

STATE OF MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS

In the Matter of the Dissolution of the City
of Twin Lakes {MBA No. DC-7}

**ORDER TO CONDUCT ELECTION ON
DISSOLUTION OF THE CITY OF
TWIN LAKES**

This matter came before Chief Administrative Law Judge Jessica A. Palmer-Denig for a hearing on January 7, 2026, held in person at Twin Lakes City Hall in Twin Lakes, Minnesota and by videoconference by Microsoft Teams. The record closed on January 7, 2026, at the conclusion of the hearing.

Jean Epland appeared on behalf of a group of 34 petitioners (Petitioners). Peter Tiede, GDO Law, appeared on behalf of the Nunda Town Board (Nunda Township). Jason M. Hill, Town Law Center, PLLP, appeared on behalf of the City of Twin Lakes (City). Amy Conner, Freeborn County Auditor-Treasurer, appeared on behalf of Freeborn County (County).

Pursuant to Minn. Stat. § 412.091 (2024) and based upon the record, the Chief Administrative Law Judge makes the following:

FINDINGS OF FACT

1. Petitioners filed a Petition for Dissolution (Petition) on November 7, 2025.¹ Petitioners submitted an Amended Petition for Dissolution (Amended Petition) on November 17, 2025.²
2. The City is located in Freeborn County, Minnesota.³ According to U.S. Census data, the City had a population of 134 people in 2020.⁴
3. In the last election preceding the filing of the Amended Petition, 65 voters within the City voted.⁵
4. The Petition and Amended Petition included signatures of 35 qualified voters, representing over 50 percent of the voters who voted in the prior election.⁶

¹ Petition (Nov. 7, 2025).

² Amended Petition (Nov. 17, 2025).

³ *Id.*

⁴ Exhibit (Ex.) 108.

⁵ Amended Petition at 1.

⁶ See Petition, Amended Petition.

5. Petitioners propose dissolution of the City, to include the area identified in the following legal description:

The area lying within the boundaries of the City of Twin Lakes, Minnesota, located in Sections 11-101-022, 12-101-022, 13- 101-022, 14-101-022, Township Nunda (101), Range 022.

6. Petitioners seek dissolution of the City because they believe that the current City Council has made decisions that are not good for the City, they object to changes that increase taxes because many residents of the City are retired or have low incomes, and because employees have left employment with the City.⁷ Petitioners believe that the City would be better off being dissolved, and that they would be better served by Nunda Township or Freeborn County.⁸

7. The City opposes dissolution.⁹

8. The City has two employees, the Clerk-Treasurer and a maintenance staff person.¹⁰

9. The City has just over \$25,000 in cash in its checking account, and \$443,444 in Certificates of Deposit.¹¹

10. The City owns 13 parcels of land valued by Freeborn County at \$426,748.¹²

11. The City's public buildings and infrastructure include a building that houses a fire hall and council chambers, an equipment building, a pump house and two sewer lift pumps, a park shelter, and a water tower and water tower pump house.¹³ These assets have been appraised for insurance purposes as having a replacement cost of \$1,718,500 for the buildings and \$369,000 for the building contents.¹⁴

12. The City has a Capital Improvement Fund checking account with a value of \$200,800.¹⁵

13. The City has five municipal vehicles.¹⁶ The City owns a pickup truck with a snowplow attachment, a large tractor with a snow blower, and a riding lawn mower for mowing public parks and lands.¹⁷

⁷ Testimony (Test.) of Jean Epland.

⁸ Amended Petition.

⁹ Resolution 2025-15 Opposing Petition for Dissolution (Dec. 1, 2025).

¹⁰ Test. of Keith Haskell.

¹¹ *Id.*

¹² *Id.*

¹³ Ex. 102 at Location Table.

¹⁴ *Id.* at HCA Asset Management Appraisal at 4.

¹⁵ Test. of K. Haskell.

