Energy Development

&

Transmission Committee

October 30 & 31

Welcome to Dickinson!

Welcome to Dickinson

Scott Decker

-Commission President (Mayor)

TESTIMONY

Scott Decker
Commission President, City of Dickinson
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Introduction October 30, 2017

Chairman Wardner and member of the Energy Development and Transmission Committee – Welcome to Dickinson! We are so glad to be hosting you in our community over the course of the next 36 hours. We are planning to share the many investments we have made with in-lieu of revenue because of oil impacts with a focus on quality of life. My name is Scott Decker and I am the commission president, mayor as most people refer to me, of Dickinson.

The agenda includes a tour of many of these investments and many presentations designed to provide you with a lot of information but in a way that is easy to understand. We will be comparing Dickinson to other ND cities and cities within the region so you can see why Dickinson and the other oil hub cities stand apart from other communities.

Our overriding intent is to provide you with a couple of key take-aways:

1. We have made smart, award-winning, investments with the in-lieu of revenue the Gross Production Tax has provided; and
2. Oil impacts will not go away for at least a generation (20 years) because:
    a. We have debt that needs to be paid;
    b. According to Director Helms it will take five generations to bring the quantity of oil in the Bakken/Three Forks to the surface (at current technologies); and
    c. We have several additional oil impact related investment needs.

You are going to hear about population quite a bit because our population gain was unprecedented. Only one other community in the nation can boast a higher four-year population gain than Dickinson. We were the fourth, then third, then second fast growing small city in the US over a four-year period (2011 to 2014) according to the US Census. When most people talk about fast growing cities, they reference 2% growth annually – our growth was double that annually in the slowest growth year during that period. We tried to get the best available data regarding population since it effects everything we do. You will hear the NDSU projections, actual population gains and predictions for the future.

You will hear testimony today about how we grew. We used our Comprehensive Plan to create the community we (our residents) wanted rather than getting the community we inherited. We were planning our growth from the core of the community outwards before Governor Burgum was highlighting the importance of this type of growth. Our physical footprint still grew over 45% but by growing from our core out, we were able to minimize the cost of expansion. Expansion is expensive!

We are very appreciative of your past investments in our community and our region. We could not have met the challenge without you. We need your continued investments in Dickinson, Stark County and South West ND to meet the on-going challenges and opportunities and remain an award-winning community that we all can be proud of!

Welcome October 31, 2017

Good morning and welcome to day 2, the final and full day for your meeting here in Dickinson. Yesterday we filled your minds with testimony from ConocoPhillips, tours of the public works building, wastewater reclamation facility, middle school and a focus on infrastructure. Today you will hear from and see the airport, tour the Public Safety facility and hear testimony from Police Chief Dassinger and Fire Chief Sivak, hear from DSU president Mitzel, Stark County commission president Jay Elkin, Superintendent of Schools Doug Sullivan, a comparison of oil plays from Shawn Gaddie from AE2S and then the focus will return to the city and you will hear from city staff.

I am excited about what you will see and hear today. Please ask questions of the presenters and I hope you enjoy the day.

Closing Remarks October 31, 2017

On behalf of the city of Dickinson, all of its citizens and elected officials, I would like to thank the Energy Development and Transmission Committee for visiting our great city and listening to our testimony.

I would like to express the need for continued funding as a hub city and reiterate that the increases in need in services and infrastructure provided by the city, county, schools and airport will not go away.

Oil production and development are once again increasing and as will the demand on our schools, streets, police and fire departments, our landfill and our health facilities.

We have been very diligent and efficient with the GPT and surge funds provided by past legislatures but the future will see even more demand placed on public services. With an increase in oil and gas production coupled with the growing demand for wind energy the whole state has and will continue to benefit from the investment in our infrastructure.

We must continue to build on our great city and county, providing our citizens with quality of life projects they need to stay here and call southwest North Dakota their home.

This will not only benefit us as a community but the state of North Dakota.

I want to take a minute and say than you to all of those involved in making the preparations and presentations for this legislative committee meeting. There are many moving parts and through the collective efforts of all of them we were able to provide, what we hope was an informative and influential meeting.

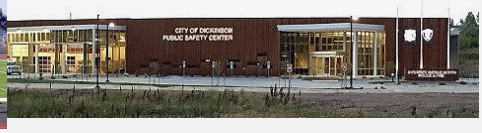
Thank you for your time and service.

Welcome to Dickinson!

-We have **invested** in-lieu of revenue **wisely & well**
-**We are different** than other non-oil impacted cities.
-**Oil impacts** will be here for **generations**

-2008 as the beginning in most slides

-Population x 3




ConocoPhillips
ConocoPhillips
in Dickinson

Cautionary Statement

The following presentation includes forward-looking statements. These statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations, operating results or the industries or markets in which we operate or participate in general. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that may prove to be incorrect and are difficult to predict such as operational hazards and drilling risks; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects; unsuccessful exploratory activities; unexpected cost increases or technical difficulties in constructing, maintaining or modifying company facilities; international monetary conditions and exchange controls; potential liability for remedial actions under existing or future environmental regulations or from pending or future litigation; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; general domestic and international economic and political conditions, and changes in tax, environmental and other laws applicable to ConocoPhillips' business; and other economic, business, competitive and/or regulatory factors affecting ConocoPhillips' business generally as set forth in ConocoPhillips' filings with the Securities and Exchange Commission (SEC). We caution you not to place undue reliance on our forward-looking statements, which are only as of the date of this presentation or as otherwise indicated, and we expressly disclaim any responsibility for updating such information.

