

**BYLAWS
OF
SHOREWOOD PARK SANITARY DISTRICT
NESSEL TOWNSHIP, RUSH CITY, MINNESOTA 55069**

PREAMBLE

These Bylaws are hereby enacted, approved and adopted by the Board of Directors of the Shorewood Park Sanitary District, as created pursuant to Minnesota Statutes 115, to determine the basic purposes of the Board and the Sanitary District. These Bylaws are herewith adopted for the purpose of outlining the operational procedures to be followed by the Board, its officers, and employees in carrying out the purposes set forth in the Statute. This Sanitation District shall adhere to current Minnesota Statutes, followed by current Shorewood Sanitation Bylaws. If, at any time, any conflict should arise between the provisions of these Bylaws and the provisions and directives of the Statute, then the provisions of said Statute shall in all cases be controlling.

ARTICLE I. GENERAL INFORMATION and MEETINGS OF THE BOARD

- A. NAME. The District is known as the Shorewood Park Sanitary District and is referred to in these Bylaws as the "District".
- B. STATUS. The District is a municipal corporation and a governmental subdivision of the State of Minnesota.
- C. MAILING ADDRESS. The mailing address of the District is: PO BOX 718, Rush City, MN, 55069
- D. OFFICIAL WEBSITE. www.shorewoods sanitation.org
- E. OFFICIAL BULLETIN BOARD/PUBLIC POSTING. Located on Shorewood Cir. in front of the pump house.
- F. MEETINGS MUST BE OPEN. All regular meetings of the Board must be open to the public. The Board must keep minutes of its proceedings as a public record. Board may call closed meetings per Minnesota Statutes 13D.
- G. REGULAR MEETINGS. The regular monthly meetings of the Board shall be on the first Tuesday of each month at 7:00 P.M. (Central Standard Time) at the Rush City Community Center,

or at such other place as the Board may determine by resolution. If a scheduling conflict occurs, the next following day a meeting shall be held. Changes in meeting dates and times will be posted on the website and pump house bulletin board as soon as possible.

H. SPECIAL MEETINGS. Special meetings may be held at any time subject to the call of the Chairman or of any two Board members. Such special meetings shall be called by written notice, and sent by electronic mail to each member of the Board, and posted on the website and pump house for residents at least three (3) business days prior, if possible, to the meeting.

I. ANNUAL REVIEW MEETING. The annual review meeting shall be held at the June regular meeting. This meeting will review past year's activities and actions.

ARTICLE II. BOARD OF DIRECTORS

A. RESIDENCY. The governing body shall be a board of directors of five members, who shall be property owners in the District.

B. QUALIFICATIONS. Any interested person, who is a property owner in the District, shall be qualified to serve on the Board of Directors. Only one person per land parcel may serve on the Board of Directors at one time. Board members must attend meetings in person. When a member of the Board fails to attend 85% of the meetings within a 12 month period, or is absent from two consecutive meetings, the member will be deemed to have resigned from the Board. A member's attendance record must be considered when deciding whether to appoint or reappoint the member to the Board.

C. TERM of OFFICE. There shall be five (5) appointed Board positions: Chair, Vice Chair, At-Large 1, At-Large 2, and At-Large 3. Each Board member shall serve an appointed, 1 year term, and may serve consecutive terms. Each Board member shall serve until a successor is qualified and appointed. The Chair is required to have served on the Board of Directors one full year prior to becoming Chair.

D. BOARD VACANCIES. When a vacancy occurs, the Board will notify residents within 45 days. Interested candidates are encouraged to apply for the vacancy. Candidates may be interviewed by the current Board of Directors, and the final candidate will be selected by the Board as soon as possible. The Board will post or advertise a vacancy on the Board of Directors via website and pump house by the first week of the calendar month, and a candidate can express interest via the website CONTACT page, or express interest in person at the next regular meeting.

E. OATH OF OFFICE/CODE OF CONDUCT. The Board of Directors shall take an oath of office each January or first month they begin to serve, and provide written declaration to the OATH OF

OFFICE/CODE OF CONDUCT MMXXIII document. The Board commits itself to ethical, businesslike, and lawful conduct when acting on behalf of Shorewood Park Sanitary District.

