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PROVIDING TECHNICAL ASSISTANCE TO THE
ENERGY DEVELOPMENT BOARD OF
MERCER COUNTY

Due Ltr. Dtd 10/3/77

*T.O. 38
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RPA Ref. No.: RA-77-2318

Prepared for:
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
Office of the Assistant Administrator for Conservation
Division of Buildings and Community Systems
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September 30, 1977

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BACKGROUND AND SUMMARY OF ACTIVITIES

In July 1976, the Division of Buildings and Community Systems of the Energy Research and Development Administration (ERDA) contracted with Resource Planning Associates, Inc. (RPA), to develop a general organizational approach for managing energy-related community development and to test that approach in a specific site. RPA developed a general approach by combining elements of United States and French development mechanisms. ERDA then selected Mercer County, North Dakota, from a list of 100 incipient boomtowns as the "prototype community" for adapting and testing RPA's general approach. Mercer County, a relatively isolated agricultural area, is the setting for the construction of two 2-unit coal-fired power plants and two or more coal-gasification plants, as well as related coal mining.

In adapting its general approach to Mercer County, RPA recommended the creation of a countywide organization to take the lead in directing energy-related community development. Several local governments in Mercer County responded favorably to the RPA recommendation and subsequently wrote letters soliciting ERDA's assistance. ERDA officials responded by traveling to Mercer County to assess the situation firsthand. The ERDA officials were impressed with the local interest in forming a countywide organization and convinced of the value to Mercer County of having such an entity coordinate community development.

ERDA subsequently asked RPA to assist Mercer County's local governments in overcoming the legal and political obstacles to forming a joint-powers board. On August 2, 1977, the local political jurisdictions of Mercer County signed an agreement to form the Energy Development Board (EDB) of Mercer County. The EDB's primary function will be to develop a growth-management plan and preliminary plans for energy-conservation projects that could become the basis for a rural energy-conservation laboratory.

Despite the 3 months' intensive negotiations that culminated in the agreement signed on August 2, 1977, the local governments of Mercer County expressed concern to ERDA about their ability to render the EDB fully operational -- primarily as a result of their lack of funds, time, and expertise to undertake such critical preliminary tasks as selecting an executive director and formulating bylaws for the EDB. In response, ERDA contracted with RPA to provide the local governments of Mercer County the organizational and technical support needed to establish the EDB of Mercer County, to monitor its activities, and to report to ERDA on its progress.

Through September 30, 1977, RPA aided in the establishment of the EDB. RPA visited Mercer County on two separate occasions, and the EDB's executive director

visited RPA's Washington, D.C. office once. RPA's major activities during this period included the following:

- RPA attended the first meeting of the EDB on August 25, 1977, to lend support in the selection of a chairman, vice-chairman, and executive director.
- Following the first EDB meeting, RPA helped ERDA inform various agencies (including the Governor's Energy Management Office) and energy industries about the EDB and the implications of a rural energy laboratory in Mercer County (see Appendix A).
- On September 1, 1977, RPA met with the legislative assistants to North Dakota's Senators Quentin Burdick and Milton Young to brief them on the study and the status of the EDB (see Appendix B).
- For the second meeting of the EDB, held on September 14, 1977, RPA drew up the organizational bylaws (see Appendix C) and proposed a budget (see Appendix D), both of which were accepted at the meeting.
- In response to a request from the EDB, RPA assisted its executive director in organizing recruiting activities to fill the various staff positions.
- On September 13, 1977, RPA met with Doug Henton of the Department of Health, Education and Welfare, to brief him on the study and the present status of the EDB. Mr. Henton is on the White House Task Force on Inland Energy Development Impact Assistance.
- Throughout this period of assistance, RPA has maintained an ongoing file of articles on the EDB that have appeared in major North Dakota newspapers.

APPENDIX A: SUMMARY OF MERCER COUNTY MEETINGS

ON AUGUST 25 and 26, 1977

MEMORANDUM

TO: Gerald Leighton, Energy Research and Development Administration

FROM: Henri-Claude Bailly, Resource Planning Associates, Inc.

SUBJECT: Mercer County Meetings - August 25 and 26, 1977

DATE: September 22, 1977

The first meeting of the Mercer County Development Board (EDB) was held on the evening of August 25, 1977. Buildings and Community Systems (BCS) was represented by Gerald Leighton, and Resource Planning Associates (RPA) was represented by Henri-Claude Bailly and James Locke. This memorandum lists the participants and summarizes the proceedings of the first EDB meeting and the subsequent meetings held with the state officials and energy industry representatives on August 26, 1977.

