

**BYLAWS OF
EAST RANGE WATER BOARD**

PREAMBLE

These Bylaws are enacted, approved and adopted by the East Range Water Board (the “**Water Board**”), which was created pursuant to Minnesota Statutes, Section 471.59, as the same may be amended from time to time (the “**Act**”) and the provisions of the Joint Powers Agreement (as it may be further amended and supplemented from time to time, the “**Agreement**”) which was entered into on July 22, 2021 by and between the City of Aurora, Minnesota, a municipal corporation under the laws of the State of Minnesota (“**Aurora**”) and the Town of White, a Township duly organized in St. Louis County, Minnesota (“**White**”, and collectively the “**Governmental Units**”). It is the intent and desire of the Board that the Act and the Agreement be referenced to determine the basic purposes of the Board and the Water Board. These Bylaws are 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 Act and the Agreement. If at any time a conflict should arise between the provisions of these Bylaws and the provisions and directives of the Act or the Agreement, the provisions and directives of the Act will to the extent applicable be controlling and otherwise the provisions and directives of the Agreement will be controlling. Capitalized terms used herein but not defined shall have the meaning set forth in the Agreement.

**ARTICLE I
GENERAL**

1.1 NAME AND STATUS.

- a. *Name.* The East Range Water Board is referred to in these Bylaws as the “Water Board”.
- b. *Status.* Pursuant to the Act the Water Board is a joint powers board with those powers specified in the Act and the Agreement.

1.2 MAILING ADDRESS. The mailing address of the Water Board is and will be located at:

16 West 2nd Avenue North

P.O. Box 160

Aurora, Minnesota 55705

The Board may designate other locations for the transaction of business from time to time.

1.3 SERVICE AREA. The Water Board serves those areas comprising a Project within the Governmental Units (the “**Service Area**”).

1.4 OFFICIAL NEWSPAPER. The official newspaper of the Water Board is the Mesabi Tribune.

1.5 OFFICIAL SEAL. The Board has not adopted an official seal.

ARTICLE II BOARD OF DIRECTORS

2.1 NUMBER, QUALIFICATIONS AND REPRESENTATION.

a. *Number and Qualifications.* The Board shall be composed of five (5) members, consisting of three members appointed by the governing body of Aurora and two members appointed by the governing body of White. At least one appointee from Aurora shall be a sitting City Council member and at least one appointee from White shall be a sitting town Board Supervisor.

b. Alternates. Each Party shall appoint one (1) alternate who may serve in place of a member appointed by such Party if the member is absent.

c. Term. Each Board member serves until their successor has been appointed by the governing body of the Party appointing the Board member.

d. Vacancies Must be Filled. Any vacancy in the membership of the Board must be filled promptly by the appropriate appointing authority.

e. Appointing Authorities Responsible. The appointing Party is responsible for the actions of and attendance by the members it appoints to the Board.

2.2. OATH OF OFFICE. Each Board member must take and subscribe the oath defined in the Constitution of the State of Minnesota, Article V, Section 6.

ARTICLE III MEETINGS OF THE BOARD

3.1 MEETINGS MUST BE OPEN. Except as provided in Minnesota Statutes, Section 13D.04, all meetings of the Board must be open to the public. The Board must keep minutes of its proceedings as a public record.

3.2 ANNUAL MEETING. The Board must hold an annual meeting on or as soon as practicable after the first business day in January of each year, to elect the officers to serve until the first business day in January of the following year. Each officer serves until a successor is appointed and has qualified. At the annual meeting, the Board will also review the membership and duties of any standing and temporary committees created under Section 9.1 of these Bylaws and make such changes as it deems advisable.

3.3 REGULAR MEETINGS. The regular meetings of the Board will be held at the date, time and location established by the Board from time to time. Notice of any change in

meeting date, time or location must be given in accordance with the requirements for special meetings, Section 3.4 below.

