

July 30, 2019

**Attachments: 2020 Budget and Voting Information (Yellow paper)
High -Water Outlet Project Plan, Cost and Timeline (Tan paper)
Director Candidate Information (Blue paper)
Two (2) Voting Cards with Secrecy Envelope; and Return Envelope (for Mail-in option)**

Dear Lake Shamineau Riparian Property Owner,

The primary purpose of this mailing is to advise all property owners of the Lake Shamineau Lake Improvement District (LSLID) of the **Annual Meeting to be held on August 24th at 9:30 a.m.** at the Lincoln Evangelical Free Church. In addition, this mailing includes a voting card for election of two (2) Directors and a voting card for approval of the 2020 budget that you can either mail in or bring to the meeting to vote. This mailing includes all of the questions that will be voted on and we included sufficient detail to assist with your voting decisions whether you vote through mail or at the annual meeting. We would also encourage you to visit the LSLID website at <https://minnesotawaters.org/lakeshamineau/> or email us at LSLIDBD@gmail.com with any questions. We understand that there are concerns and emotions around the lake over the high-water and other issues. We will utilize a code of conduct at the annual meeting and we ask that all be respectful.

We are also aware that there may be confusion regarding the multiple County Hearings, the Petition to terminate the LID, and the rumors that are passed from neighbor to neighbor. This mailing will include information that we have received from multiple agencies to help clarify this confusing information. In addition, we want you to know that the LID Board of Directors has been working to improve our communications through mailings, newsletters, and postings to the website. Several LID Board of Director meetings have been held over the past months. These board meetings are announced on the LSLID website, are open to the public, and notes are posted on the website. A reminder that the LID website includes information on all Board and LID meetings, engineering reports, RFP information, financial information and reports, and other information that may be of interest to property owners.

The Annual Meeting of the Lake Shamineau Lake Improvement District will be held on August 24 at 9:30 a.m. Doors will open at 9:00 a.m. for check-in. Following is the agenda for the annual meeting. This agenda includes all the items of business to be voted on at the meeting:

1. Welcome and Review of Code of Conduct
2. Approval of the Minutes of the 2018 Annual Meeting
3. Treasurers Report
4. Review of 2019 LID Activities
5. Review of Proposed 2020 LID Work Plan including High-Water Outlet Project Plan and Timeline
6. Review of 2020 Budget and Establishment of High-Water Project
7. Forum for Candidates Nominated for Director Positions
8. Audience Questions and Comments
9. Other Business
10. Annual Meeting Vote – *(All voting cards must be put into the ballot box by this point in the meeting)*
 - a) 2020 LID Budget and Establishment of a Project to Construct a High Water Outlet
 - b) Election of two (2) Board Director positions
11. Adjourn

Petition to Terminate LID

Note: The August 24th Annual Meeting will be held regardless of any action taken regarding the petition to terminate the LID. You should plan to vote with the assumption that the LID will continue.

You may be aware that a petition to terminate the LID was presented to the County. Morrison County has mailed a letter to all LSLID property owners advising of a public hearing on August 9, 2019 at 7:00 pm at the County Board Room, Garden Level, at the Government Center in Little Falls. The hearing will be held to determine whether the existence of the Lake Shamineau Lake Improvement district is no longer in the public

welfare or the public interest and it is not needed to accomplish the purpose of the LID. We encourage property owners to attend the hearing and/or send comments to Morrison County to make your voice heard. *We also hope that you will express support of the LID.*

LID Voting Information: (Please note that the voting process has changed from last year).

Two (2) Voting Cards have been provided: 1) Five voting items on the 2020 LID Budget and Establishment of a Project to Construct a High-Water Outlet; and 2) Election of Two (2) Director positions. Attachments have been provided on the 2020 Budget (yellow), the High-Water Outlet Project Plan (tan) and candidate information (blue). Voting cards have been provided to property owners of the LSLID, whether the owner is a trust, association, or corporation. The LSLID Order of Establishment has been followed and no property or group of properties under the same ownership will have more than one vote. Property with multiple owners, trustees, or officers for a property, shall have one collective vote.

Please note that election rules recommended by the Morrison County Board will be followed and **there will be no proxy voting**. If your vote is not mailed in ahead of time, you must be present at the Annual Meeting to vote. To vote, you must either mail in your Voting Cards ahead of the meeting **OR** bring your Voting Cards to the meeting. A secrecy envelope has been included to ensure that your vote will be kept private. We will enlist the assistance of an impartial third party (i.e. County Auditor's Office) to assist with vote tabulation.