North Dakota's Oil and Gas Provides for Families and Communities

38%
Of all taxes in 2016.

AND

North Dakota Jobs
are in the oil and natural gas industry

Source: NDPC, Energy of North Dakota

ConocoPhillips Helps Power Civilization

17
COUNTRIES WITH OPERATIONS AND ACTIVITIES

12,200
EMPLOYEES WORLDWIDE

HOUSTON, TX
COMPANY HEADQUARTERS

COP
NYSE TICKER

Explore for, produce, transport and market hydrocarbons, including crude oil, natural gas, natural gas liquids (NGL), liquefied natural gas (LNG) and bitumen

Operations and activities in 17 countries

- Exploration in 12 countries
- Production in 11 countries

12,200 employees worldwide

Six operating segments

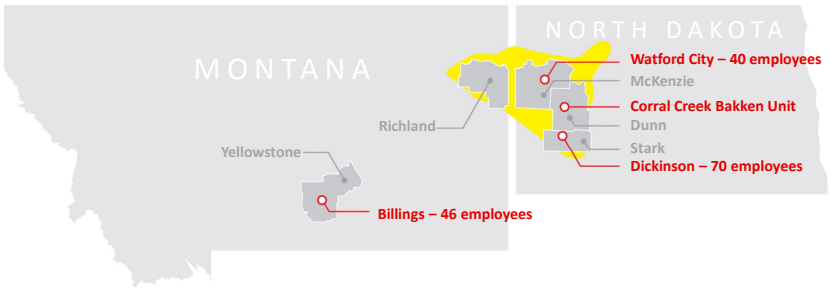
- Alaska
- Lower 48
- Canada
- Europe and North Africa
- Asia Pacific and Middle East
- Other International

As of June 30, 2017

Information in this presentation does not reflect the impacts of the Canadian transaction announced on March 29, 2017, or the San Juan Basin transaction announced on April 13, 2017.

ConocoPhillips

ConocoPhillips Bakken by the Numbers



~620,000
total net acres

~200,000
core net acres

4 RIGS
RUNNING

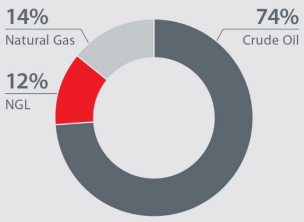
650+
wells

1,200
operated drilling locations identified

<$35/BOE
cost of supply in best part of the play

~100
MBOED
2016 gross production average

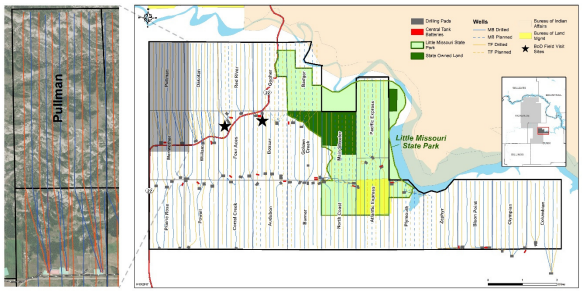
Average Daily Production, 2016



ConocoPhillips

Our Approach to Responsible Operations

Economic Development

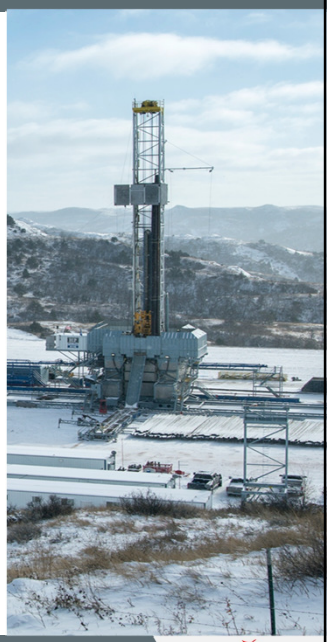


38% more wells

Access to reserves otherwise **stranded by rugged terrain**

Corral Creek Unit

- First and only area unitized for primary oil production
- 30,000 Acres in Dunn County
- Little Missouri State Park
- Seasonal Operations
- Continuous Engagement



ConocoPhillips

We're a major player in North Dakota

#5
Oil Producer

2016 ND Oil Producer Rankings*

ConocoPhillips – 26 MMbbl

#1
In Well Efficiency

2016 ND Well Efficiency*

(Producers over 20 million barrels)

ConocoPhillips – 124 bbl/well/day

Source: NDIC Department of Mineral Resources
*Gross Statistics

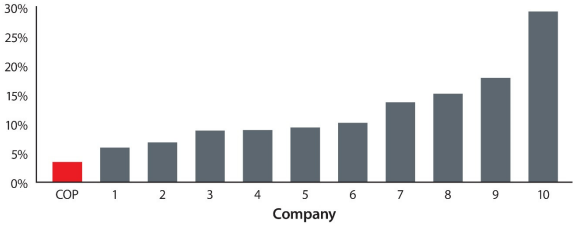
ConocoPhillips

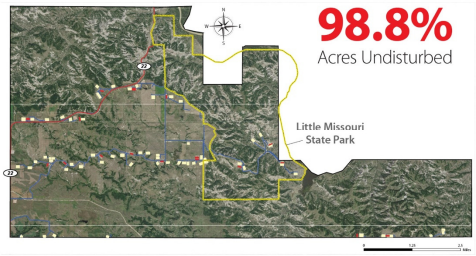
Protecting the Environment We Share

Environmental Stewardship

- Multi-Well Pads
- Interim Reclamation
- Venting/Flaring Reduction
- Closed-Loop Drilling