14. The assets of the City, not including vehicles, have a value of \$10,312,013.¹⁸

15. The City does not have any debt.¹⁹

16. The City's 2026 budget projected gross revenue of \$245,411.²⁰ The City's tax levy of seven percent generates \$12,000 in revenue per year.²¹ The majority of the City's revenue is derived from Local Government Aid provided by the State of Minnesota, water and sewer revenue, and grants.²²

17. Freeborn Mower Electric Cooperative provides electricity within the City and Minnesota Energy Resources provides natural gas.²³

18. The City receives law enforcement services from the Freeborn County Sheriff's Department.²⁴ The City does not have a contract for law enforcement services, but officers patrol when on shift and provide additional services when needed.²⁵

19. The City's maintenance staff person provides general maintenance, mowing, and snow plowing on City streets that are not State Aid roads.²⁶

20. The City has a Fire Department with 17 staff members.²⁷ The Fire Department has the second highest level of training among departments in Freeborn County, with:

- 1 licensed firefighter;
- 10 certified firefighters;
- 11 members certified in hazmat;
- 2 certified paramedics;
- 2 certified Emergency Medical Technicians;
- 10 certified Emergency Medical Responders; and
- 10 certified storm spotters.²⁸

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ Ex. 101.

²¹ Test. of K. Haskell; Exs.100-101.

²² Ex. 101.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ Test. of Janel Heideman.

²⁸ *Id.*

21. The Fire Department serves only the City and does not have agreements to serve other communities, but it has a mutual aid agreement through which it may assist other fire departments.²⁹

22. The City has a fire truck, a 5,000-gallon water tender, and a one-ton pickup truck recently donated to the City as a brush truck and first response vehicle.³⁰

23. A Fire Relief Association provides retirement benefits to Fire Department members, obtains grants, and has a general fund and charitable gambling fund that support the Fire Department.³¹

24. Nunda Township does not provide firefighting services, and it receives fire services from Emmons Fire Department in Emmons, Minnesota.³² The Emmons Fire Department travels through the City to provide medical services to Nunda Township.³³ The City's Fire Department has engaged in discussions with the Emmons Fire Department regarding providing services on some of the medical calls in Nunda Township.³⁴

25. If the City's Fire Department is disbanded, the response time for emergency calls for fires in the City would be longer.³⁵

26. The City provides municipal water and wastewater services.³⁶

27. The City has a gravity-fed water system including a 50,000-gallon water tower that supplies fresh water to properties within the City limits.³⁷ The water system needs repairs but is functional.³⁸

28. A Water System Asset Management Report prepared for the City in 2019 by the Minnesota Rural Water Association indicated that 60 percent of the City's water system assets should be replaced and another 18 percent were in poor condition.³⁹

29. The City received an Inspection Report related to its elevated water tank in 2020 from KLM Engineering, Inc.⁴⁰ The Report noted that the tower was constructed in 1960, and that both the interior and exterior coating of the tank should be replaced within five to seven years of the report.⁴¹ With additional recommended structural

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ Test. of Keith Haskell.

³⁷ *Id.*

³⁸ *Id.*

³⁹ Ex. 105.

⁴⁰ Ex. 106.

⁴¹ *Id.* at 3-4.

repairs, the cost of improvements was estimated to be between \$250,000 and \$265,000.⁴²

30. The City's wastewater system includes three sanitary ponds.⁴³ All homes and businesses in the City are served by the City's wastewater system.⁴⁴

31. The City contracts with MMS Environmental, a company certified by the Minnesota Department of Health (MDH), for testing and sampling of its water and wastewater systems.⁴⁵

32. The City increased the fee for its water and wastewater services to \$50 per month, or \$150 per quarter, from \$75 per quarter.⁴⁶ In six out of the last 15 years, however, the City did not impose any increases for water or wastewater services.⁴⁷

33. If the City's water and wastewater services are terminated, properties in the City would need wells and septic systems.⁴⁸

34. The Freeborn County Auditor-Treasurer administers elections within the City.⁴⁹

35. The City has 74 registered voters, all of whom vote by mail.⁵⁰

36. Twelve weeks' notice is required before a special election can occur, and a special election must be held, subject to certain exceptions not applicable here, on the following dates: "the second Tuesday in February, the second Tuesday in April, the second Tuesday in May, the second Tuesday in August, or the first Tuesday after the first Monday in November."⁵¹

37. Special elections may be held on election days for primaries in August and for the general election in November.⁵²

38. It will be less expensive for the City to pay for a special election on the date of the general election on November 3, 2026, because the City will already be contracting with Freeborn County for its own general election for mayor and two city council members on that date.⁵³

⁴² *Id.* at 4.

