regular meetings until passed and adopted. The proposed budget must be read and considered at least two (2) Board meetings and such meetings must not be less than seven (7) days apart. All interested District residents must have a reasonable opportunity to be heard at any meeting at which the budget is considered. Before adopting the budget, the Board may hold a public meeting at which time interested District residents may be heard. Notice of such meeting may be published one (1) time in the District's official newspaper at least seven (7) days before the hearing. The meeting may be held in conjunction with a regular or special meeting of the Board.

4.4 **Depositories and Investments.** Minnesota Statutes Chapter 118A will govern all depositories and investment of District funds.

4.5 **Deposit of Funds Required.** The proceeds of all tax levies, assessments, service, use, or rental charges, and other income of the District must be deposited in the District treasury and held and disposed of as the Board may direct for District purposes, subject to any pledges or dedications made by the Board for using particular funds to pay bonds or interest thereon or expenses incident thereto or for other specific purposes.

4.6 **Fiscal Year.** The District's fiscal year will be the same as the calendar year.

4.7 **Accounting Methods.** The Board may prescribe and enforce such accounting methods, forms, blanks, and other devices as are consistent with the law and the standards of the Governmental Accounting Standards Board.

4.8 **Financial Statements.** The Treasurer will submit to the Board a statement each month showing the amount of money in the Board Treasury, the status of the District funds, the amount expended or chargeable against each of the annual budget allowances, the balance left in each fund and such other information relative to the District's finances as the Board may require.

4.9 **Annual Report.** Once each year on or before the 1<sup>st</sup> day of June, the Treasurer will submit a report for the past fiscal year to the Board. The report must be as complete and detailed as the Treasurer's monthly reports, as complete as the Board requires, and must cover the entire past fiscal year.

4.10 **Audit.** The Board's books must be audited regularly at least once each year by either (i) a reliable firm of certified public accountants employed by the Board or (ii) the Office

of the State Auditor. In addition to the audit reports furnished to the Board, a condensed report covering the audit must be provided and published once in the District's official newspaper.

## **ARTICLE 5 TAX LEVIES, ASSESSMENTS AND SERVICE CHARGES**

5.1 **Taxes.** The Board may levy taxes for any District purpose on all taxable property within the District.

5.2 **Taxing Subdistrict.** In the case where a particular area within the District, but not the entire District, is benefitted by a system, works, or facilities of the District, the Board after holding a public hearing as provided by law for levying assessments on benefitted property, may by ordinance establish such area as a taxing subdistrict, to be designated by number, and may levy special taxes on all the taxable property within the subdistrict, to be accounted for separately and used only for the purpose of paying the cost of construction, improvement, acquisition, maintenance, or operation of such system, works, or facilities, or paying the principal and interest on bonds issued to provide funds therefor and expense incident thereto. The public hearing may be held jointly with a hearing for levying assessments on benefitted property within the proposed taxing subdistrict.

5.3 **Special Assessments.** The Board will levy assessments on benefitted property to provide funds for paying the cost of construction, improvement, or acquisition of any system, works, or facilities designed or used for any District purpose or for payment of the principal of and interest on any bonds issued therefor and expenses incident thereto.

5.4 **Service Charges.** The Board will prescribe service, use, or rental charges for persons or premises connecting with or making use of any system, works, or facilities of the District, will prescribe the method of payment and collection of such charges and will provide for the collection of the charges for the District by any public agency.

## **ARTICLE 6 BORROWING POWERS; BONDS**

6.1 **Borrowing.** The Board may authorize the borrowing of money for any District purpose and provide for the repayment thereof, subject to Minnesota Statutes Chapter 475. The taxes initially levied by the District in accordance with Minnesota Statutes Section 475.61 for the payment of its bonds, upon property within each municipality included in the District, must be included in computing the levy of such municipality.

6.2 **Bonds.** The Board may authorize issuing District bonds or obligations to provide funds for the construction, improvement, or acquisition of any system, works, or facilities for any District purpose, or for refunding any prior bonds or obligations issued for any such purpose, and

may pledge the District's full faith and credit or the proceeds of tax levies or assessments or service, use, or rental charges, or any combination thereof, to paying such bonds or obligations and interest thereon or expenses incident thereto.

## **ARTICLE 7 DISTRICT ORDINANCES**

7.1 **Effect.** In any case where an ordinance is enacted or a regulation adopted by the Board relating to the same subject matter and applicable in the same area as an existing ordinance or regulation of any one of the Territorial Units, the District ordinance or regulation, to the extent of its application, will supersede the Territorial Unit's ordinance or regulation. In any case where an area within the District is served for any District purpose by a system, works, or facilities of the District, no system, works, or facilities may be constructed, maintained, or operated for the same purpose in the same area by any of the Territorial Units or other public agency unless approved by the Board.

7.2 **Ordinance Adoption.** All proposed ordinances, which must be in writing and contain only one subject, will be introduced at regular Board meetings and may not be introduced at a Board's special or emergency meeting. The Board must pass every ordinance by a majority vote and be signed by the Chair and attested by the Secretary. Every ordinance must be published once in the official newspaper of each of the Territorial Units before it takes effect. Violations of District ordinances will be prosecuted before the County District Court where the violation occurred. Any peace officer may make arrests for violations committed anywhere within the District in the same manner as violations of city ordinances or statutory misdemeanors.

## **ARTICLE 8 ANNEXATION, DETACHMENT, AND DISSOLUTION**

Annexation to, detachment from and dissolution of the District will be governed by Minnesota Statutes Section 15.21, as amended, or by a method provided in the Agency's order establishing the District.

## **ARTICLE 9 AMENDMENT AND REVOCATION**

These Bylaws may be amended or revoked by resolution approved by four-fifths (4/5) of the Board's members. These Bylaws will be deemed automatically amended as applicable upon amendment by the legislature of Minnesota Statutes Sections 115.18 to 115.37.

## **ARTICLE 10 EXECUTION OF DOCUMENTS**

All contracts, bonds, certificates of indebtedness and all instruments of every kind to which the Board is a party, must be executed in the name of the Board by the Chair and countersigned by the Secretary.

The Board adopts these Bylaws this 28<sup>th</sup> day of April, 2003.

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Chair

ATTEST:

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Secretary