F. QUORUM. Presence is necessary of the majority (3 of 5 members) of board members at all regular and special meetings to meet a quorum.

G. REMOVAL OF A BOARD MEMBER. Removal of a Board member may be acted upon by the Board by an affirmative vote by the remainder of the Board, with cause.

H. REIMBURSEMENT. Each Board member shall be reimbursed for actual and necessary expenses in the performance of the Board member's duty. Each Board member may also receive compensation in an amount determined by the board to be reasonable, not exceeding \$1,000 in any one year, per MN Statutes.

ARTICLE III. OFFICERS

The five (5) officers of the Shorewood Park Sanitary District shall be a Chair, Vice Chair, At-Large 1, At-Large 2, and At-Large 3. Below is a general outline of the kinds of duties that may be associated with each board member position. Board member duties are fluid and may change as needed. More detailed explanation of duties can be found on our website.

A. CHAIR. The Chair shall preside at all meetings of the Board, except as otherwise authorized by resolution of the Board. The Chair shall sign all contracts, deeds, and other instruments made or entered into by the Board. At each meeting, the Chair shall submit such recommendations and information as he may consider proper concerning the business, affairs, and policies of the Board. The Chair shall also be the main contact for all sanitary/waste water affairs. Chair may appoint members to committees to complete district work.

B. VICE-CHAIR. The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair, and in the case of the resignation or death of the Chair, the Vice-Chair shall perform the Chair's duties until such time as a new Chair has been qualified and appointed by the Board of Directors. The Vice-Chair shall also partner with the Chair on all sanitary/waste water affairs.

C. AT-LARGE 1. This position is responsible for oversight of all receipts, disbursements, and investments of the District. These duties exist except such as the Board shall entrust to the custody of the Executive Admin, or contractor.

D. AT-LARGE 2. This position is responsible for maintaining the District website and content. This includes security measures and resolution to any technical issues. These duties exist

except such as the Board shall entrust to the custody of the Executive Admin or contractor.

E. AT-LARGE 3. This position is responsible for anything road or parks related within the District, and making recommendations for current and future updates. These duties exist except such as the Board shall entrust to the custody of the Executive Admin or contractor.

ARTICLE IV. POWERS of BOARD

A. The Board of Directors of the District shall have charge and control of all the funds, property, and affairs of the district. With respect thereto, the Board shall have like-powers and duties as are provided by law for a statutory city council with respect to similar statutory city matters, except as otherwise provided. The Board commits to act with the best interests, and with fairness, of all residents within the District, individually and as a whole; not for any member's personal interest or financial gain.

B. Only the Board of Directors have voting rights to make decisions on how the District is maintained and managed. Residents within the District do not have voting rights, but lines of communication to Board members are always open. Time is left at the end of every regular board meeting for discussion with residents. If a resident cannot attend a Board meeting, but still wishes to have a problem or concern addressed, they can submit it via the website CONTACT page.

C. The Board may enact ordinances, prescribe regulations, adopt resolutions, and take other appropriate action relating to sanitary infrastructure purposes of the District. The Board may provide that violation of any ordinance shall be a penal offense, and may prescribe penalties therefore, not exceeding those prescribed by law, for violation of statutory city ordinances.

D. Violations of District ordinances may be prosecuted before any court having jurisdiction of misdemeanors.

E. The Board may make contracts, borrow money, issue bonds, levy taxes and special assessments, and establish and collect charges for services furnished or made available for any District purpose on all property taxable within the District.

F. For more information on control of sanitary facilities, tax levies, assessments, service charges, annexation, detachment, and dissolution, see current MN Statutes.

ARTICLE V. SURETY BONDS and INSURANCE

- A. SURETY BONDS. The Board may establish surety bonds as it deems necessary
- B. INSURANCE. The Board may procure insurance against risks to property and liability of the Board and its officers, agents, and employees for personal injuries or death, and property damage and destruction, and in amounts as may be deemed necessary.