First EDB Meeting - Beulah, August 25, 1977

Local Participants

Ernie Mosbrucker, City Councilman from Beulah
Leonard Wohlfeil, Mayor of Hazen
Robert Wetzel, Mayor of Stanton
Leonard Schmidt, Mayor of Zap
A. Erbstroesser, Mayor of Golden Valley
Sharon Geist, Member of Hazen School Board
Gerald Bauman, Member of Golden Valley School Board
Ed Schulz, Mercer County Commissioner
Albert Bauman, Mercer County Commissioner
Adolph Miller, Mercer County Commissioner
Chip Unruh, Auditor of City of Zap
Delvin Zahn, City Councilman of Zap
Darrel Bjerke, City Councilman of Beulah
Dennis Kirschmeir, City Councilman of Beulah
Al McKay, Hazen City Planner
John Jacobson, Mercer County Legal Counsel
Sheldon Greene, Editor of Hazen Star
Karen Farney, Correspondent for Bismarck Tribune
Vi Stroup, Local Citizen
Don Peterson, Agricultural Extension Agent for McLean and Mercer Counties

State Participants

Dr. Charles Metzger	Director of the North Dakota Energy Management Office
Dr. Dwight Connor	Assistant Director of the North Dakota Energy Management Office
Austin Engel	Director of the Division of State Planning
Gary Anderson	Representative of Public Service Commission
Robert Alber	State Senator
Ronald Gunsch	State Representative

Industry Representatives

Gary Jacobson Basin Electric Power Cooperative
Robert Wood Montana Dakota Utilities

Before the EDB participants considered official business, three short speeches were presented. Gerald Leighton of ERDA discussed the new Department of Energy, highlighting the federal government's increased emphasis on conservation. He also noted that the new Department of Energy will play an important role in evaluating and formulating policy, as well as perform research and development.

Mr. Leighton also discussed the concept of the rural conservation laboratory. He stressed the need for the EDB to become operational before energy conservation demonstration projects are implemented in Mercer County. He then reaffirmed ERDA's previous statements that funding is forthcoming and that ERDA will act only as "fly on the wall" in watching the planning process in Mercer County.

Governor Link's Office was represented by Dr. Charles Metzger of the state Energy Management Office. Dr. Metzger stated his support of the EDB and the rural conservation laboratory.

Gary Anderson of North Dakota's Public Service Commission (PSC), Division of Reclamation and Siting, then noted that the PSC has jurisdiction over how well the Coyote I plant and other energy conversion plants in the county mitigate socioeconomic effects on industry. Mr. Anderson stressed that the PSC would like to use the EDB to monitor the activities of the energy plants.

The following items were discussed and voted on at the first meeting of the EDB:

- Robert Wetzel of Stanton was elected chairman of the EDB over Ernie Mosbrucker of Beulah by a vote of 6 to 4.
- Ernie Mosbrucker was elected vice-chairman by unanimous ballot.
- The decision on a secretary/treasurer was postponed until the bylaws are adopted.
- The decision on the location of an office for the EDB was also deferred until the bylaws are adopted and additional information is gathered on space availability.
- Robert Stroup of Hazen was hired as the EDB's executive director until June 30, 1978. Mr. Stroup was approved by a 7 to 2 vote, with only Gerald Bauman, representing the Golden Valley, Zap and Stanton School Districts, and Ed Schultz, County Commissioner, voting in opposition. The EDB members had discussed advertising for the position and postponing a decision until a later date, but compromised by limiting the term of the director until June 30, 1978.

Meeting with State Government Representatives - Bismarck, August 26, 1977

Participants

Gary Johnson, State Assistant Manager, West Central North Dakota Regional Environmental Impact Statement
Linda Kaufman, Assistant to Ralph Dewing of Coal Development Impact Office

Dwight Connors, Assistant Director of Energy Management Office
Russ Staiger, Land-use Administrator, State Planning Division
Gary Anderson, Public Service Commission
John Fay, Vice President, Bank of North Dakota
Vern Zink, President of TPI, Inc.
Straub Collins, Vice President of TPI, Inc.