⁴³ Test. of K. Haskell.

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ Test. of Amy Conner.

⁵⁰ *Id.*

⁵¹ *Id.*; Minn. Stat. § 205.10, subd. 3a(a) (2024).

⁵² Test. of A. Conner.

⁵³ *Id.*

39. The Freeborn County Auditor-Treasurer recommends that the special election be held in November because holding the election on that date would provide the most efficient and economical process and would ensure that the City maintains a representative government until a dissolution is effective, if voters choose to dissolve the City.⁵⁴

40. The City is surrounded by Nunda Township.⁵⁵ If the City is dissolved, the land in the City will become part of Nunda Township.

41. Nunda Township opposes dissolution of the City.⁵⁶ Nunda Township's resolution opposing dissolution states that it does not have the personnel, budget, equipment, or operational capacity to operate, repair, or oversee the City's municipal utilities.⁵⁷ Nunda Township does not wish to assume any responsibilities or liabilities of the City or to operate any municipal services provided by the City.⁵⁸

42. MDH and the Minnesota Pollution Control Agency have advised the City that any successor governmental unit would be required to assume responsibility for the City's water and sewer utilities.⁵⁹

43. Consistent with Minn. Stat. § 414.09, subd. 1(d) (2024), notice of the hearing was published in the Albert Lea Tribune on December 17 and 24, 2025.⁶⁰

44. Petitioners are responsible for paying for the costs of publishing the notice.⁶¹

Based on these Findings of Fact, the Chief Administrative Law Judge makes the following:

CONCLUSIONS OF LAW

1. The Chief Administrative Law Judge has jurisdiction in this matter pursuant to Minn. Stat. §§ 412.091, 414.09, and 414.12 (2024).

2. Whenever a number of voters equal to one-third of those voting in the last preceding city election petition the Chief Administrative Law Judge to dissolve a city, the Court must hold a hearing.⁶²

⁵⁴ *Id.*

⁵⁵ See Amended Petition and attached map.

⁵⁶ Resolution for Nunda Township No. 25-1/2025 (Nov. 28, 2025).

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ Test. of K. Haskell.

⁶⁰ Albert Lea Tribune Affidavit (Dec. 24, 2025).

⁶¹ Minn. R. 6000.1200 (2024) ("The petitioner must pay for the publication of notices of hearings" required by Minn. Stat. § 414.09).

⁶² Minn. Stat. § 412.091.

3. The Petition for Dissolution was properly filed pursuant to Minn. Stat. § 412.091.

4. Proper notice of the hearing was given pursuant to Minn. Stat. § 414.09, subds. 1(c) and (d).

5. After the hearing, the court “shall issue an order which shall include a date for the election, a determination of what town or towns the territory of the city shall belong to if the voters favor dissolution, and other necessary provisions.”⁶³

6. Minn. Stat. § 412.091 further provides that if a majority of those voting on the question favor dissolution, then:

Six months after the date of such election, the city shall cease to exist. Within such six months, the council shall audit all claims against the city, settle with the treasurer, and other city officers, and apply the assets of the city to the payment of its debts. If any debts remain unpaid, other than bonds, the city clerk shall file a schedule of such debts with the county treasurer and the council shall levy a tax sufficient for their payment, the proceeds of which, when collected, shall be paid by the county treasurer to the creditors in proportion to their several claims until all are discharged. The principal and interest on outstanding bonds shall be paid when due by the county treasurer from a tax annually spread by the county auditor against property formerly included within the city until the bonds are fully paid. All city property and all rights of the city shall, upon dissolution, inure in the town or towns designated as the legal successor to the city.

Based upon these Conclusions of Law, and for the reasons explained in the accompanying Memorandum, the Chief Administrative Law Judge makes the following:

ORDER

1. The City will conduct a special election on November 3, 2026, on the question of whether the City should be dissolved.

