

**MINUTES OF THE PUBLIC HEARING TO CONSIDER CREATION
OF TWO TAXING SUBDISTRICTS
AND THE REGULAR MEETING OF BOARD
MEMBERS OF
LAKE WASHINGTON SANITARY DISTRICT
August 10, 2015**

1. Public Hearing Reviewing the Creation of Two Taxing Subdistricts

a. Open Public Hearing

- Chairman Maruska opened the Public hearing at 7:00 p.m. Mankato Regional Airport conference room, at 3030 Airport Road, Mankato, MN 56001.

b. Present the proposed Creation of two Subdistricts

- Paul Schneider explained the purpose of the creation of the two Subdistricts.

c. Public Commentary

- Chairman Maruska opened the hearing for public comment.
- Den Doyscher of 4320 Linder Bay Lane, Russell Weikle of 22864 Kopps Lane, Randy Turbes of 142 Jacks Drive, Paula Ressler of 36 Jacks Drive, and Fred Taylor of 106 Jacks Drive asked the reason for the creation of the two Subdistricts. Also inquired if there will be any additional levy added to the property taxes.

d. Close Public Hearing

- Chairman Maruska closed the Public Hearing at 7:21 p.m.

2. Call to Order

Chairman Maruska called the regular meeting of the Board to order at 7:21 p.m.

3. Roll Call

Present: Paul Aukes, Jerry Kallheim, Robert Schmillen, Art Zuhlsdorf, and Larry Maruska.

4. Review and approval of the agenda

Resolution 15.74: Member Aukes moved to approve the agenda. Upon a second from Zuhlsdorf, the motion passed by a vote of 5 in favor, 0 against 0 abstaining, and 0 absent.

5. Review and approval of the Minutes of the July 27, 2015 Meeting

Resolution 15.75: Member Kallheim moved to approve the minutes of the July 27, 2015 Meeting. Upon a second from Schmillen, the motion passed by a vote of 5 in favor, 0 against, 0 abstaining, and 0 absent.

6. Officers Reports

a. Chairperson - Maruska

- No report.

b. Vice Chairperson – Schmillen

- Reported being at a Public Meeting on August 1st, and a Public Hearing on August 4th for the Jefferson and German Lakes sewer system. The majority of the Property Owners were against the sewer system that would be possessed by the City of St. Peter. The Le Sueur County Board voted unanimously not to build the system.

c. Treasurer – Zuhlsdorf

- Treasurer Zuhlsdorf reported the balance of the checking account as of August 10, 2015 is \$1,988,971.14.
- Bills totaling \$5,246.84 were reviewed for payment.

Resolution 15.75.5: Member Zuhlsdorf moved to pay the bills as presented. Upon a second from Aukes, the motion passed by a vote of 5 in favor, 0 against, 0 abstaining, and 0 absent.

d. Secretary – James Deike

- The book value of the collateral with the Federal Reserve as of July 31, 2015 was \$5,807,175.66.
- Issued a building permit for new construction at 22247 Lakewood Drive, Madison Lake, MN 56063 to Vintage Fine Homes, Inc.

8. Open Forum for Constituents

- Dennis Hanson of 22875 Kopps Lane asked about the changing of the billing.

9. Old Business

a. Consider the Resolution Creating Two Taxing SubDistricts

Resolution 15.76: Member Schmillen moved to Create Two Taxing Subdistricts. Upon a second received from Zuhlsdorf, the motion passed by a vote of 5 in favor, 0 against, 0 abstaining, and 0 absent. (complete resolution attached)

Resolution 15.77: Member Zuhlsdorf moved to authorize publication of Exhibit “C” of the Ordinance 7. 5.10. Upon a second from Aukes, the motions passed by a vote of 5 in favor, 0 against, 0 abstaining, and 0 absent.

b. Engineering

- No Report.

c. System Maintenance

- Reviewed the current maintenance invoices.

d. Review Calendar of Events

- Calendar was review adding Supplemental Assessment Hearing, and Budget Hearing.

e. Other

- No Other old business.

8. New Business

a. Other

- The 2016 Insurance application has been completed. Reviewed the waiver form for liability Coverage.

Resolution 15.78: Member Schmillen moved to Authorize the Chairman to sign the Liability Form to “DEOS NOT WAIVE” the monetary limits. Upon a second from Aukes the motion passed by a vote of 5 in favor, 0 against, 0 abstaining, and 0 absent.

9. Discuss Agenda for the August 24, 2015 Regular Meeting

- The agenda will be set this week.

10. Adjournment

The meeting was adjourned at 8:34 p.m.

Respectfully Submitted,

/s/ James Deike

James Deike

Secretary of the Lake Washington Sanitary District

Resolution 15.76
STATE OF MINNESOTA
LAKE WASHINGTON SANITARY DISTRICT

ORDINANCE 7.5.10
CREATION OF TAXING SUBDISTRICTS
WITHIN LAKE WASHINGTON SANITARY DISTRICT

WHEREAS, Lake Washington Sanitary District (the “District”) was created in 2003 to serve property surrounding Lake Washington and Lake George (the “Original District”).

WHEREAS, the District, pursuant to a request by property owners surrounding Duck Lake, Ballantyne Lake, and rural Madison Lake (the “Tri-Lakes Area”), expanded sanitary sewer service to these areas.