Percentage of Sales Gas Sent to Flare





98.8%
Acres Undisturbed

Monitor Habitats for
2
Threatened Species
10
Sensitive Species

Field Personnel Attend Annual Migratory Bird Training

Annual Fly-overs
Ensure Sustainable Coexistence

Investing in our Bakken Communities

Social Responsibility

4
Miles of Relocated Horse Trails

18 Surface Owners Collaboration for Road Location

100 Hours volunteered by employees, 2017

$258M
2017 Philanthropic Giving

Dickinson: A Great Place to Live and Work

Dickinson has the infrastructure, quality of life, and positive economic factors that make the area desirable to our company and employees.

Support of Infrastructure

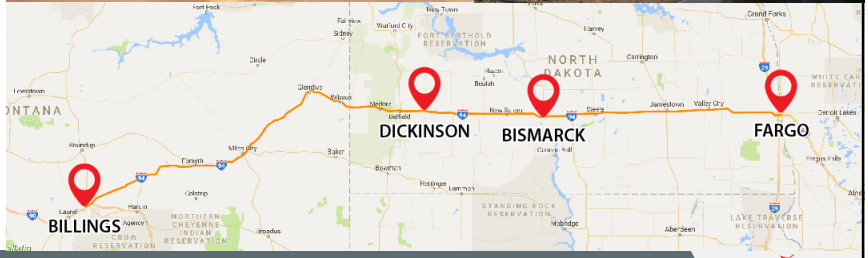
Access to education

Dependable healthcare

Quality of life

Support of Infrastructure

- Air access to Denver
- Interstate 94
- Critical municipal infrastructure



Access to Education

This growing community offers a big opportunity for our youth.

Dickinson State University Ranked #6 in Top Public Schools for 2016

Outstanding and growing public school system

Source: Best Colleges U.S. News & World Report

Dependable Health Care

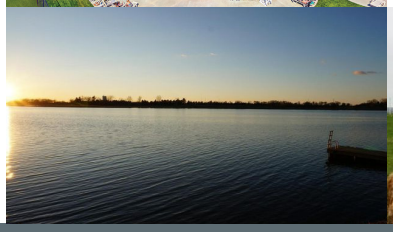
Access to comprehensive, quality health care is important for many reasons including:

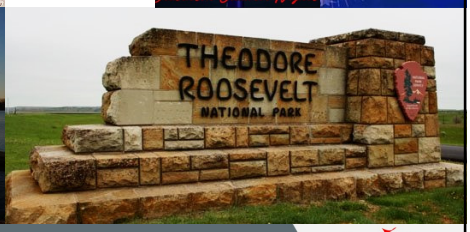
- Promoting and maintaining physical health
- Disease prevention
- Detection and treatment of illness
- Quality of life

Source: U.S. Department of Health and Human Services

Quality of Life

Plenty of opportunities for fun, relaxation and recreation





Questions?

Infrastructure

Craig Kubas
-City Engineer

TESTIMONY

Craig Kubas
City Engineer, City of Dickinson
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

INFRASTRUCTURE. PAST, PRESENT AND FUTURE

BIOGRAPHY

DICKINSON STATE ADDITION CIRCA 1995

To accurately tell the story of infrastructure development through the Bakken shale boom in Dickinson, one needs to go back to the prior oil boom. The oil boom in the late 1970s and early 1980s in western North Dakota was a significant time of infrastructure growth. Dickinson, like most other cities special assessed infrastructure improvements within subdivisions. Water and sewer on local roads were all special assessed to the property owners. Larger water and sewer trunk mains became necessary and those projects were also special assessed. When the past oil boom came to an abrupt end, much of the property was let go on back taxes because there were simply no market for the property that supported the special assessment. From our records of those transactions, the city had received almost 1100 lots back for delinquent payment of taxes and/or special assessments.

The city received entire subdivisions back from developers. One of those subdivisions was called the State Addition which was formerly property owned by the NDSU Research and Extension Center. Without the tax base to support street maintenance cracks developed. Without vehicles to Drive on the streets, weeds grew through the brand new pavement. For the better part of two decades Dickinson struggled to pay off the debt left by unpaid specials in the State Addition and many other developments around the City.

DICKINSON STATE ADDITION CIRCA 2001

Starting slowly in the late 1990s with some interest in Lodgepole oil wells, and in earnest in the early 2000's when the City unloaded the property and had received on back taxes helping lighten the debt load, a slow and steady buildout began. That steady tempo was shortlived. The initial population growth in the 2000s was mainly infill development of previously entitled land from the 1980s boom. This allowed a small and relatively effortless initial build out since land was already platted and in some cases, like the State Addition, infrastructure was already in place. However, the prior boom had left some of the macro-pieces of infrastructure at capacity and the "new" infrastructure was 25-30 years old. At the end of the last decade it was apparent that growth was becoming exponential. A new generation of oil workers was coming to western North Dakota to capitalize on the prolific Bakken/Three Forks Shale Formation. Following on their heels were the developers and builders ready to fill the need. The stage was set for an unprecedented period of growth even larger than the previous oil boom. Dickinson was an attractive market because of the quality of life items like Healthcare, diverse schools, recreation, air service and interstate transportation. The most encouraging thing was that this time, we were told, it was oil *mining* not exploration. Almost all the wells were producers and the only thing that could slow things down were new federal regulations on hydraulic fracturing.