2. The Freeborn County Auditor-Treasurer will serve as the election official for the special election.

3. The Freeborn County Auditor-Treasurer shall cause to be printed and mailed an election ballot which shall bear words that plainly set forth the issue to be determined by the voters: “Shall the City of Twin Lakes be dissolved?” and shall clearly indicate options of either “Yes” or “No” on the ballot question.

4. Following the election, the Freeborn County Auditor-Treasurer shall file a certificate stating the results of the vote on the special election with the Court of

⁶³ *Id.*

Administrative Hearings, the Minnesota Secretary of State, and with the office of the Freeborn County-Auditor-Treasurer.

5. If a majority of those voting on the question favor dissolution, the City of Twin Lakes, Freeborn County, Minnesota, shall cease to exist six (6) months after the date of the special election and will become part of Nunda Township by operation of law.

6. Pursuant to Minn. Stat. 414.12, subd. 3, the Court of Administrative Hearings' costs in this matter to date are assessed to the City. An itemized invoice will follow under separate cover.

7. Pursuant to Minn. R. 6000.1200, Petitioners are required to pay the cost of the publication of the hearing notice.

Dated: April 6, 2026


JESSICA A. PALMER-DENIG
Chief Administrative Law Judge

Reported: Digitally Recorded
No transcript prepared

NOTICE

This Order is the final administrative order in this case under Minn. Stat. §§ 412.091; 414.07, .09, .12 (2024). Pursuant to Minn. Stat. § 414.07, subd. 2, any person aggrieved by this Order may appeal to Freeborn County District Court by filing an Application for Review with the Court Administrator within 30 days of this Order. An appeal does not stay the effect of this Order.

Any party may submit a written request for an amendment of this Order within seven days from the date of the service of the Order pursuant to Minn. R. 6000.3100 (2025). However, no request for amendment shall extend the time of appeal from this Order.

MEMORANDUM

Under Minn. Stat. § 412.091, following receipt of a valid petition for dissolution, the Court of Administrative Hearings must hold a hearing and order that a special election be held. The statute does not provide for the Court to determine whether the City should be dissolved or not – that decision is up to the voters of the City. The Court

encourages residents of the City to engage in good faith community conversations about this important decision.

Petitioners requested that, if the City is dissolved, the territory within the City become part of Nunda Township or be administered by Freeborn County. Nunda Township requests that this Court or Freeborn County “designate a special district, cooperative, or county-level authority as the appropriate successor for all [City] utility assets and infrastructure.”⁶⁴ The City is entirely surrounded by Nunda Township. If the City does not become part of Nunda Township upon dissolution, the territory of the City would become an island of unorganized territory surrounded by township lands. The Court determines that, if the City dissolves, it must become a part of Nunda Township.

The Court has ordered that the City hold a special election regarding dissolution on November 3, 2026, which is the date of the next general election. Petitioners would prefer that the election be held on an earlier date. Dissolution of the City creates the potential for significant complications regarding the ownership and operation of the City’s municipal water and wastewater services. It may also cause hardships if water and wastewater services in the City cease to operate and property owners are required to install wells and septic systems. Holding the election later in the year allows local government officials and state agencies additional time to engage with each other and determine an appropriate plan to resolve these issues. It is also important that voters understand, prior to voting, what will happen to such services if the City dissolves, and allowing additional time before the election provides an opportunity for discussions on this issue. Finally, the Freeborn County Auditor-Treasurer maintains that the most efficient and economical date for holding the election is November 3, 2026.

Nunda Township does not wish to operate the City’s water and wastewater services or to provide other municipal services offered by the City. Nunda Township’s resolution opposing dissolution asserts that “such responsibilities are more appropriately assigned to Freeborn County, the Minnesota [Court] of Administrative Hearings, a special service district, a municipal utility district, or a regional water association.”⁶⁵ The Court understands Nunda Township’s reluctance to take on additional obligations for which it is not prepared or to offer services its residents have not sought. The Court’s authority under Minn. Stat. § 412.091, however, does not provide for the Court to offer additional relief. The Court urges the City and Nunda Township to immediately engage with state regulatory authorities to make plans in the event voters favor dissolution.

J. P. D.

⁶⁴ Resolution for Nunda Township No. 25-1/2025 (Nov. 28, 2025).

⁶⁵ *Id.*