At this meeting, Mr. Leighton discussed ERDA's role in funding the EDB and in establishing a rural conservation laboratory in Mercer County. During the subsequent discussions, Dwight Connors recommended that a representative of the EDB brief the Natural Resources Council on a regular basis.

Gary Anderson then briefed the group on the conditions for the power plants to receive PSC siting permits. He first noted that TPI is developing the types and format of information that the energy companies will be required to provide. This information will be completed by December 1, 1977. The energy companies will also be required to provide 2 full-time people to assist the local communities in mitigating the effects of their development. Russ Staiger noted that his office will assist Mr. Stroup in hiring the staff members for the EDB. Mr. Anderson also discussed EDB's potential role in monitoring the industries' activities for the PSC.

Meeting with Energy Industry Representatives - Bismarck, August 26, 1977

Participants

John Brooshort	MDU
Bob Wood	MDU
Claudia Wallen	ANG
John Stewart	MDU
O. B. Johnson	MDU Ottertail
Ken Ziegler	Basin Electric
Bob Valeu	Basin Electric

The purpose of this meeting was to brief the energy industries on the EDB and plans for the rural conservation laboratory. The issue of reporting requirements for the Coyote I project and other anticipated projects was raised and discussed. The group expressed concern that EDB's monitoring of the energy industries' activities could hamper some of those activities. Mr. Stroup assured the industry representatives that if the EDB served as the PSC's designee in Mercer County, he would work closely with its members to eliminate duplication and other unnecessary requirements.

APPENDIX B: PRESENTATION TO LEGISLATIVE ASSISTANTS
TO SENATORS BURDICK AND YOUNG

Mercer County

Energy Development Board of Mercer County

To improve the quality of community development
induced by anticipated development of energy
resources and facilities in the county

To promote energy conservation
and the efficient use of energy resources

Energy Development Board/ Composition

County

6 cities

School Boards

Executive director

Permanent Staff

Advisory Council

Energy Development Board/ Functions

- Develop a growth-management plan
- Develop a plan for demonstrating energy conservation projects
- Provide technical assistance to board members
- Act as liaison between public and private sectors on energy issues

Energy Development Board/ Origin

Key component in General Approach to managing energy-related development of communities developed by ERDA, Office of Conservation, Division of Buildings and Community Systems

General Approach/ Phases of Development

Phase 1

Phase 2

Phase 3

General Approach/ Roles

Activities	Initiate	Fund	Perform	Monitor/Enforce
1. Organizing Informing participants Defining community development goals Providing legislation Establishing organizations Staffing organizations				
2. Planning Developing general plans Developing project plans Obtaining government approvals Reviewing and revising plans				
3. Financing Identifying sources of funds Negotiating financing				
4. Improving Land and Installing Public Facilities Assembling acreage Managing raw acreage Making on-site improvements Providing operational public facilities				
5. Providing Housing and Commercial Facilities Marketing improved land Building housing and commercial facilities Marketing housing and commercial facilities				

General Approach/ Phases of Development

Phase 1

Phase 2

Phase 3

General Approach/ Effectiveness Guidelines

1. Assign legal authority to the participants commensurate with their responsibilities

Vest control of development in the local level of government

Ensure that each participant has the expertise to exercise its authority effectively

2. Coordinate all activities and functions of the community-development process

Provide a neutral ground where participants can meet as partners in the development process

Designate a lead entity with primary responsibility and authority for coordinating the development process

Support the entire development process with a comprehensive program of legislation

General Approach/ Effectiveness Guidelines

3. Provide explicit and adequate financing mechanisms

Advance front-end funds to public participants to bridge the gap between initial expenditures and revenues

Arrange easy access to capital for improving land and installing public facilities

Distribute the financial risk in land improvement equitably among participants

Provide new homebuyers with easy access to financing

Appropriate explicit federal and state funds for impacted communities

Subsidize local governments for temporary requirements

Relieve indigenous residents of the cost of facilities that will benefit only new residents

4. Segregate financial and operational responsibilities

Allocate financing and operational roles to separate and independent entities

Empower the financial entity to monitor development operations

General Approach/ Timing of Development Activities

General Approach

Components and Major Relationships

Proposed Mercer County Approach

Components and Major Relationships

— Financial
 — Technical Assistance/Information

The Mercer County Approach/ Phase IV

Implications for North Dakota

- Controlled growth in Mercer County
- Economic stability in Mercer County
- Funding of rural energy development laboratory
- Model for growth management in other counties

