



**JOINT COOPERATION AGREEMENT BY AND
BETWEEN THE CITIES OF EXCELSIOR AND GREENWOOD, MINNESOTA
FOR THE ESTABLISHMENT OF A
ST. ALBAN’S BAY LAKE IMPROVEMENT DISTRICT**

This agreement is made and entered into by and between the city of Excelsior, State of Minnesota (hereinafter referred to as “Excelsior”), 335 Third Street, Excelsior, MN 55331 and the city of Greenwood, State of Minnesota, (hereinafter referred to as “Greenwood”), 20225 Cottagewood Road, Deephaven, MN 55331.

RECITALS

Excelsior and Greenwood agree that it is desirable and in the interest of their communities that a Lake Improvement District be established for the management and control of Aquatic Invasive Species in St. Alban’s Bay, Lake Minnetonka, together with all powers intended thereto.

To that end, Excelsior and Greenwood, each a governmental unit of the State of Minnesota, hereby enter into this Joint Cooperation Agreement pursuant to Minnesota Statutes §471.59.

I.

PURPOSE

The general purpose of this agreement is to establish a Lake Improvement District authorized under Minnesota Statutes §103B.501 et seq and §459.20 to manage Aquatic Invasive Species in St Alban’s Bay, Lake Minnetonka, and to otherwise monitor the water resource.

II.

NAME

The organization established by this agreement shall be known as the “St. Alban’s Bay Lake Improvement District.”

III.

DEFINITIONS

As used herein, these terms shall mean as follows:

Section 1. “Lake Improvement District (LID)” means St. Alban’s Bay Lake Improvement District as otherwise authorized by the Lake Improvement District law, Minn. Stat. §103B.501 to §103B.581, the organization created pursuant to this agreement.

Section 2. “Director” means a person appointed to the Board by either Excelsior or Greenwood, or a person elected to serve on the Board by affirmative vote of a majority of the Property Owners present and entitled to vote or appearing by mailed ballot at the Annual Meeting.

Section 3. “Member” means a city which enters into this agreement.

Section 4. "Program" shall mean the various water resource management programs and services undertaken from time to time by LID.

Section 5. "Property Owners" mean the owner or owners of various real estate parcels identified by Hennepin County PID number located within the official boundaries of the LID as illustrated on the official map of the LID, attached hereto as Exhibit A.

Section 6. "District" shall mean all of the real estate parcels located within the official boundaries of LID, as illustrated and defined on the official map of the LID (See Exhibit "A" attached).

Section 7. "Board" means the governing political body of the LID comprised of Directors appointed by the cities of Excelsior and/or Greenwood or persons elected to membership on the Board as provided herein. The management of the LID shall be vested in the Board.

Section 8. "Annual Meeting" means a meeting of the Board and Property Owners, called by the Board and so designated, held in July or August at which the action items set forth at Article VII, Section 2 shall be acted upon.

Section 9. "Official Office" means the physical office space designated and maintained by the Board at which the LID shall receive US Mail, the LID's designated agent for the receipt of Legal Process shall office, and the Secretary and the Fiduciary Agent shall maintain the official records and conduct LID business.

IV. MEMBERS

Section 1. Members. The Member Cities entering into this Joint Cooperation Agreement are the city of Excelsior and the city of Greenwood, Minnesota.

Section 2. Fiduciary Agent. An individual or entity shall be appointed by mutual agreement of the Greenwood and Excelsior City Councils to be the Fiduciary Agent charged with the day-to-day management of the LID's financial affairs including custodial possession of the LID's books and accounts and shall be authorized to receive, hold, and disburse LID funds and shall also be authorized to accept Service of Legal Process on behalf of the LID. A statement of duties of the Fiduciary Agent may be adopted by mutual agreement of the Excelsior and Greenwood City Councils and made a part of the job description of the Fiduciary Agent at the time of their appointment.

V. DIRECTORS

Section 1. Number. The LID shall have seven Directors and two Ex-Officio Directors, one each appointed by the cities of Excelsior and Greenwood. With the exception of matters addressing the approval of the budget and financial expenditures, the Ex-Officio Directors shall have an advisory role but no vote on matters presented to the Board.

Section 2. Initial Appointment. The City Councils of Excelsior and Greenwood shall, by mutual agreement, initially appoint seven Property Owners within the LID boundaries to serve as the initial LID Directors on the Board with Excelsior selecting two and Greenwood selecting five appointees. By mutual agreement of the cities, one of these shall be appointed Interim Chair. Once sworn in, these Directors shall serve until the first Annual Meeting of the LID and swearing in of the first publicly elected Board of Directors.