Following is the voting process that will be used:

1) MAIL-IN YOUR VOTING CARDS AHEAD OF THE MEETING (there is no proxy voting):

- a) Complete the Voting Cards by voting Yes or No on each of the five 2020 LID Budget and Establishment of a Project to Construct a High Water Outlet items; and Voting for Two (2) Director Candidates.
- b) **Place your Voting Cards into the envelope labeled, "Secrecy Envelope"** and seal the envelope. Note that the **"Secrecy Envelope" will not be opened** until the votes are counted at the meeting.
- c) **Place the Secrecy Envelope into the Return Envelope** that has been included with your return address and the LSLID PO Box mailing address. Note that the **return envelope MUST be used** so we can check off property owners that vote by mail to ensure they do not vote again at the meeting. Also note that the Mail-In Voting Cards **MUST BE RECEIVED BY WEDNESDAY, AUGUST 21.** -----OR YOU CAN-----

2) BRING YOUR VOTING CARDS AND SECRECY ENVELOPE TO THE ANNUAL MEETING:

- a) **You must bring your voting cards AND the "Secrecy Envelope" to the Annual Meeting.**
- b) You will be asked to show your Secrecy Envelope upon check-in and registration.
- c) If you bring your voting cards to the meeting, you may vote at any time up until the designated time on the agenda for counting the ballots during the meeting.
- d) When you vote, complete the Voting Cards by voting Yes or No on each of the five 2020 LID Budget and Establishment of a Project to Construct a High Water Outlet items; and Voting for Two (2) Director Candidates.
- e) **After voting, you must place your Voting Cards into the envelope labeled, "Secrecy Envelope" and seal the envelope.** Note that the "Secrecy Envelope" will not be opened until the ballots are counted at the meeting.
- f) **Deposit sealed secrecy envelope with voting cards into the ballot box.**

LID Election of Directors

There are three (3) nominees for the two (2) available seats for the Board of Directors. In addition, you can write-in the name of your choice for either of the two available seats. The newly elected directors will take office 4 weeks after elected for a two-year term. Each of the two open seats requires that nominees are a permanent resident requiring that their lake address is their primary residence. See Candidate Information on the blue attachment. **On your voting card, vote for two (2) of the following candidates:**

- Ardis Sandstrom
- Bob Koll (incumbent)
- Herb Bloomquist
- Write-In
- Write-In

LID 2020 Budget Information:

A detailed budget document (yellow attachment) has been included with this mailing which provides a description of the budget items and estimated 2020 charge amounts. In addition, an attachment provides information on the High-Water Outlet Plan (tan attachment). There are five 2020 LID Budget and Establishment of a Project to Construct a High Water Outlet items for voting. They are summarized below and described with more detail in the attachments.

Vote 1: Does the voter approve the expenditure of \$22,515 for the 2020 Non-Project Operations Budget?

This voting item includes administrative and other operational items for the LID. (The 2019 budget was \$22,005)

Vote 2: Does the voter approve the expenditure of \$26,528 for the 2020 Aquatic Invasive Species (AIS) Project Budget?

This voting item includes AIS control, surveys, and ambassador program. (The 2019 budget was \$31,000)

Vote 3: Does the voter approve the expenditure of \$156,034 for the 2020 High-Water Lake Shamineau Outlet Project Budget for Pre-Construction and Operations?

This voting item includes the pre-construction expenses for 2020 including finalizing plans, specifications and bidding documents, operational costs, permit costs, legal expenses, right of way, land easements and associated land costs.

Vote 4: Does the voter approve the establishment of a project to construct a High-Water Outlet on Lake Shamineau at an estimated cost (as of August 2019) of \$2,091,475?

*This voting item includes an estimate of construction costs, construction engineering and legal, fiscal and administration expenses required to construct a High-Water Outlet. This estimated cost of construction is based on the lowest cost route alternative in WSN's Preliminary Opinion of Probable Construction Cost dated July 18, 2019. **Approval of this item is required to move the High-Water Outlet Project into construction as early as 2020.***

Vote 5: Does the voter authorize the LSLID Board of Directors to seek delegation of authority from the Morrison County Board of Commissioners to exercise the powers of a city to finance a Lake Shamineau High-Water Outlet Project (such powers may include the levy of special assessments; the imposition of rates and charges; and the issuance of bonds) according to MN statutes chapters 429 and 444?