In a nutshell the last thirty years in Dickinson can be summarized as follows:

- The boom and bust of the 1980s
- The stagnant 1990s, with hardly any commercial or residential construction
- The slow and steady growth of the 2000s that required very little infrastructure

Those three decades could have created an understandably complacent attitude towards large infrastructure investments. Conversely, all the indicators from the industry pointed towards continued growth, unlike we'd seen with previous oil surges. With regards to infrastructure, this was going to transform Dickinson from a big town to a small city.

The Bakken boom was mainly comprised of a group of newcomers, but Dickinson leadership still had a connection to the 1980s bust. That connection developed a conservative approach to growth but also demanded foresight. Two main events define that foresight. The first was the deliberate shift from lagoons to mechanical treatment for sewer. The second was the city undertaking and completing the comprehensive and transportation plan called “Dickinson 2035: A Roadmap to the Future”. That plan identified over $500,000,000 in infrastructure needs in the next 30 years.

Population Projections

The basis of the plan was an accurate population projection. The city contracted with North Dakota State University to make that projection. They developed a formula of existing industry employment and extrapolated oil exploration employment using the best available data from the state of North Dakota on the total number of wells that would be drilled. Chapter 2 of the comprehensive plan chronicles the growth trends and population projections for Dickinson.

The yellow line represents the agreed-upon population projections for Dickinson. The gray line represented a total population projection for Dickinson that included a temporary workforce. The Orange line represents a population number that was agreed on by consensus of the staff. The blue line is the population based on actual or estimated US Census Bureau numbers. It is very significant that the city differentiated between a permanent population and a temporary population. Infrastructure was built to meet the needs of the permanent population. There was pressure from developers and the community at large to build towards the gray line or the total population. The main argument was that larger infrastructure needed to be installed faster to bring down housing costs

By 2010 much of the infill development had already been completed. The city limits at that time encompassed 6346 acres. The city limits in 1985 would have been very similar. Today the corporate

limits of Dickinson have grown to 9137 acres an increase of 44% over 2010. Almost all of the growth has been to the northwest, north, and some growth to the northeast.

Even before many of these annexations occurred it was clear that Dickinson's growth potential lied mainly to the west. Factors that influenced the western growth pattern included:

- Geography-anything more northerly then the existing city limits would drain into the Green River watershed.
- Water Service-The west area would include water pressure zones one and pressure zone two. These are already developed, serviceable areas for water Transportation-On Interstate 94, Exit 56 was already being constructed in the West area. This would connect to the permanent truck bypass and to Hwy 22 North It would create a great connection for industrial development to access the oil fields to the north and west
- Zoning- Planning and Zoning had long tried to limit the industrial sprawl along Highway 22 north of Dickinson. The West area would provide ample space with good access for industrial development.

Even though all these factors pointed towards growth of the west the city was not quick to move towards in annexation. Instead the city undertook another comprehensive plan which was called the West Area Study. The study area was approximately 6000 acres of what city leaders that would be the highest growth potential area. The study area included a future land-use map with highly diverse land uses including recreational residential commercial and industrial.

It is worth noting that only 1/4 section of land within the west area plan was ever annexed into the city of Dickinson. However we believe the plan is still extremely relevant today and will remain so many

years into the future. The factors that made the west area an attractive growth region remain relatively unchanged.

Developments

A graphical representation of all the subdivisions and developments that have occurred in the Dickinson area since 2008 is included. The dark blue is residential developments that have been built on or in which a majority of the land has been built on. Light blue indicates residential developments that have not been built on. Purple developments indicate industrial subdivisions while pink areas represent public or civic developments. Green areas are commercial developments that have been built and yellow areas are commercial developments that have not been built out.

It is worth noting on the slide but there are three distinct areas that are growth inhibitors within the city of Dickinson. To the west is a large tract of NDSU Research Extension Center land that has not been available for development. To the north there is a quarter section of private land whose owner has been unwilling to sell for 20 years. To the east there is over one section of land whose owners have also been unwilling to develop. These growth inhibitors do not stop development but rather they make development more expensive as infrastructure is extended past these areas at a high cost. The city has included the NDSU land and the land to the north within long-term development plans, but have excluded the land to the east from any development plans at the wishes of the owner.

Water

The city has constructed over $45 million of water projects since 2008. In 2013 near the end of the comprehensive planning study the city engaged a consultant to perform a water utilities master plan (WUMP). The plan modeled existing infrastructure and planned future infrastructure noting deficiencies in both existing and new systems. That plan has formed the basis for our capital improvement program regarding water infrastructure. We have added 1.5 million gallons of storage within our existing system

to date and have installed two booster pump stations to service new pressure zones that had inadequate pressure.