ARTICLE VI. CONTRACTED SERVICES

- A.) WASTEWATER OPERATOR. The duties, expectations and activities of the WASTEWATER OPERATOR are conducted according to the contract and direction of the Board.
- B.) EXECUTIVE ADMIN. The duties, expectations and activities of the EXECUTIVE ADMIN are conducted according to the contract and direction of the Board.

ARTICLE VII. FINANCIAL MANAGEMENT

- A.) GENERAL. The Board shall have complete authority over all financial affairs of the Sanitary District and shall be responsible for determining all expenses of the District and in the auditing and settlement of accounts, and in the collection, safekeeping and disbursements of all public monies coming into its possession.
- B.) DISBURSEMENTS. All disbursements must be authorized and approved by the majority of the Board and must be signed by at least two Board members. This includes all invoices and checks to be paid. Any check or invoice that has not been authorized and approved by the majority of the Board, shall be declared void, and any officer of the Board violating the provision of this section shall be personally responsible for the amount of such payment.
- C.) BUDGET. An annual budget is not required but strongly encouraged to plan for the ongoing financial health of the District. A budget helps set resident service fees that are sufficient to cover District expenses, both in the short term and long term. The budget is reported monthly throughout the year, to understand whether financial priorities are being

met. The District should prepare an annual operating budget, which coincides with the fiscal year, and is simply a one-year forecast of expected revenues and expenses. The District may also prepare a separate capital budget. Capital budgets are budgets specifically for the addition, replacement and/or improvement of the District's assets.

- 1.) The annual budget needs to be balanced, in which anticipated expenses do not exceed anticipated revenues.
- 2.) The final annual operating budget should be adopted and approved no later than 30 days prior to the start of the new fiscal year.
- 3.) Resident Service Fees may be reviewed annually, and notification of fee changes shall be posted 30 days prior to the effective date of the fee change.

D.) FISCAL YEAR. The fiscal year of the District shall be the same as the calendar year.

E.) FINANCIAL STATEMENTS. Financial standings will be reported at each regular meeting, including status of all funds, amount of monies collected and expended compared to budget, and any other information relative to the finances of the District as the Board may require.

F.) AUDIT. An annual audit is not required but strongly encouraged. An internal audit should be done by the Board of Directors and an external audit done by a reliable Certified Public Accounting firm.

ARTICLE VIII. COMMITTEES

A.) The Board of Directors may designate one or more committees to accomplish the work of the District.

- 1.) Any resident may serve on, or serve as chair of a committee.
- 2.) The committee chair will be required to attend Board meetings and report on status when their committee is active.
- 3.) Committees shall have such authority as shall be delegated by the Board of Directors.
- 4.) At least one Board member shall be on each committee.

ARTICLE IX. EXECUTION OF DOCUMENTS

All contracts, bonds, certificates of indebtedness and all instruments of every kind to which the Board shall be a party, shall be signed by the Chair of the Board, and countersigned by another Board member on behalf of the Board, and shall be executed in the name of the Board.

ARTICLE X. SPECIFIC POWERS

A.) The District may construct, install, improve, maintain, and operate any system, works, or facilities within or without the District required to control and prevent pollution of any waters of the state within its territory. Pursuant to current Minnesota Statutes.

B.) The District may construct, install, improve, maintain, and operate any system, works, or facilities within or without the District required to provide for, regulate, and control the disposal of sewage, industrial waste and other waste originating within its territory. The District may require any person upon whose premises there is any source of sewage, industrial waste, or other waste within the District to connect the same with the disposal system, works, or facilities of the District whenever reasonable opportunity therefore is provided.

C.) The District will maintain and/or improve all common area roads within the District. The District requires access to the sanitary infrastructure which is located under and/or on top of these roads.

ARTICLE XII. AMENDMENT and REVOCATION

These Bylaws may be amended or revoked by resolution approved by at least four-fifths (4/5) of the members of the Board.

These Bylaws were amended on Dec 12th 2023


Chair

ATTEST


Board Member