*This voting item will allow the LSLID to seek approval from the County Board to bond and finance the High-Water Outlet project and also provide flexibility to determine the charge methodology and to allow property owners to pay their charge over an estimated 8 to 12 years. **Approval of this item is required to seek approval of the County Board to establish the funding mechanism for construction of the High-Water Project outlet as early as 2020.***

LID Project Updates

Aquatic Invasive Species (AIS): In 2019, the LID received grant funds through the AIS Partnership Grant for the Quad Lakes for control of AIS on Lake Shamineau. The grant provides for vegetation surveying to identify AIS, to fund part of the cost of treating AIS and to update signage and brochures at the landings. Beginning this summer we have also received funding for a new Ambassador program. We have three Ambassadors who are staffing each of the landings to greet and educate visitors to inform them of the locations of the Aquatic Invasive Species (AIS) and requirements to drain clean and dry their boats and trailers before entering and exiting Lake Shamineau. We have also scheduled planned herbicide treatments and hand pulling in the NW bay for the control of AIS.

High-Water Outlet Project: The goal of the high-water project is to determine a solution to the high water problem that is the most feasible, cost-effective and timely, and will minimize ongoing maintenance and future operating costs. Note that the lake elevation is at an all-time high.

Following is an update on the high-water outlet project:

- On October 9, 2018 the Morrison County Board of Commissioners approved the LID budget including \$100,000 for the High Water Project and taken with the \$65,000 DNR grant, provided \$165,000 for 2019.

Note: This represents the 2019 High-Water approved budget and we will not exceed it or use funds from the 2019 non-project budget for the High-Water project. There have been rumors that the LSLID Board modified or added to the approved budget, but they are untrue.

- In January 2019 the LSLID issued a Request for Engineering Services. After reviewing proposals, checking references, and conducting interviews, the LSLID Board of Directors approved an agreement with Widseth Smith Nolting (WSN) on April 15, 2019 to develop a high-water outlet solution.
- WSN completed a preliminary analysis (dated June 3, 2019) which included a recommendation for a route to the Northeast of the lake. This analysis is documented in a Preliminary Engineering Report (available on the LID website) that includes testing information, and high level detail to pump water from the lake and to infiltrate (naturally soak into the ground without any standing water) to a gravel pit NE of the lake across Bugle Road.
- An informational meeting was held on July 6th for property owners to provide detail on the results of the Preliminary Engineering Report and testing results.
- During the month of July, WSN has continued design work on the solution as well as meeting with agencies including the DNR, Soil and Water, Army Corp of Engineers, BWSR, and the County to ensure the solution is feasible for permitting. In addition, contacts have been made with property owners to help determine a route from the lake to the gravel pit. WSN has also worked to update cost information to develop a better estimate for excavation of the gravel pit, required borings, as well as piping and other costs.
Note: Updated detail on the High-Water Outlet solution as well as a revised estimated cost (yellow sheet) and timeline for the construction and operational plans have been included in this mailing (tan attachment).

DNR Grant and Permitting: On June 21, 2019 the LSLID Board of Directors received a completed agreement from the DNR for eligibility for DNR grant funds for the High-Water Project. This allows the LID to get reimbursed for up to \$65,000 toward our 2019 project expenses. While the DNR cannot currently commit to additional grant funds, the Lake Shamineau High-Water Outlet Project is on a list of Flood Hazard Mitigation Needs and grant funds of up to 50% for future costs including construction may be available. Final grant information may not be available until the spring of 2020 and may be dependent on approval of the DNR's 2020 bonding request.

The following has been verified with the DNR:

- The DNR has informed WSN, Morrison County and the LID that permitting for a permanent high-water outlet solution must be sponsored by a local governmental unit, such as the Lake Shamineau Lake Improvement District. A private group will not be directly granted permits for a permanent high water solution.
- The DNR grant dollars through the DNR Flood Hazard Mitigation grant program cannot be awarded to individuals or independent organizations; these funds can only be awarded to local government units, such as the Lake Shamineau Lake Improvement District. Other grant options will also be explored.

In closing, we want you to consider that while the High-Water Outlet project represents significant costs, we believe the option presented is the most feasible, cost-effective and timely, and will minimize ongoing maintenance and future operating costs. In making your voting decision you may want to weigh it against the costs of continued damage that the high water causes to our shoreline, homes, water quality and market values. Also note that approval of all five budget items is required to move the High-Water Outlet Project into construction as early as 2020.

We all need to remember that all property owners on Lake Shamineau want the best for the lake. Come to the annual meeting and be prepared to listen, learn, question, and help us to come together to make a decision for the future. If you are not able to make it to the meeting, please cast your vote through the mail- in option (which must be received by August 21, 2019). If you need further information, have a question or have a comment contact us at LSLIDBD@gmail.com or visit the LID website at <https://minnesotawaters.org/lakeshamineau/>. You may also contact the Chair of the Board of Directors, Bob Koll, at 218-296-2933.

Respectively,

Bob Koll, Rick Rosar, Cindy Kevern, Fred Comb, Don Ogilvie

Board of Directors

Lake Shamineau Lake Improvement District