It is difficult, in many cases, to phase water infrastructure. Two instances where Dickinson has been able to accomplish this were with the finished a water pumping station which was a teaming effort between the State Water Commission in the City of Dickinson. This pump station located near the water treatment plant is the heart of our system. The building was sized so that additional pumps can be added in the future to service the new pressure zones that are needed to the north and south. The second example is that of the booster pump stations which will satisfy the immediate needs of those new pressure zones.

A new water pressure zone can be tricky hurdle to overcome. Water storage units are one of those infrastructure items that are hard to stage. If we are planning for 1,000,000 gallons of storage needed it is most economical to build a 1,000,000 gallons at one time. If development stalls, as is common in a cyclical oil economy, storing that much water can lead to issues related to the age of the water. In very simple terms the chlorine fails to work after so much time. Booster stations were identified in the WUMP as a way to provide these in new areas with adequate water pressure while not requiring immediate storage facilities. Each of these booster pumps cost less than $1 million. A million gallon storage tank is estimated at $4,000,000. When the populations in those pressure zones meet the requirements the booster pumps will be repurposed to fill the permanent storage tanks

Streets

Dickinson has been fortunate to be able to invest over $165 million into transportation infrastructure projects since 2008. The four most significant projects were DOT led efforts that included exit 56, the Highway 22 truck bypass, the interim truck bypass and the State Avenue railroad bridge. The map in front of you also shows 15 miles of collector and arterial roadways added to the system. These were mainly installed to support new development. Six additional traffic signals were added to the Dickinson system as were six miles of a shared use paths. Shared-use Paths are an important component to our transportation network as city officials wanted to maintain Dickinson's walkability.

As growth in Dickinson has moved to the west so have the traffic patterns. In 2017 the new Dickinson public schools middle school opened in northwest Dickinson which had a dramatic traffic impact overnight. The city commission has recently approved a traffic study to ensure that best practices are being used to accommodate the new traffic patterns in western Dickinson.

Transportation is one piece of infrastructure that is more easily expandable. A great example of this is on the City's 21st St. West extension project. It was a 1.3 mile roadway that The Dickinson Comprehensive Plan identified as a principal arterial that would include 5 lanes and require 150 feet of public right of way. The city purchased the required right of way but only constructed three of the five lanes. The south side of the project which fronts to the Dickinson middle school was finished with curb and gutter, lighting and a 10 foot path. This project was built for a cost of $6 million while the five lane project identified in the comp plan was estimated at $11 million.

Sewer

On the high-level Dickinson's sewer system was at capacity after the last boom. The Comprehensive Plan identified many areas that would not support any more growth. As mentioned earlier the city also was being required to shift from lagoons to a mechanical treatment plant. This was done because of a combination of capacity and regulation mandates. Sewer system upgrades can be divided into three components. First is the wastewater plant second is the core Trunkline to the plant and third our system expansions. I will speak to the system expansion at this time.

These expansions included upgrades to lift stations five in the south 12 in the Northeast and 14 in the Northwest part of town it also included upgrades and new construction of 7.3 miles of sewer main. Sewer mains and lift stations or another component that are difficult to stage or phase. Dickinson identified service areas that would be serviced by these pieces of infrastructure and sized them appropriately. The total cost of sewer system expansions including the reclamation facility and a reuse line was nearly $130 million, most of that project cost being financed through debt.

When grouped into years you can see that Dickinson infrastructure investment peaked from 2013 to 2015. In 2018, it is estimated that only $8.7 million of projects will be constructed. This is not due to the lack of need but rather to the lack of funding. The range of 2019 to 2035 shows a significant amount of infrastructure yet to be constructed. However most of this construction will hinge on the ability to retain funding assistance. A considerable amount of funding for future projects is dedicated towards stormwater which has had little project development throughout the building. Most of the stormwater pond construction was done by private development. The majority of future transportation projects will be in the DOT led efforts on the east and west business loops and the interstate exchanges. The city understands that only the East Business Loop is currently programmed in the DOT's budget. We also understand that all these NDDOT regional projects are critical for the future growth of the city.

Infrastructure. Past, Present and Future
1980's Boom

- Constructed in early 1980's
- Costs were Special Assessed
- Property given back on Taxes
- States 1st Addition circa 1995

Source: City Engineering Department

Infrastructure. Past, Present and Future
1990's and 2000's

- States 1st Addition circa 2001
  - Signs of Life
  - Debt was repaid
  - City got lots back into private ownership
  - Plenty of entitled, but unbuilt land from the last boom

Source: City Engineering Department

Infrastructure. Past, Present and Future
The Pending Boom

- 1980 Census population 15,924
- 2000 Census Population 16,010 (0.03% annual growth)
- 2010 Exponential growth that was close to 10% annual

Source: City Engineering Department

Infrastructure. Past, Present and Future
The Pending Boom

FACTORS LEADING TO AN INFRASTUCTURE EXPLOSION

- I-94
- Diverse School System
- Health Care
- Air Service
- West River Community Center 2004
- Infrastructure was at Capacity

Source: City Engineering Department

Infrastructure. Past, Present and Future
The Pending Boom

- First Bakken/Three Forks in Stark County was 2004
- First Big Production in this Region was with Whiting in 2010

- This was now Oil Mining, Not Exploration

Source: ND Department of Mineral Resources

Infrastructure. Past, Present and Future
Demographic Influences on Needs

Baby Boomer vs. Oil Boomer

Source: City Engineering Department

Infrastructure. Past, Present and Future Demographics Influence on Needs

Baby Boomer Household

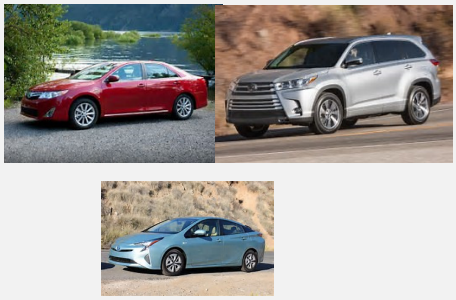
vs.