Section 3. Term. At the first Annual Meeting of the LID, three Directors shall be elected to two-year terms and four Directors shall be elected to one-year terms. At the second and subsequent Annual Meetings of the LID Directors shall be elected to two-year terms except that Directors who are elected to midterm vacancies shall serve the remainder of their term.

Section 4. Director Candidacy Slate. Annually, Property Owners desiring to stand for election to the Board as a Director shall file with the Secretary of the LID, (or the Secretary's designee for receipt of said filings) or the LID Designated Agent at the Official Office, on or before the close of business at the Official Office on the First Tuesday in June, a Declaration of Candidacy for Director. A Property Owner who so files shall be added to the Slate of Director Candidates to be submitted to a vote at the following Annual Meeting of the Board.

Section 5. Compensation. Directors shall serve without compensation from the LID or the member cities. In the absence of a written contract previously approved by the Board, the LID shall not honor claims, invoices, statements, or requests for reimbursements for labor submitted or services rendered by a Director, a Property Owner, or LID volunteer rising from or incidental to LID's activities, programs and actions.

VI. OFFICERS

Section 1. Annual Election. The Officers of the LID shall consist of a Chair, a Vice Chair, and a Secretary and shall be elected for one-year terms by the Board at the Annual Meeting. The initial LID Board appointed by the City Councils of Excelsior and Greenwood shall meet within two months of appointment at the call of the Interim Chair and thereat shall elect, Interim Officers to serve until the swearing in of their replacements at the first LID Annual Meeting.

Section 2. Chair and Vice Chair. The Chair shall preside at all meetings of the Board or the Property Owners and Directors. The Chair shall perform all duties typically incident to the Office of a Chief Executive Officer of a municipal political body and shall perform such other duties as may be prescribed by action of the Board, this Joint Cooperation Agreement, or law. The Chair shall select Sub-Committee Chairs and may recommend to the Board Sub-Committee appointments thereto. The Vice Chair shall act as Chair in the absence of the Chair.

Section 3. Secretary. The Secretary shall be responsible for keeping a record of all the proceedings of the LID and the giving of notice of regular and special meetings. The Secretary shall be responsible for the preparation of Board minutes and shall keep the LID minutes and records at the office of the Fiduciary Agent. The Secretary may delegate the duties of preparing Minutes to a third party, including outside private contract service provider subject to the approval of the Board.

The Fiduciary Agent shall be custodian of the LID's funds, pay its bills, keep financial records, and generally manage funds received, and oversee their disbursement and the LID's financial affairs. LID funds shall be kept on deposit in financial institutions or invested as approved by the Board of Directors in the same manner and practice demanded of a municipal corporation under State law.

The Fiduciary Agent shall cause a monthly financial report to be made to the Board, which shall be included in public records of the LID and in the minutes of the Board meetings. The Board shall set compensation for the Fiduciary Agent as negotiated under a contract for services to be rendered.

Section 4. Authorized Expenditures. All checks drawn upon the LID bank account shall require the signatures of the Chair, or in the Chair's absence, the Vice Chair, and the Fiduciary Agent.

VII. MEETINGS

Section 1. Bylaws. The Board shall adopt bylaws governing its procedures including the time, place, notice for and frequency of a set of fixed regular quarterly meetings, procedure for calling special meetings, and other procedural meeting related matters. The Board may amend the bylaws from time to time.

Section 2. Annual Meeting. The Board shall call an Annual Meeting of Property owners to be held in July or August each year. At the Annual Meeting the Board shall submit a Slate of Director Candidates to Property Owners for vote. The affirmative vote of the majority of the Property Owners with voting rights present and entitled to vote, including absentee ballots of same physically received by the LID by 5 PM on the date of the Annual Meeting, shall be the act of the Property Owners and shall be binding on the Board. The top vote getters for the open Director seats shall be elected. At the Annual Meeting the Board also shall (1) elect Officers to be seated immediately, (2) review and approve a budget for the next calendar year, (3) approve proposed programs, projects, and expenditures having a cost in excess of \$5,000, and (4) take up and consider any other business that properly comes before them. At the Annual Meeting, the Board may elect to submit to a vote of the Property Owners such other matters as it deems appropriate. Provided the vote of the Property Owners directs or approves a lawful LID action otherwise authorized under this Agreement, the vote of the Property Owners shall be binding on the Board.