3.4 SPECIAL MEETINGS.

a. *How Called.* Special meetings may be held at any time subject to the call of the Chair or of any two Board members.

b. *Notice to Board Members.* Special meetings are called by written notice, sent by regular mail or electronic transmission, to each member of the Board at least three (3) business days prior to the meeting, or upon such other notice as the Board may by resolution provide.

c. *Notice to Public.* Pursuant to Minnesota Statutes, Section 13D.04, the following notices must be given for a special meeting:

i. The Board must post written notice of the date, time, place, and purpose of the meeting on the principal bulletin board of the City of Aurora.

ii. The notice must also be mailed or otherwise delivered to each person who has filed a written request for notice of special meetings with the Board. This notice must be posted and then mailed, emailed or otherwise delivered at least three business days before the date of the meeting.

iii. As an alternative to mailing or otherwise delivering notice to persons who have filed a written request for notice of special meetings, the Board may publish the notice once, at least three days before the meeting, in the official newspaper of the Water Board.

3.5 EMERGENCY MEETINGS. An “emergency” meeting is a special meeting of the Board called because of circumstances that, in the judgment of the Board, require immediate consideration by the Board. Pursuant to Minnesota Statutes, Section 13D.04, the following notices must be given for an emergency meeting:

a. *Notice to News Media.* The Board must make good faith efforts to provide notice of the meeting to each news medium that has filed a written request for notice (if the request includes the news medium's telephone number and/or email address as soon as reasonably practicable after notice has been given to the Board members.

b. *Manner of Notice.* Notice of the emergency meeting may be given by telephone or by any other method used to notify the members of the Board.

c. *Content of Notice.* The notice must include the subject of the meeting. If matters not directly related to the emergency are discussed or acted upon at an emergency meeting, the minutes of the meeting must include a specific description of the matters.

d. *Posted or Published Notice not Required.* Posted or published notice of an emergency meeting is not required but may be given.

3.6 COMPENSATION. Members of the Board who are otherwise compensated by the public for their services to the Board shall serve without compensation by the Board other than as provided below. Members of the Board who are not otherwise compensated by the public for their services to the Board may be compensated for their services to the Board. The Board will establish per diem rates for the conduct of such official business and attendance at meetings on behalf of the Board. Notwithstanding the above provisions, any Member of the Board may be paid their actual expenses while engaged in performing the duties of their office or otherwise engaged in the business of the Board, upon submission of vouchers and/or receipts therefor. Members of the Board will be reimbursed for their mileage expenses at the federal mileage reimbursement rate then in effect.

ARTICLE IV OFFICERS

4.1 OFFICERS.

a. *Officers.* The officers of the Water Board are a Chair and one or more Vice-Chairs (who shall be designated in order, first and second) who must be members of the Board, and a Secretary and a Treasurer who may but need not be members of the Board.

b. *When Elected.* The Board must elect the officers initially within sixty (60) days of adoption of the Agreement and thereafter at the annual meeting for terms expiring on the first business day in January next following.

c. *Term.* Each officer serves until a successor is elected and has qualified.

d. *Offices may be Combined.* The offices of Secretary and Treasurer may be combined.

e. *Powers and Duties.* Except as otherwise provided, the Chair, Vice-Chair, Secretary, and Treasurer of the Water Board have like powers and duties, respectively, as the mayor, acting mayor, clerk, and treasurer of a statutory city.

4.2 CHAIR.

a. *Presiding Officer.* The Chair presides at all meetings of the Board, except as otherwise authorized by resolution of the Board.

b. *Recommendations.* At each meeting, the Chair may submit recommendations and information concerning the business, affairs and policies of the Board.

4.3 VICE-CHAIR. A 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, a Vice Chair performs the Chair's duties until such time as a new Chair is elected or appointed.

4.4 TREASURER.

a. *Custody of Water Board Funds.* The Treasurer has the care and custody of all funds of the Water Board and must deposit same in the name of the Water Board in such depository as the Board may direct, subject to the requirements of these Bylaws.

b. *Orders and Checks.* Except as may otherwise be provided in these Bylaws, the Treasurer and one other officer of the Water Board must (i) sign all orders and checks for the payment or withdrawal of funds and (ii) pay out and disburse the Water Board's funds or make arrangements for banking accounts, pursuant to the direction of the Board.

c. *Record Keeping and Reporting.* The Treasurer shall keep regular books of accounts showing all receipts and disbursements and render to the Board an account of the transactions and the current financial standing of the Board in the forms and at the times required by Article VIII of these Bylaws.