Oil Boomer Household

Source: City Engineering Department

Infrastructure. Past, Present and Future Demographic Influences on Needs

Baby Boomer Vehicles/Residence



vs.

Oil Boomer Vehicles/Residence

Source: City Engineering Department

Infrastructure. Past, Present and Future
Big Town to a Small City

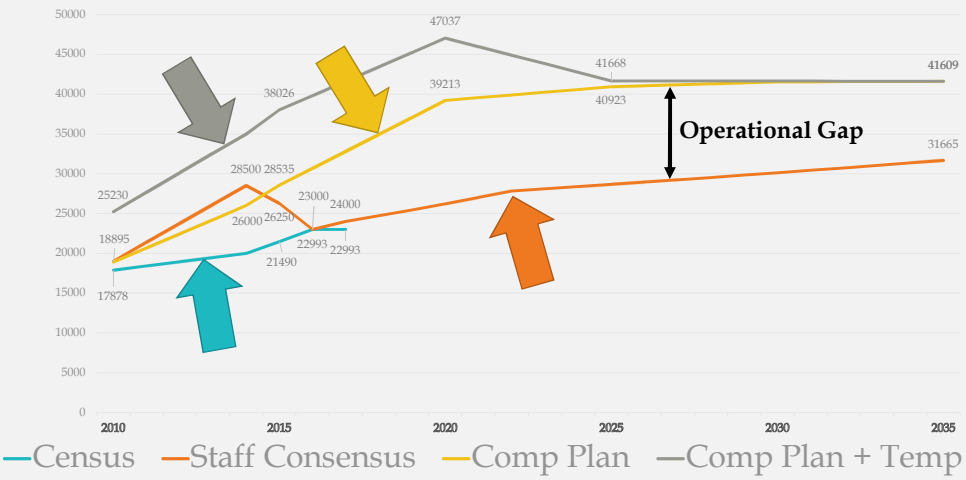
TWO DEFINING MOMENTS IN OUR INFRASTRUCTURE STORY

- 2009-2011
- City makes Shift from Lagoons to Mechanical Treatment
  - Ensure Environmental Compliance
  - Enable Expansion
- 2011-2013
- City Completes the Comprehensive & Transportation Plan
  - Identified over $500,000,000 of Oil Impact Infrastructure Needs

Source: City Engineering Department

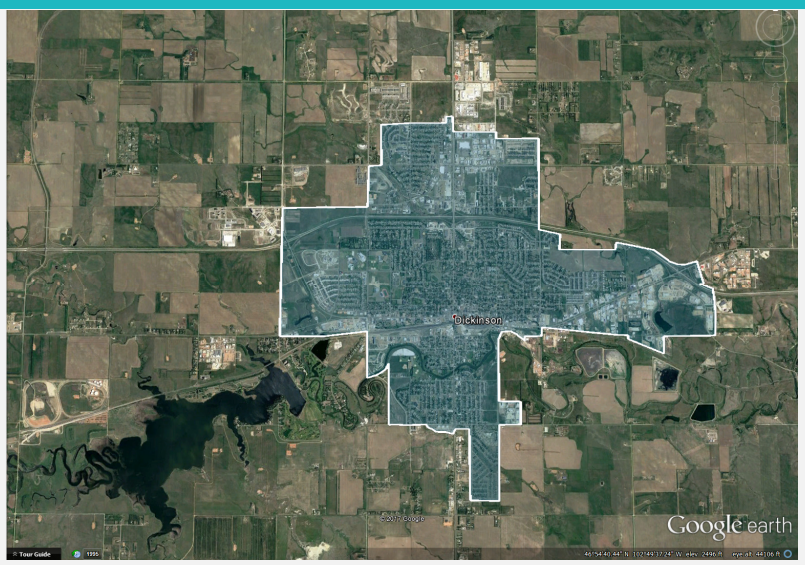
Infrastructure. Past, Present and Future
Population Projections

EST. 3% GROWTH 2017-22 AND 1% GROWTH 2022-2035



Source: City Engineering Department

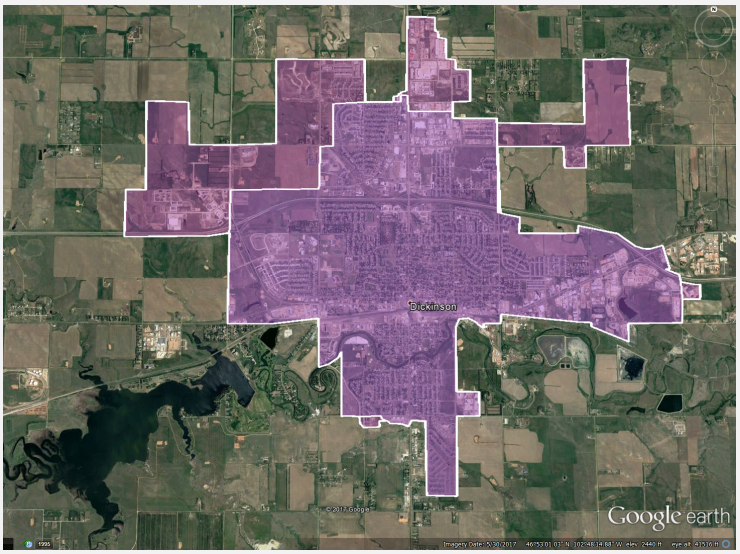
Infrastructure. Past, Present and Future
2010 Corporate Limits