Section 3. Annual Meeting Notice. The Annual Meeting shall be preceded by two weeks published notice in the legal newspapers of the Member Cities, shall be posted on the public notice board of the Member Cities and written notice shall be mailed at least ten days in advance of the meeting to the Member Cities, the Pollution Control Agency, Commissioner of Natural Resources, and to all Property Owners of record on the Hennepin County Property Tax Information website within the LID assessment area.

VIII. POWERS, RIGHTS AND DUTIES OF LID

The LID shall have the following powers, rights, and duties:

Section 1. Primary Purpose. The “primary purpose” of the LID is to prepare a Lake Vegetation Management Plan and programs to control Aquatic Invasive Species in St. Alban’s Bay, Lake Minnetonka, including, but not limited to, Eurasian Water Milfoil and Curley-leaf Pond Weed and, as needed, to monitor vegetation, wildlife, water quality, and use of St. Alban’s Bay to preserve St. Alban’s Bay as a natural water resource.

Section 2. Specific Powers. The following specific statutory powers permitted the LID pursuant to Minn. Stat. §103B.551, Subd. 3 are hereby granted to the Board; the power to:

- 1) Acquire property, equipment, or other facilities by gift, lease, or purchase to implement the primary purpose.
- 2) Contract with governmental agencies as needed and appropriate to the implementation of the primary purpose.
- 3) Conduct a program(s) of AIS control and elimination in conformance with the primary purpose, water improvement and conservation, as more particularly described on attached Exhibit B.

Enumerated powers under Minn. Stat. §103B.551, Subd. 3, not set forth above are not granted to the LID.

Section 3. Gifts/Grants. The LID may accept gifts, apply for and use grants and enter into agreements in connection therewith and it may hold, use and dispose of money or property received as a gift or grant in accordance with the terms hereof.

Section 4. Contracts. The LID may enter into any contracts deemed necessary to carry out its powers and duties. All contracts shall be let and purchases shall be made in accordance with the legal requirements applicable to contracts and purchases by statutory cities of Minnesota.

Section 5. Property. The LID may purchase, lease, or acquire personal property and sell, assign, and transfer personal property upon an affirmative majority vote of the Board, but may not purchase, transfer or convey real property without the approval of 2/3 of a quorum of the Board, and a 2/3 vote of Property Owners voting in person or by absentee ballot at the Annual Meeting as provided herein, and the approval of both Member City Councils.

Section 6. Consultants. The LID may retain consultants to carry out its primary purpose and manage its affairs and administrative duties.

Section 7. Designation of Official Office and Designated Agent. The Board shall at all times maintain an Official Office of the LID and an appointed Designated Agent for receipt of Service of Legal Process. In the Event the Board has failed to so act, the City Clerk of either Greenwood or Excelsior shall be the LID Designated Agent.

Section 8. Other Actions. The LID may exercise any other power necessary and incidental to the implementation of its powers and duties in implementation of the LID's primary purpose.

IX.

FINANCIAL MATTERS

Section 1. Annual Budget and Levy. The Board shall prepare and present a budget and proposed levy for the following calendar year at its Annual Meeting. The proposed levy information shall include the recommended method to assess properties in the LID. The proposed budget and levy must be approved, or amended and approved, by a majority of the votes of (1) the Board including Ex-Officio Directors at the Annual Meeting and (2) the Property Owners in attendance at the Annual Meeting. The Budget and Levy approved at the Annual Meeting must in turn also be mutually approved by both Member City Councils by September 30. The Member City Councils may not increase the proposed levy approved at the Annual Meeting. Either or both City Councils may reduce the levy by up to 25% in which case the LID levy shall be the lowest levy approved by a Member City Council.

Section 2. LID Funding. The LID shall be funded from approved property tax levies and other available revenues from grants, gifts, or the like. The LID shall not be funded by dues, license or use fees, or similar charges unless mutually approved by the Member Cities.

The public financing of projects and services of the LID may be made by the following methods:

- a. Assessing the costs of projects upon benefitted properties within the District in the manner provided under Minn. Stat. Chapter 429;
- b. Levy of an ad valorem tax solely on property within the LID, to be appropriated and expended solely on projects of special benefit to the LID.