WHEREAS, following a contested case hearing, certain properties located in the Tri-Lakes Area were annexed to the District pursuant to the Amended Order dated February 8, 2013 issued by Minnesota Pollution Control Agency Commissioner Jon Linc Stine.

WHEREAS, the District has constructed a Wastewater Collection System to serve the properties in the Tri-Lakes Area.

WHEREAS, the District has determined that the systems, works and facilities serving the Original District are distinct from the systems, works and facilities serving the Tri-Lakes Area.

WHEREAS, the District has further determined that the two systems have unique maintenance requirements and operations.

WHEREAS, the District has separately accounted for the two systems since the annexation of the Tri-Lakes Area was first proposed.

WHEREAS, the District desires to allocate the costs and expenses of construction, improvement, acquisition, maintenance, or operation to the particular areas benefitted by the system, works, and facilities.

WHEREAS, Minnesota Statute 442A.24 subd. 2 permits the District to create taxing subdistricts by ordinance after holding a public hearing as provided by law for levying assessments on benefitted property.

WHEREAS, the District mailed Notice to all affected property owners on July 24, 2015 and published Notice in the official newspaper of the District on July 24, 2015 and July 31, 2015.

WHEREAS, the District held a public meeting on August 10, 2015 and allowed all property owners present to comment on matter.

NOW THEREFORE, THE BOARD OF MANAGERS OF LAKE WASHINGTON SANITARY SEWER DISTRICT HEREBY RESOLVES:

1. Pursuant to the authority granted by Minnesota Statute § 442A.24, the Board of Managers of Lake Washington Sanitary District hereby ordains the establishment of two separate taxing subdistricts within the District numbered and consisting of the following areas:
 1. Subdistrict No. 1 – those properties in the District located around Lakes Washington and George within Sections 19 and 20, Township 109 North, Range 25 West in Blue Earth County and Sections 6, 7, 8, 9, 17 and 18, Township 109 North, Range 25 West in Le Sueur County, and Sections 1, 12, and 13, Township 109 North, Range 26 West in Le Sueur County
 2. Subdistrict No. 2 – those properties in the District located around Lake Ballantyne and Madison Lake within Sections 28, 33, 35, and 36, Township 109 North, Range 25 West, and Sections 1, 2, 3, 10, and 11, Township 108 North, Range 25 West, all in Blue Earth County

as set forth on the maps attached hereto as Exhibits A and B, respectively.

The purpose of the taxing subdistricts is to enable the District to levy special taxes on all the taxable property therein. Said special taxes shall 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 expenses incident thereto for the particular area within each subdistrict.

The Board of Managers of the District hereby finds and determines that the system, works, or facilities of the District will provide benefits primarily to properties located within each respective subdistrict, rather than to the District as a whole, and that the costs of said system, works, or facilities may be recovered by the District by the imposition of special taxes to be levied against properties located within the subdistricts.

Except as stated herein, this ordinance does not amend the District's ordinances, ability to impose special assessments, ad valorem taxes, user charges, or other fees or costs available by District Ordinances or Minnesota law. The subdistricts do not alter the effect of special assessments, ad valorem taxes, user charges, or other fees or costs previously imposed by the District. Future ad valorem taxes, special assessments, user charges, or other fees or costs will designate the subdistrict to which they are imposed, if not imposed against the entire District.

2. The District finds that the title and summary attached to this Resolution as Exhibit C clearly informs the public of the intent and effect of the ordinance.
3. The Board directs its Chairperson and Secretary to sign the Ordinance as drafted.
4. The Board directs its Secretary, in conjunction with legal Counsel, to publish the title and summary of the Ordinance in the official newspaper for the District and post in the official posting place of the District as required by law.
5. The Board directs its Secretary to file an Affidavit of Publication along with the Ordinance in the District's Ordinance Book within 20 days after publication.
6. This Resolution and Ordinance is effective upon publication.

Passed by the Board of Managers of Lake Washington Sanitary District this 10th day of August, 2015.

LAKE WASHINGTON SANITARY DISTRICT

By: /s/ Larry Maruska
Its Chairman

ATTEST: /s/ James Deike
Its Secretary

EXHIBIT A

EXHIBIT B

EXHIBIT C

Title: Ordinance 7.5.10. Creation of Taxing Subdistricts Within Lake Washington Sanitary District

Summary: The Board of Managers of the Lake Washington Sanitary District (the “District”) has established two separate taxing subdistricts within the District numbered and consisting of the following areas:

1. **Subdistrict No. 1** – those properties in the District located around Lakes Washington and George within Sections 19 and 20, Township 109 North, Range 25 West in Blue Earth County and Sections 6, 7, 8, 9, 17 and 18, Township 109 North, Range 25 West in Le Sueur County, and Sections 1, 12, and 13, Township 109 North, Range 26 West in Le Sueur County
2. **Subdistrict No. 2** – those properties in the District located around Lake Ballantyne and Madison Lake within Sections 28, 33, 35, and 36, Township 109 North, Range 25 West, and Sections 1, 2, 3, 10, and 11, Township 108 North, Range 25 West, all in Blue Earth County

The purpose of the taxing subdistricts is to enable the District to levy special taxes on all the taxable property therein. Said special taxes shall 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 expenses incident thereto for the particular area within each subdistrict.