- 6,346 Acres

Source: City Engineering Department

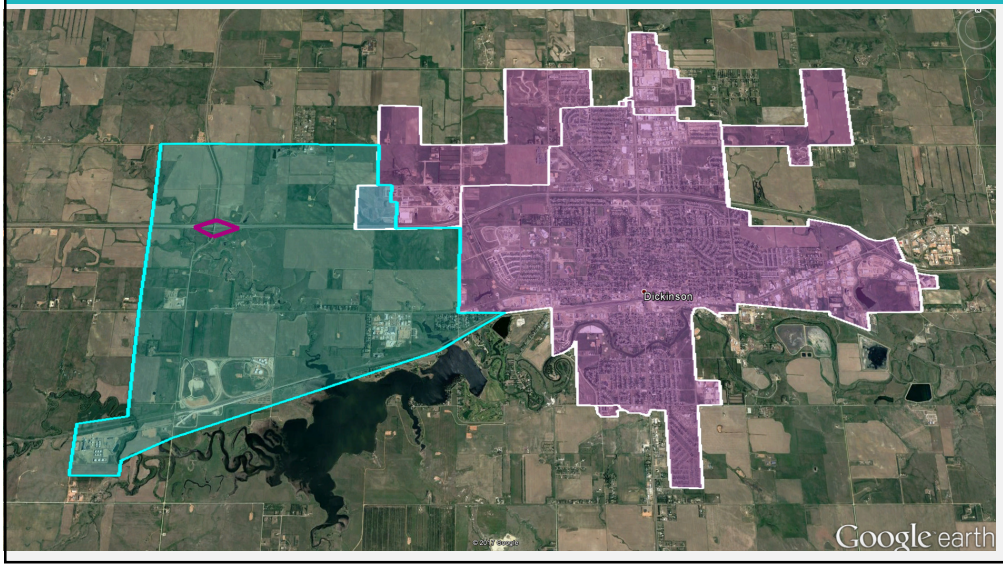
Infrastructure. Past, Present and Future
2017 Corporate Limits



- 9,137 Acres
- (+44% over 2010)

Source: City Engineering Department

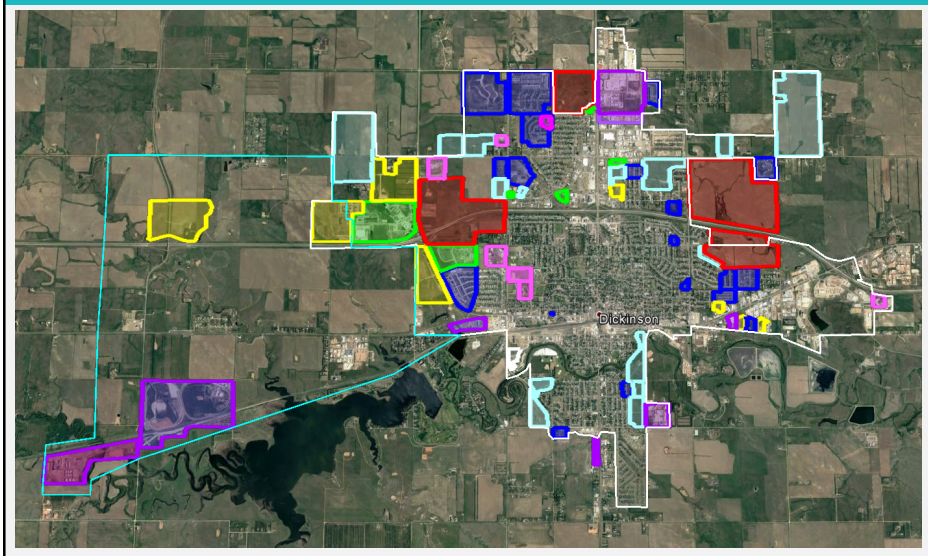
Infrastructure. Past, Present and Future
West Area Plan



- 6000 Acres
- Growth Potential
- Exit 56

Source: City Engineering Department

Infrastructure. Past, Present and Future
Developments



- **Residential**
- **Residential Unbuilt**
- **Commercial**
- **Commercial Unbuilt**
- **Public/Civic**
- **Industrial**
- **Growth Limiters**

Source: City Engineering Department

Infrastructure. Past Present and Future Growing Around Oil

- Dickinson and Oil wells.
  - Need to ensure safety
  - 300′ No Build Radius
  - 6.5 Acres of unused land
  - More expensive development