In accordance with Minn. Stat. §103B.555, Subd. 4, the LID, with the approval of the City Councils of the cities of Excelsior and Greenwood as expressed by resolution identifying each specific improvement to which approval applies may exercise the powers of a city under Chapter 429 in Section 444.075, including but not limited to:

- a. The levy of special assessments; and
- b. The imposition of rates and charges mutually approved by the Member Cities.

Section 3. Sample Annual Budget. Attached hereto as Exhibit C is a Statement of 2015 estimated cost of AIS treatment and likely projected owner assessment.

X.

WITHDRAWAL AND DISSOLUTION

Section 1. Notice of Withdrawal. A Member City may withdraw from the LID by filing a written notice of withdrawal with the LID by October 1 of any year. Such withdrawal shall be effective as of December 31 of that calendar year and membership shall continue until the effective date. A notice of withdrawal may be rescinded by a Member City prior to the effective date. If one Member City elects to withdraw, the LID will then dissolve on December 31 of that calendar year.

Section 2. Distribution of Assets. Upon dissolution, the remaining assets of the LID, after payment of all obligations, shall be distributed among the Member Cities in proportion to the number of LID real estate parcels identified by Hennepin County PID number located in each, or in such other way as those Member Cities may agree.

XI.

MEDIATION OF DISPUTES

Section 1. Mediation. Any controversy arising out of or relation to this agreement including but not limited to the withdrawal by a Member City and dissolution shall be mediated by a qualified mediator prior to initiation of any litigation.

Section 2. Selection of Mediator. The mediator may be an individual mutually selected by the parties to the issue in controversy. If the parties are unable to agree upon a mediator, the League of Minnesota Cities shall make the selection.

XII.

LIABILITY

Section 1. Indemnification. The LID shall indemnify, defend and hold harmless the Member Cities and their Officers, elected officials, Directors, employees, and volunteers, from and against all claims, damages, losses, and expenses, arising out of the acts or omissions of the LID in carrying out this agreement. To the fullest extent permitted by law, actions by the Member Cities under this agreement are intended to be and shall be construed as a “cooperative activity” and the LID shall be deemed a “single governmental unit” for the purposes of liability as set forth in Minnesota Statutes, Section 471.59, Subd. 1a(a). Each Member City expressly declines responsibility for the acts or omissions of the other Member City. This agreement does not constitute a waiver of the limitations of liability set forth in Minnesota Statutes, Section 466.04.

Section. 2. Insurance. The LID shall procure and maintain liability insurance coverage with reasonable limits covering its Officers, Directors, Member Cities’ elected officials, employees, and volunteers. The LID may purchase additional insurance coverage in amounts and on such terms as it may determine from time to time. The LID shall provide Member Cities with copies of its certificate(s) of insurance upon request.

XIII.

MISCELANEOUS

Section 1. Execution of Agreement. Each Member City Council shall approve and execute a copy of this agreement in accordance with applicable law.

Section 2. Effective Date. This agreement shall become effective upon adoption by both Member City Councils and approval from the Minnesota Department of Natural Resources.

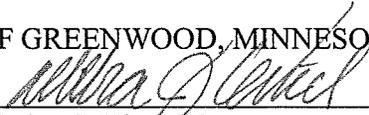
Section 3. Amendment. Any proposed amendment to this agreement must be approved by both Member City Councils.

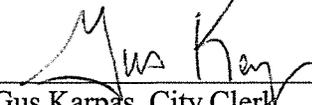
Section 4. Duration. This agreement shall continue in effect for an indefinite term, until dissolution in accordance with the terms of this agreement.

IN WITNESS WHEREOF, acting by authority of City Council approval the undersigned authorized agents of Excelsior and Greenwood, hereby enter into this Joint Cooperation Agreement.

EXECUTED as of February 5, 2015.

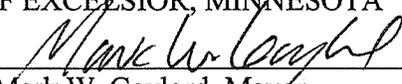
CITY OF GREENWOOD, MINNESOTA

By 
Name Debra J. Kind, Mayor

Attest 
Name Gus Karpas, City Clerk

EXECUTED as of ~~February~~ ^{March} 2 2015.