4.5 SECRETARY.

a. *Record Keeping.* The Secretary shall keep the records of the Board, acts as secretary of the meetings of the Board, record all votes, keep a record of the proceedings to be kept for such purpose, and perform other duties incident to the office.

b. *Notices.* The Secretary must notify the Minnesota Secretary of State, the Saint Louis County Auditor, and the clerk of each of the Governmental Units of the locations and post office addresses of the meeting place and offices of the Water Board and any changes therein.

ARTICLE V POWERS OF THE BOARD

5.1 GENERAL.

a. *Exercised by Board.* All powers of the Water Board are exercised by its Board, except as may be expressly required by law or the Agreement.

b. *Statutory Powers.* The Board has charge and control of all the funds, property, and affairs of the Water Board. With respect thereto, the Board has the powers and duties provided by the Act and the Agreement. Except as otherwise provided, the exercise of the powers and the performance of the duties of the Board and officers of the Water Board and all other activities, transactions, and procedures of the Water Board or any of its officers, agents, or employees, respectively, are governed by the Act and the Agreement.

5.2 BOARD ACTIONS. To the extent permitted by the terms of the Agreement, the Act or otherwise by law, the Board may enact ordinances, prescribe regulations, adopt resolutions, and take other appropriate action relating to any matter within the powers and purposes of the Water Board, and may do and perform all other acts and things necessary or proper for the effectuation of said powers and the accomplishment of said purposes.

**ARTICLE VI
WATER BOARD EMPLOYEES**

6.1 UTILITY SUPERINTENDENT.

a. *Appointment of Utility Superintendent.* The Water Board may employ a utility superintendent which may be a natural person or business entity whose duties are set forth in this Section.

b. *Duties.* The utility superintendent must:

i. Communicate with the Board, state and federal agencies to allow proper planning of all matters pertaining to public health and safety of the residents within the Service Area.

ii. Maintain the potable water extraction, treatment and distribution systems for the Water Board.

iii. Maintain adequate records of all tests and parameters as set by local, state and federal regulatory agencies and report any concerns relating to public health or environmental quality to the Board.

iv. If a natural person occupies this position, such person shall have and maintain at all times a valid Minnesota driver's license and shall hold the same or higher degree of license as the system license classification, and all other licenses, degrees or certificates required by the Board from time to time.

v. Maintain a safe working environment and observe and enforce appropriate safety precautions in the exercise of the duties of the position and by those supervised.

vi. Make those tests and observations required for the proper operation of the Joint System and to satisfy the appropriate reporting agency regulations.

vii. Have the ability to interpret laboratory tests and apply their results to the operational control of the Joint System.

viii. Notify the Board as to the need for tools, parts, and supplies.

ix. Become fully acquainted with the system and plant and the operational and treatment processes used, and take advantage of relevant training offered by the regulatory agency, manufacturer-supplier, or post-secondary educational institutions located in the area.

x. Maintain small auxiliary-powered equipment and tools associated with the different categories of the Joint System operation, including electrical pumps, emergency gen-set (generator) and tools of sufficient power to accomplish preventative and corrective maintenance.

6.2 OTHER POSITIONS. The Board may, by resolution, create such other positions as it deems necessary and may further establish the position description by resolution.

ARTICLE VII SURETY BONDS

7.1 COVERAGE. The following officers and employees of the Board must be covered by surety bonds in at least the following amounts:

- a. Chair - \$ 50,000 with \$ 250 per occurrence deductible.
- b. Vice-Chair - \$ 50,000 with \$ 250 per occurrence deductible.
- c. Treasurer - \$ 50,000 with \$ 250 per occurrence deductible.
- d. Secretary - \$ 50,000 with \$ 250 per occurrence deductible.

7.2 BOND REQUIREMENTS AMENDMENT. The Board may, by resolution, establish surety bond requirements for other employees in the amounts it deems advisable and may increase the amount of surety bond required in Section 7.1 by resolution. However, any decrease in the amount of bonds required in Section 7.1 must be provided for by an appropriate amendment to these Bylaws.

