

Frequently Asked Questions

1. Q.- What is a Lake Improvement District (LID)?

A.-It is a local government unit controlled and operated by its members (Eagle Lake Lakeshore Property owners). LID's are eligible to be the recipients of government grants.

2. Q.- Why is a LID being discussed?

A.-While the Eagle Lake Lakeshore Association (ELLA) is financially stable, if a major issue adversely impacting the lake and lakeshore property values (such as the failure of our outlet to control high water or the discovery of Aquatic Invasive Species) occurs it will be beyond the capability of ELLA to handle it. We would then be put in a position of either not dealing with the issue or asking for donations. Donations are variable in participation levels and amounts and thus are not fair and equitable.

3. Q.-What is the process of forming a LID?

A.-If there is sufficient interest in moving forward we would ask the County Commissioners to pass a resolution to form a LID. Once the resolution is passed the County Commissioners must schedule a public hearing where impacted property owners can express their support or opposition of a LID. If there is sufficient opposition the County Commissioners will hold a special election where a majority of impacted property owners must be in favor of the LID or the LID can't be formed

4. Q.-How does a LID work?

A.-Once established an annual meeting is held in either July or August where members elect directors and vote on a budget as proposed by the directors (all projects over \$5,000 must be approved by the members). If the budget does not pass nothing happens. If the budget passes it is submitted to the County for assessment on the following year's property taxes.

5. Q.-What are the benefits of a LID?

A.-Benefits include 1) the ability to finance significant projects which impact all lakeshore property owners on an equitable basis 2) Build up a contingency fund to anticipate an upcoming major project 3) Advance planning for an unanticipated major project impacting the lake and lakeshore property values.

6. Q.- What are the drawbacks of a LID?

A.-Drawbacks include 1) it is a unit of government and no one likes more government 2) lakeshore property owners may not approve a budget if the problem is not imminent 3) Approved budget proceeds are a year in arrears from the year approved.

7. Q.- How many lakes in Otter Tail County have a LID?

A.-There are currently 6 LIDS in Otter Tail County encompassing approximately 12 lakes (eg. Some LIDS include multiple lakes in their watershed).

8. Q.-Of the Lakes in Otter Tail County that have a LID what is their satisfaction level?

A.- We have had discussions with 3 of the LIDS and they are all happy they have a LID. (One of the LIDS had major high water issues flooding out lakeshore property. They now have a working solution in place which cost \$13 million financed by a \$10 million government grant and \$3 million by the LID.)

9. Q.-What will it cost me?

A.- The cost is determined based upon the budget you vote on at the annual meeting. We have provided an example (based on 2019 property tax values) of what the cost would be based at various approved budget levels and the taxable value of your lakeshore property.

10. Q.-Are the costs one time or annual?

A.- The costs are one time. If additional projects come up or additional money is needed for current projects they must be voted on at a subsequent annual meeting.

11. Q.-In addition to my property with lakeshore footage I own a backlot. Will there be a cost for my backlot?

A.-No. We have excluded agricultural property and backlots from the boundaries of the proposed LID.

12.-Are the costs tax deductible?

A.-If you currently itemize deductions and they include your property taxes, they are tax deductible. If you do not itemize and take the standard deduction, they are not tax deductible.

13. Q.-Will a LID replace our Lake Association?

A.-No. Certain activities of our lake association are social in nature and do not benefit all lakeshore property owners. Examples include the boat parade and beach towels for participants, the free breakfast at the annual meeting and the bi-annual picnic.

14. Q.-If I am unsure if I am in favor or oppose a LID what should I do?

A.- You should sign the form requesting the County Commissioners to pass a resolution forming a LID. You should attend the public hearing the Commissioners must call and listen to comments of your fellow lakeshore property owners and express your views. If the public hearing results in a special election you should vote. (See Q&A 3 above). The form you are signing is not legally binding but is the start in the process of determining whether or not a LID will be formed.

15. Q.-How do I get more information on the LID?

A.-There are several ways. Just google Eagle Lake Lakeshore Association and it will take you to the website where the power point LID, as presented at the 2019 ELLA annual meeting, is posted. You can find the Minnesota statute governing LID'S by googling Minnesota Statutes Chapter 203B. You may also call or text Kelly Hepper at 816-536-2044 or Pat Prunty at 612-750-6276. They would be happy to have a call and/or meet with you at a mutually agreeable time when you are at the lake next.

16. Q.-Can the Township or the County shift its obligations to the LID?

A.-No

17. Q.- If I can't attend the annual meeting in person do I still get to vote on electing directors and the budget?

A.-Yes we have communicated with the County Attorney who said it was allowed as long as it provided for in the governing documents. We plan to do this as we realize schedules are busy and people aren't always at the lake.

18. Q.-If we don't have a problem today why don't we wait to form a LID until we do?

A.- Forming a LID and collecting the money to fund a project is at least a 3 year process. Year 1 to form the LID. Year 2 for the directors to propose a budget at the LID annual meeting and for you to vote. And year 3 for the budgeted money to be assessed and collected through property taxes.

19. Q.- What do other Eagle Lake lakeshore property owners think of a LID?

A.- At the annual meeting 75% of property owners in attendance signed the form asking the County Commissioners to pass a resolution starting the LID process. Subsequent to the annual meeting ELLA directors have visited with some other property owners and at the bi-annual ELLA picnic there was a LID info table. As of the date of this writing we have 75 lakeshore property owners who have signed up to request the County Commissioners to pass the resolution.

20. How many signatures are needed to ask the County Commissioners to pass a resolution starting the LID process?

A.- In discussions with a County Commissioner he said there is no magic number but the more the better; however he also stated that in 2 instances where a LID failed it was because a small group of property owners had requested a LID to be formed without communicating to other impacted property owners and therefore surprising them with what they believed to be a special interest group for the small group interests. The County went to the expense of verifying LID members, holding a public hearing and holding an election which failed. Therefore we are doing this mailing, in part, to demonstrate to the County Commissioners that you are not surprised when you hear about the public hearing.

21. Q.-I have read the statute and note that LIDS can be granted certain powers to regulate certain surface water use. Since the County and DNR already have such rules can we exclude that power from our LID?

A. Yes, we have no interest in regulating surface water use. We have had discussions with one of the County Commissioners and informed him we did not want the County Commissioners to grant us such powers. He said that would not be a problem.