CITY OF EXCELSIOR, MINNESOTA

By 
Name Mark W. Gaylord, Mayor

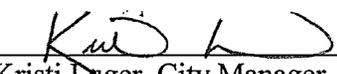
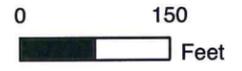
Attest 
Name Kristi Luger, City Manager

EXHIBIT A - ST. ALBAN'S BAY LAKE IMPROVEMENT DISTRICT

-  Municipal Boundaries
-  St. Alban's Bay Lake Improvement District Excelsior Properties
-  St. Alban's Bay Lake Improvement District Greenwood Properties



Updated 08-11-14



EXHIBIT B - WATER AND LAND RESOURCE MANAGEMENT PROGRAMS TO BE UNDERTAKEN IN THE ST. ALBAN'S BAY LAKE IMPROVMENT DISTRICT

St. Alban's Bay Aquatic Invasive Species (AIS) Issues.

Eurasian watermilfoil and curlyleaf pondweed, invasive plants, have been problematic in St. Alban's Bay for several decades. These two plants have reduced the diversity and abundance of native plants and therefore have diminished the health of the Bay. These two plants also interfere with boating, swimming, recreation and enjoyment.

The St. Alban's Bay residents, in coordination with the Lake Minnetonka Association and the Minnesota Department of Natural Resources (DNR) have developed and implemented a Lake Vegetation Management Plan or LVMP, which has significantly controlled Eurasian watermilfoil and curlyleaf pondweed and increased the diversity and abundance of native plants without compromising water quality. The primary focus of the LVMP has been the bay-wide treatment of Eurasian watermilfoil with herbicides.

The majority of the costs for these treatments have been voluntarily borne by the Bay residents, although the cities of Greenwood and Excelsior and the DNR have contributed. While the voluntary contributions have successfully funded the treatments since 2011, they are not considered to be a stable or consistent source of funding.

Other aquatic invasive species (AIS) that may be introduced in the future also pose potential threats to the Bay's health and recreation and also are a concern. Zebra mussels are relatively new to the Bay. Hydrilla is yet another potential source of concern.

Water and land related resource management projects to be undertaken by the St. Alban's Bay LID.

The purpose of the St. Alban's Bay LID will be to control the adverse effects of AIS in St. Alban's Bay

The initial and primary management project of the LID will be the continuation of the existing voluntarily funded bay-wide Eurasian watermilfoil and curlyleaf pondweed control program under the LVMP, including the required monitoring and assessment. Establishing the LID will provide a consistent and equitable source of funding for these ongoing aquatic invasive species control programs, which are typically not short term in nature.

The LID may also monitor St. Alban's Bay for other aquatic invasive species and, when appropriate, consider additional control programs in coordination with local agencies. Thus, the LID may develop plans and programs for additional AIS, if and when they become established and problematic in St. Alban's Bay.

Land management projects are not planned.

Recent controls of Eurasian watermilfoil and curlyleaf pondweed have used herbicides registered by the United States Environmental Protection Agency and have been permitted by the Minnesota Department of Natural Resources. The products and methods used have occurred within a strict regulatory milieu, which is designed to minimize likely adverse effects and unintended consequences. Therefore, rather than causing or increasing adverse effects, the proposed LID will more likely control and decrease adverse effects.

Should the LID employ other products or methods to control Eurasian watermilfoil and curlyleaf pondweed or other AIS, it will occur with the same regulatory oversight. Therefore, adverse effects to land or water are not anticipated.

As the LID considers or proposes modifying the current Eurasian watermilfoil and curlyleaf pondweed control program or any control programs for other AIS, detailed assessments of possible adverse effects to lands and waters will be provided as required or appropriate.

EXHIBIT C

ST. ALBAN'S BAY LAKE IMPROVEMENT DISTRICT Sample Initial Budget and Estimated Assessment

The St. Alban's LID programs will be financed by a levy on the property owners under the LID Cooperative Agreement plus grants and gifts such as those from the cities of Excelsior and Greenwood and the Minnesota DNR and others. The actual levy and its distribution will be approved by the LID Board and the property owners each year at the Annual Meeting.

Based upon immediate past experience, the estimated cost to treat AIS in St Alban's Bay beginning 2016 on an every-other-year treatment program, plus lake monitoring, administrative costs, and spot treatments in the non-treatment years, is \$32,000.

The following is considered a reasonable good faith estimate of the needed annual levy necessary to fund the foregoing:

Lakeshore Property Owners (includes Villas) – 114 properties at \$150 each	\$17,100
Association and Channel properties – 23 properties at \$75 each	\$1,725
Marinas – 3 marinas at \$500 each	<u>\$1,500</u>
	\$20,325

TOTAL: \$20,325 per year plus grants and gifts