ARTICLE VIII FINANCIAL MATTERS

8.1. GENERAL. Except as otherwise provided in the Agreement, the Board has complete authority over all financial affairs of the Water Board and is responsible for determining all expenses of the Water Board, auditing and settlement of accounts, and in the collection, safekeeping and disbursements of all public monies coming into its possession.

8.2. DISBURSEMENTS.

- a. *Authorization and Payment.*
 - i. All disbursements over \$5,000.00 must be duly authorized by the Board. Board authorization must indicate the account out of which the disbursement is to be made.
 - ii. No checks may be issued until there is an amount of money to the credit of the fund out of which the voucher is to be paid which is sufficient to pay the voucher and all then outstanding vouchers against and encumbrances upon such fund.
- b. *Violations.* Any check for the payment of money violating any provision of this Section will be void.
- c. *Claims.* All claims against the Water Board must be accompanied by an itemized, verified statement, payroll, or time sheet, signed by the officer who has personal knowledge of the facts of the claim and vouches for the correctness and the reasonableness of the claim.

d. *Additional Requirements.* The Board, by resolution, may make further regulations for the safekeeping and disbursement of Water Board funds.

8.3. BUDGET.

a. *Committee.* The Board shall, each year appoint members to a committee for the purpose of developing the budget for the following fiscal year (the “**Budget Committee**”). The Budget Committee is responsible for preparing the budget for the Board for the following fiscal year, and for such other duties as may be prescribed by the Board.

b. *Committee Duties.* Not later than the first meeting in August in the first year of operation of a Project and thereafter by August of each year, the Budget Committee will prepare and submit to the Board a budget for the ensuing fiscal year. The budget must be based upon detailed estimates and must present the following information:

i. An itemized statement of the appropriations recommended by the Budget Committee for current expenses and for permanent improvements for the ensuing fiscal year, with comparative statements of the appropriations and expenditures for the current and past preceding fiscal year.

ii. Such other information as may be required by the Board.

c. *Consideration by Board.* The budget must be the principal item of business at the first regular meeting of the Board in September of the first year of operations and thereafter in September and of all subsequent regular meetings until passed and adopted.

d. *Public Meeting Optional.* All interested residents within the Service Area must have a reasonable opportunity to be heard at any meeting at which the budget is considered. Prior to the adoption of the budget, the Board may hold a public meeting at which time interested residents within the Service Area of the Water Board may be heard. The meeting may be held in conjunction with a regular or special meeting of the Board.

8.4 DEPOSITORY AND INVESTMENTS. Minnesota Statutes, Chapter 118A governs all depositories and investment of Water Board funds.

8.5 DEPOSIT OF FUNDS REQUIRED. The proceeds of all service, use, or rental charges, and other income of the Water Board must be deposited in the Water Board treasury and held and disposed of as the Board may direct for Water Board purposes, subject to any pledges or dedications made by the Board for the use of particular funds for the payment of bonds or interest thereon or expenses incident thereto or for other specific purposes.

8.6 FISCAL YEAR. The fiscal year of the Water Board is the same as the calendar year.

8.7 ACCOUNTING METHODS. The Board may prescribe and enforce such accounting methods, forms, blanks, and other devices as are consistent with the law and the standards of the Governmental Accounting Standards Board.

8.8 FINANCIAL STATEMENTS. The Treasurer or other qualified person acting on behalf of or at the direction of the Treasurer must submit to the Board a statement each month showing the amount of money in the Board Treasury, the status of the Water Board funds, the amount expended or chargeable against each of the annual budget allowances and the balance left in each fund and such other information relative to the finances of the Water Board as the Board may require.

8.9 AUDIT. The books of the Board must be audited regularly at least once each year by either (i) a reliable firm of certified public accountants employed by the Board or (ii) the Office of the State Auditor.

ARTICLE IX COMMITTEES

9.1 COMMITTEES APPOINTED. Standing or temporary committees may be appointed by the Board from time to time, the membership and duties of which shall be reviewed as provided in Section 3.1 of these Bylaws.

9.2 DUTIES OF COMMITTEES. The Board may invest the committees with the duties it deems necessary and may subject the committees to conditions prescribed by the Board.

9.3 COMMITTEE REPORTS. All committees must report to the Board at the time or times the Board designates. If the Board does not designate a time to report, all committees appointed must report to the Board at the next regular meeting of the Board following the committee's appointment.