Implications Outside North Dakota

For ERDA — Prototype rural energy laboratory

For the United States — Development of new energy sources
and efficient use of existing energy

For Other States — Tested approach for managing energy-related
development of communities

For North Dakota — Prestige as leader in energy development
and growth management

APPENDIX C: BYLAWS FOR THE ENERGY DEVELOPMENT

BOARD OF MERCER COUNTY

ENERGY DEVELOPMENT BOARD OF MERCER COUNTY

* * *

BYLAWS

* * *

ARTICLE 1

COMPOSITION AND MEETINGS OF THE BOARD

Section 1.01. Number of Members and Term of Office: The authorized number of members of the Board shall be ten or such other number as may be determined from time to time pursuant to Section 1.2 of the Mercer County Energy Development Agreement dated as of August 1, 1977 (herein called the Agreement). Whenever selected pursuant to the Agreement, each member (unless he shall sooner die, or resign in the manner provided in Section 1.08 hereof, or be removed in the manner provided for in Section 1.09 hereof) shall hold office until his successor shall have been selected and shall qualify, pursuant to the Agreement.

Section 1.02. Chairman and Vice Chairmen: The Board shall by resolution elect from among its members a Chairman and such Vice Chairmen as the Board may from time to time determine, each such Chairman and Vice Chairman to hold office for a term of 12 months and until his successor shall have been elected and shall qualify. The Chairman or, in the absence or disability of the Chairman, a Vice Chairman shall preside at all meetings of the Board.

Section 1.03. Regular Meetings: The regular meetings of the Board shall be held at 7:30 p.m. on the second Thursday of each month, or at such other time and day as the Board may, by resolution, determine. Regular meetings shall be held at any place fixed by resolution of the Board.

Section 1.04. Special Meetings: Special meetings of the Board may be called by the Chairman, or, in the absence or disability of the Chairman, by any Vice Chairman, acting for himself or at the request of any member, and shall be held at such time and place as may be specified in the respective notices or waivers of notice thereof. To the extent possible, meetings will be held after regular business hours.

Section 1.05. Notice of Meetings: At least seven days before the day on which a regular or special meeting is to be held, notice of the meeting, stating the time and place thereof, shall be mailed to each member and to the principal elected official of each party to the Agreement not then entitled to membership on the Board, addressed to him at his residence or usual place of business, or shall be sent to him at such residence or usual place of business by telegram or delivered to him personally. Such notice shall contain an agenda of matters to come before the meeting including any action of critical importance. For purposes of these bylaws, an "action of critical importance" shall mean the adoption and amendment of these bylaws, the

adoption and amendment of a comprehensive plan for any jurisdiction which is a party to the Agreement, and the selection or removal of the Executive Director of the Board. Notice of any meeting need not be given to any member or official who shall attend such meeting in person, or to any member or official who shall waive notice of such meeting in writing, whether before or after the time of such meeting. No notice need be given of any adjourned meeting.

Section 1.06. Quorum; Vote Required for any Action: At any meeting of the Board the presence of a majority of the then authorized number of members shall be necessary to constitute a quorum for the transaction of business, and the affirmative vote of a majority of the members attending such meeting shall be necessary for the taking of any action whatsoever; provided that, for the taking of action of critical importance, the affirmative vote of two-thirds of the members attending such meeting shall be necessary; and provided further that, if a quorum shall not be present at any meeting, a majority of the members present may adjourn the meeting, from time to time, until a quorum shall be present. Any member may appoint, in writing, another elected official in his stead to attend and vote at any meeting of the Board with full power of substitution.

Section 1.07. Action Without Meeting: Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if prior to such action a written consent thereto is signed by all members of the Board and filed with the minutes of the Board.

Section 1.08. Resignations: Any member may resign at any time by delivering a written resignation to either the Board, the Chairman, a Vice Chairman, the Executive Director or the Secretary, and to the governing body of the party to the Agreement represented on the Board by the resigning member. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 1.09. Removal of Members: Any member may be removed at any time, either with or without cause, by the governing body of the party to the Agreement entitled to select such member.

Section 1.10. Vacancies and Newly-Created Memberships: Whenever any vacancy shall occur on the Board by reason of death, resignation, removal or otherwise, or whenever the authorized number of members shall be increased by amendment of the Agreement, the Board shall have no power to fill such vacancy or newly-created membership, but such vacancy or newly-created membership may be filled only by the governing body of the party to the Agreement entitled to select such member or as otherwise provided in the Agreement.

