



BURLEIGH COUNTY WATER RESOURCE DISTRICT MINUTES
Tuesday, September 23, 2014
Conference Call

Present: Chairman Terry Fleck, Cary Backstrand, Kathleen Jones, Dennis Reep, David Bliss, Bliss & Stebbins Law Firm, LLC; Michael Gunsch, Houston Engineering, Inc.; and Mona Livdahl.

Absent: Gordon Weixel

Chairman Fleck called the meeting to order at 9:08 a.m. noting a quorum was present.

Policy on Administrative Fees for Burnt Creek & Country Creek Assessment Districts:

Kathleen noted we are able to by state law charge up to 1-1/2% for BCWRD Administrative fees, which is in addition to all legal and engineering fees as well as the county's administrative fee. In looking at the time put in by PMS and HEI, Inc. we need to set a fee to set up for the assessment fees. Kathleen suggested we charge up to 0.5% (half a percent) which is added to the interest rate amount. Discussion was held on the amount being adequate noting we do not intend this to be making money for BCWRD, just to cover expenses. A question was raised if this was for the life of the project or if we would be able to increase it after one or two years in. Cary questioned if 0.5% is adequate. Kathleen noted starting out she felt it was. There were questions as to if we are able to change this up or down in future years or if this is for the life of the project. Kathleen noted she believed it was for the life of the project. If not we could take it back to the Board for future projects. If we go for 0.5% for Country Creek and Burnt Creek – can we increase on other projects? Dave felt we could modify if need be, but felt we should set it for what we feel is needed.

Michael noted that from the standpoint of administrating the assessment, Kevin will have his fee and the Board will have theirs and the combined will be 1.5%. A half percent on Country Creek brings in only \$250/year and on Burnt Creek we would make \$2,250/year. On the O&M District for Burnt Creek – any costs the Board has can be assigned to that project and be paid via the maintenance funding. For Country Creek it is also a maintenance district, if you have costs you can take it out of the projected \$10,000 fund, so this fee is independent of the cost. Michael felt that legal and engineering costs are not out of this fund, but Mona's costs would.

Dennis questioned if this would reflect poorly on us by charging more for another project versus what we are now charging. Kathleen felt if we set a precedent and watched it closely we could eliminate some of this. Michael noted this 0.5% did not include the interest rate that the Board may charge or the rated on the bonds



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Terry noted that on October 8th this needs to be done. Kathleen felt that we should have this discussion to see what we need to do. It was noted that the Burnt Creek assessment district needs to be recertified annually. The County will charge us a flat fee of \$1,500 annually for Burnt Creek versus Country Creek which once set up is for the life of the district and we do not have to annually update the property value. Cary noted that we have to go back once the final plat for the Country Ridge Development is approved to redistribute the dollars.

Chairman Fleck noted that we also need to be cognizant that setting it low we don't want to be using the public's monies to cover this.

For assessment district's we can charge up to 1.5% administrative fee to administer the project. This is to cover Kevin's cost and the BCWRD's cost.

Michael noted he is putting together a spreadsheet which he will review with Kathleen and bring to our next meeting. Michael also added that both Country Creek, as to how it is being developed, and Burnt Creek are different then what we will see for the Missouri River Correctional Center.

Questioned the advantage of considering the motion now or waiting until the October 8th meeting.

Michael asked if the ½ percent is based on the total project cost or the balance at the end of each year? Kathleen noted that it is added annually but will verify with Scott Wagner.

Other Business: None.

Next Meeting: Wednesday, October 8th

With no further business, the meeting adjourned at 9:35 a.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Mona Livdahl".

Mona Livdahl