ARTICLE X EXECUTION OF DOCUMENTS

Unless otherwise provided in law, these Bylaws, or a resolution of the Board, all contracts, bonds, certificates of indebtedness and all instruments of every kind to which the Board is a party, must be executed in the name of the Board by the Chair and countersigned by the Secretary.

ARTICLE XI POWERS OF THE WATER BOARD

11.1 Powers. The Board has the powers set forth in the Act and the Agreement and also those powers necessary and incidental to carrying out the purposes set forth in these Bylaws, including but not limited to the following:

- a. The Board may make and enter into contracts in its own name subject to Minnesota Statutes 471.345, including contracts for providing services to other governmental units.
- b. The Board may, upon approved job descriptions, employ agents and employees and the necessary personnel for the operation and maintenance of the Joint System.
- c. The Board may acquire, purchase, lease, hold and dispose of property, both real and personal.

d. The Board may incur debts and liabilities as necessary for the accomplishment of its purposes in accordance with the Act, except as limited by the Agreement.

e. The Board may sue in its own name.

f. The Board may recommend the establishment of a fee schedule for its services which must be approved as provided in the Agreement.

g. The Board may enter into contracts to provide operational services to the Board on an interim basis.

h. The Board may propose ordinances and regulations for approval by the Governmental Units, adopt resolutions, and take other appropriate action relating to any matter within the powers and purposes of the Board, and may do and perform all other acts and things necessary or proper for the effectuation of said powers and the accomplishment of said purposes, all as provided in the Agreement.

i. The Board shall have such other powers as may be delegated by the Governmental Units from time to time.

11.2 Duties. In addition to the duties of the Board provided for elsewhere in the Agreement, the duties of the Board include, but are not limited to the following:

a. The Board shall determine general policy of Board and policies applicable to the Joint System.

b. The Board shall hire auditors to annually audit the financial affairs of the Board as of the end of each fiscal year and deliver the final audit report to the Governmental Units, if required by State law.

c. The Board shall authorize by resolution any officer or agent to sign checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of Board.

d. The Board shall annually select banks as depositories by resolution and its official newspaper.

e. The Board may set a per diem rate for members of the Board for attendance at any required meeting for conducting business or other work required on behalf of Board.

f. The Board shall authorize reimbursement of appropriate expenses for members of the Board.

g. The Board shall determine official posting places for official notification by motion.

ARTICLE XII
[INTENTIONALLY OMITTED]

ARTICLE XIII
[INTENTIONALLY OMITTED]

ARTICLE XIV
[INTENTIONALLY OMITTED]

ARTICLE XV
WATER BOARD ORDINANCES

15.1 Adoption of Ordinances. Pursuant to Article VII of the Agreement, ordinances of the Board are adopted as follows:

a. *Recommendation.* The Board shall make recommendations to the governing bodies of the Governmental Units regarding the adoption or amendment of ordinances and rates for the use and availability of the Joint System.

b. *Adoption of Ordinances by Governmental Units.* Each of the Governmental Units has agreed under the terms of the Agreement to adopt and enforce within its jurisdiction ordinances that are in substantial conformity with the terms of Board's recommendations regarding ordinances relating to the Joint System, including but not limited to provisions regarding rates and charges, new connection fees, penalties for ordinance violations, right of entry, permits and licenses, variances and connection specifications. The governing bodies for each Governmental Unit have agreed that no new connections to the Joint System may be made unless the Board's operator in charge of the system confirms the Joint System has sufficient capacity to permit the new connection.

c. *Extraterritorial Service.* No properties located outside the municipal boundaries of the Service Area may be served by the Joint System except pursuant to written agreement of the governing bodies of the Governmental Unit; provided that in the event of an emergency, service outside the municipal boundaries of the Service Area may be authorized by unanimous vote of the Board.

15.2 Enforcement of Ordinances. Each Governmental Unit will enforce its ordinances within its jurisdiction as necessary to comply with the requirements of these Bylaws and the Agreement.

**ARTICLE XVI
AMENDMENT AND REVOCATION**

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

These Bylaws were originally adopted on _____, 2022.

Chair

ATTEST:

Secretary