Section 1.11. Compensation: The amount which each member shall be entitled to receive as compensation for his services shall be fixed by the Agreement.

Section 1.12. Reliance on Accounts and Reports: A member of the Board, in the performance of his duties, shall be fully protected

in relying in good faith on its records, books and accounts or reports made to the Board by any of its staff, or by an independent certified public accountant, or by a qualified appraiser or other expert selected by the Board.

Section 1.13. Committees: The Board, by resolution, may designate one or more committees, each such committee to consist of two or more of the members of the Board, which to the extent provided in such resolution shall have and may exercise the powers of the Board in the management of its activities. Such committee or committees shall have such name or names as may be determined from time to time by resolution of the Board.

Section 1.14. Advisory Council: The Board may by resolution create one or more advisory councils selected annually by the Board to represent the Mercer County Task Force, energy industries, labor unions, merchants, farm groups, environmental groups and other interests in Mercer County. If created, any advisory council shall meet at least twice each year at the call of the Chairman of the Board to be briefed upon activities of the Board and to provide the views of its members to the Board and its staff. Members of any advisory council may be consulted by the Board or its staff from time to time on matters of particular interest to such members.

ARTICLE II

STAFF

Section 2.01. Number: The staff of the Board shall consist of an Executive Director, a Secretary, an Auditor and such other personnel as may be appointed in accordance with the provisions of Section 2.08 hereof.

Section 2.02. Appointment and Tenure: All staff members shall be appointed by resolution of the Board for such term as may be determined in such resolution. Appointments of staff members other than the Executive Director shall be made on the recommendation of the Executive Director.

Section 2.03. Resignations: Any staff member may resign at any time by delivering a written resignation to the Board or the Executive Director. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 2.04. Removal: The appointment of any staff member may be terminated at any time for cause by resolution of the Board.

Section 2.05. The Executive Director: The Executive Director shall:

- (a) Supervise the work of the staff and consultants of the Board, and, subject to the directions of the Board,

shall have general charge of the activities authorized by the Board including: the coordination of staff activities with all parties to the Agreement; the establishment of priorities for calls upon staff resources; the establishment and maintenance of lines of communication with all interested agencies at regional, state and federal levels of government; and the preparation of an annual budget for activities of the Board.

- (b) Attend all meetings of the Board and report upon the activities of the staff and consultants.
- (c) Sign, on behalf of all parties to the Agreement, any contract necessary or desirable to carry out the activities authorized by the Board.
- (d) Exercise such other powers and perform such other duties as from time to time may be assigned by the Board.

Section 2.06. The Secretary-Auditor: As the Secretary, shall:

- (a) Keep or cause to be kept a record of all the proceedings of the meetings of the Board in books provided for that purpose.

- (b) Cause all notices to be duly given in accordance with the provisions of these bylaws.
- (c) Assure that the books, reports, statements, certificates and other documents and records required by statute, the Agreement, or any other contract are properly kept and filed.
- (d) Perform, in general, such other duties as are conferred by these bylaws or as from time to time may be assigned by the Board or the Executive Director.

Section 2.07. The Secretary-Auditor: As the Auditor, shall:

- (a) Have charge and supervision over and be responsible for the receipts and disbursements made for the benefit of the Board.
- (b) Work with Mercer County officials to assure that moneys received for the benefit of the Board are deposited in the manner described in Section 3.03.
- (c) Cause the moneys so deposited to be disbursed by checks or drafts (signed as provided in Section 3.04 hereof) upon the authorized depositories for the benefit of the Board and cause to be taken and preserved proper vouchers for all moneys disbursed.

- (d) Render to the Board or the Executive Director, whenever requested, a statement of the receipts and expenditures for the benefit of the Board and of all transactions of the Auditor, and render a full report annually in accordance with Section 4.4 of the Agreement.
- (e) Cause to be kept correct books of account of all transactions for the benefit of the Board and exhibit such books to any authorized representative of a party to the Agreement upon reasonable notice.
- (f) Perform such other duties as from time to time may be assigned by the Board or the Executive Director.

Section 2.08. Other Staff Personnel: The Board, acting from time to time on the recommendation of the Executive Director, may appoint such other staff members as it may deem advisable, each of whom shall have such title, hold the appointment for such period, have such authority and perform such duties as the Board may determine.

Section 2.09. Remuneration: The salaries or other compensation of the staff members shall be fixed from time to time by the Board, except that the Board may delegate to the Executive Director the power to fix the salaries or other compensation of any staff members appointed in accordance with the provisions of Section 2.08 hereof.

Section 2.10. Surety Bonds: In case the Board shall so require, any staff member shall execute a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of his duties, including responsibility for negligence and for the accounting for moneys intended to finance activity of the Board.

ARTICLE III

EXECUTION OF INSTRUMENTS, BORROWING OF MONEY AND DEPOSIT AND DISTRIBUTION OF FUNDS

Section 3.01. Execution of Instruments: The Executive Director may, subject to the approval of the Board, enter into any contract or execute and deliver any instrument in the name of the parties to the Agreement in order to further the objectives of the Board, In the event that additional statutory authority confers legal status upon the Board, the Board may authorize the Executive Director or any other agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Board; any such authorization may be general or confined to specific instances.

Section 3.02. Loans: No loans or advances shall be contracted on behalf of the Board and no evidences of indebtedness shall be issued in its name until additional statutory authority confers legal status upon the Board and then only when authorized by the Board; any such authorization may be general or confined to specific instances. In

such an eventuality, any two agents of the Board so authorized may effect loans and advances for the Board, and may make, execute, and deliver promissory notes, bonds or other evidences of indebtedness of the Board for such loans and advances; and any two agents of the Board so authorized may pledge, hypothecate or transfer as security for the payment of any and all loans, advances, indebtedness and liabilities of the Board any and all property at any time held by the Board, and to that end may endorse, assign and deliver the same and do every act and thing necessary or proper in connection therewith.

Section 3.03. Deposits: All moneys intended to finance activities of the Board shall be deposited from time to time with such banks or trust companies or with such other depositaries as the Board may select.

Section 3.04. Checks, Drafts, etc.: All orders for the payment of money from any account established pursuant to Section 3.03 hereof shall be signed by the Executive Director and the Secretary-Auditor of the Board. Endorsements for deposit of funds in any such account shall be made in such manner as the Board may from time to time determine.

Section 3.05. Distribution to Withdrawing Party: In case of withdrawal from the Agreement by a party which has contributed funds for the benefit of the Board, the unspent portion of such funds shall be distributed to such withdrawing party; but no other distribution of funds from any account established pursuant to Section 3.03 shall be made to a withdrawing party.

Section 3.06. Distribution upon Termination: Upon termination of the Agreement, any funds remaining in accounts established pursuant to Section 3.03 hereof shall be applied first to meet any outstanding obligations incurred in the course of carrying out functions of the Board, and the remainder shall be distributed as follows:

- (a) funds remaining unspent which have been received from any agency of state or federal government or from any private foundation and have been segregated for an express purpose shall be distributed in accordance with instructions from such agency or foundation;
- (b) funds remaining unspent which have been contributed by parties to the Agreement shall be divided and redistributed to such parties in proportion to their contributions; and
- (c) all other funds shall be divided equally among the parties to the Agreement (excluding any parties which have withdrawn prior to termination) share and share alike.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Offices: The Board may establish and maintain one or more offices in such place or places as the Board may from time to time determine.

Section 4.02. Fiscal Year: The fiscal year of the Board shall be twelve calendar months beginning on the first day of July in each year and ending on the thirty-first day of the following June, except that the first fiscal year of the Board shall begin as of August 1, 1977.

Section 4.03. Waivers of Notice: Whenever any notice whatever is required to be given by law, or under the provisions of the Agreement, or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4.04. Indemnification of Members of the Board: In the event that additional statutory authority confers independent legal status upon the Board, the Board shall indemnify and hold harmless each member of the Board against any expenses reasonably incurred by such member in connection with or arising out of (a) the defense of any action, suit or proceeding in which such member is a party, or (b) any claim asserted or threatened against such member by reason of being or having been a member of the Board, whether or not such member continues to be a member at the time of incurring such expenses. Such expenses shall include (but not be limited to) attorneys' fees, amounts of judgments, and amounts of reasonable settlements, other than amounts paid to the Board itself. Notwithstanding the foregoing, however, the Board shall not indemnify or hold harmless any member with respect to matters as to which such member shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty as such member, nor with respect to matters as to

which any settlement or compromise is effected unless the Board is advised by independent counsel that the member so indemnified was not negligent or guilty of misconduct in the performance of duty. No right of indemnification under this Section 4.04 shall be deemed exclusive of any other rights to which those indemnified hereunder may be entitled under any statute, agreement, bylaw, or as a matter of law, or otherwise.

ARTICLE V

AMENDMENTS

Section 5.01. Amendments: Any provision of these bylaws may be amended, altered or repealed by the affirmative vote of two-thirds of the members of the Board attending any regular or special meeting; provided that the notice or waiver of notice of such meeting shall have specified or summarized the proposed amendment, alteration or repeal.

APPENDIX D: . BUDGET FOR THE FIRST YEAR OF OPERATION
OF THE ENERGY DEVELOPMENT BOARD OF
MERCER COUNTY

September 1, 1977

PROPOSED BUDGET - EDB

RECAP

1.	Administrative Wages & Salaries	\$ 92,000
2.	Overhead Expenses	35,100
3.	Management Travel	20,640
4.	Outside Consultants (Planning, Legal)	100,000
5.	Dues, Subscriptions, Miscellaneous	15,200
		<hr/> \$ 262,940

Non-recurring Costs:

Office Furniture	\$ 3,500
Employee Relocation	4,000
Advertising	2,200
Recruiting	1,350
	<hr/> \$11,050

1. Administrative Wages and Salaries. \$ 92,000

A. Staff Salaries

Executive Director	13 mos.=	32,500
Senior Staff	11 mos.=	22,000
Junior	11 mos.=	16,500
Junior	11 mos.=	11,000
Secretary	12 mos.=	<u>10,000</u>
		\$ 92,000

B. Vacation Included in Salary

C. Sick Included in Salary

D. Holiday Included in Salary

2. Overhead Expenses 35,100

A. Office Fringe Benefits 4,000
Medical Plan (\$70 per month x 5 people,
adjusted for 11 months for 3 people)

B. Payroll Taxes (FICA). 4,200

C. Rent/Utilities 14,000
(2,000 square feet @ \$7 sq. ft.)

D. Telephone (\$250 per month) 3,000

E. Supplies (\$250 per month) 3,000

F. Outside Support Services (clerical) 3,000

G. Equipment Rental 3,900
Xerox @ \$250 per month.
1 IBM Typewriter (\$75 per month)

3. Management Travel \$20,640

A. Out-of-state trips

12 trips by Executive Director	
Plane ticket	\$250
Per Diem (2 days)	130
Transportation	20
	<u>400 x 12</u>
	4,800
6 trips by senior staff	2,400
12 other trips	<u>4,800</u>
	12,000

B. In-state

Executive Director overnights	
25 x \$45	1,125
Mileage (75 trips-	
150 miles=11,250 mi.	<u>1,700</u>
	2,825

Senior staff overnights	
12 x \$45	540
Mileage ($\frac{1}{2}$ trips w/Ex. Dir.	
20 x 150)	<u>225</u>
	765

2 Junior staff overnights	
(5 per staff x \$45)	450
(Mileage 55 trips x 150 x .15)	<u>1,250</u>
	1,700

Miscellaneous	
In-county travel	2,000

C. Recruiting

Senior Staff 3 trips \$250 ea.	750
Junior Staff 4 trips	<u>600</u>
	1,350

4. Outside Consultants (Planning, Legal) 100,000

5. Dues, Subscriptions, Miscellaneous \$ 15,200

A.	Dues, Subscriptions	1,000
B.	Insurance	500
C.	Depreciation	-0-
D.	Legal/Accounting	2,000
E.	Interest	-0-
F.	Advertising/Newsletter	2,200

Bismarck Tribune	)	
Minot Daily News	)	
Grand Forks Herald	)	500
Fargo Forum	)	

Postage (Newsletter) 1,700

G.	Employee Relocation	4,000
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Senior Staff	2,500
2 Junior	<u>1,500</u>
	4,000

H.	Miscellaneous (Postage, etc.)	2,000
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I.	Office furniture purchases	3,500
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2 adding machines (tape)	200
Conference table	200
10 chairs	500
5 desks	500
5 chairs	370
5 bookcases	250
Typing table	40
Extra desk	100
Miscellaneous	640
Filing cabinets (55 x 8)	450
Drafting table, stool, lamp	250

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