Source: City Engineering Department

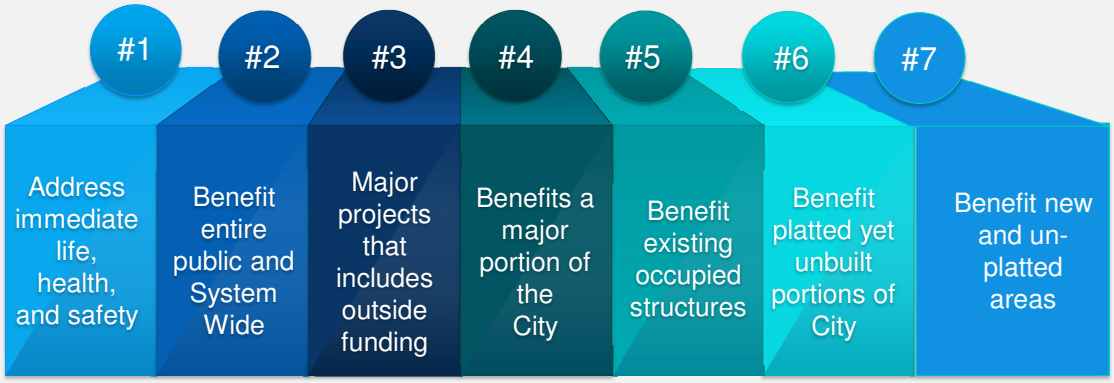
Infrastructure. Past Present and Future Growing Around Oil

- Inflation in the Bakken.
  - Materials
  - Employment Crunch
  - Housing Costs
  - Construction Services
  - Professional Services
  - Land Values
  - More expensive development

Source: City Engineering Department

Infrastructure. Past, Present and Future

Infrastructure Prioritization Policy



Resolution No. 23-2013 City of Dickinson

Infrastructure. Past, Present and Future

CIP Budget Planning

Projects & Priorities

Const. & Eng. Budgets

State & Private Funding

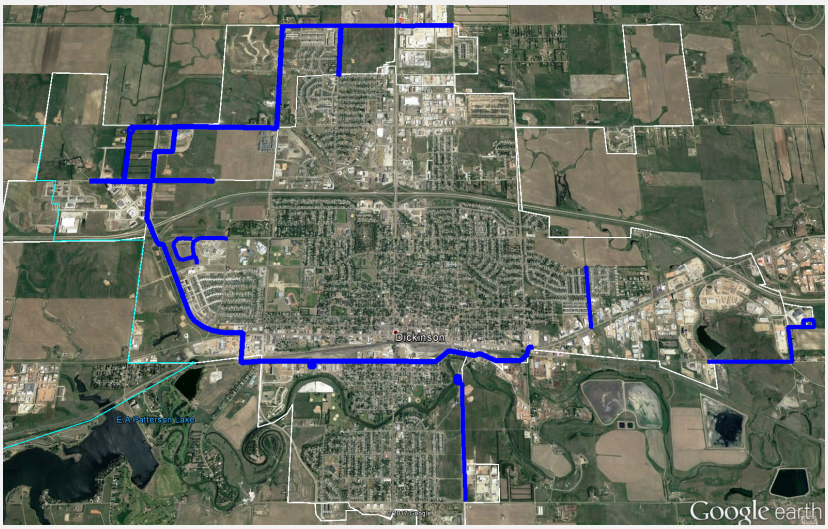
City Obligation & Funding Sources

Project Management

Draft 2018 Capital Improvement Project

Year	Priority Rep	Priority	Project	Project Costs: Design Engineering	Project Costs: Construction	Project Costs: Construction Management	Project Costs: BUDGET (NOT to exceed)	Project Costs: ACTUAL Total (WILL change with Bid, CO's Etc.)	FinanceDept. Actuals as of 1-29-2016	State of ND: Private/ Public Funding	State of ND: Water Commission Grant $13,840,000	State of ND: SWC SB 2020	State of ND: Energy Impact Grant	State of ND: Formula HB 1176 (ESPTAdvisc)	State of ND: 2015I2016 Surge Funding $44 M	City Contribution	City Cash on Hand (Enterprise)	Sales Tax 50% of 1%	SRF Net Rev Water Loan $27 $40,500,000	SRF Sewer Loan #42 $32,308,000	SRF Sewer Loan #42.1 $10,000,000	Sales Tax Series 2013 Bond $16,305,00	Special Improv. Debt	Task Order Issued/Proj. Manager	Project Status
2018	2	1	Landfill Buildings (Includes Acquisition)	$50,000	$2,500,000	$50,000	$2,600,000	$2,600,000						$2,600,000		$0								Wenck/Gary	Design
	2	2	Reuse Water Infrastructure 201511	$229,400	$150,000	$0	$1,229,400	$379,400	$63,616					$379,400		$0								Apex/Gary	Design
	3	3	Lift Station #1 Upgrades	$71,000	$1,500,000	$250,000	$2,000,000	$1,821,000						$1,821,000		$0								Pending	Bid Ready
	3	4	8th Street S (Urban Road)	$161,750	$2,061,000	$300,000	$3,000,000	$2,522,750		$1,360,000				$350,000		$812,750		$812,750							Nov. Bid
	3	5	21st Street East and 10th Ave ETrail Improvements	$140,030	$1,190,000	$106,740	$2,000,000	$1,436,770		$250,000						$1,186,770		$1,186,770							Nov. Bid
	M		2018 Sidewalk Program		$200,000		$200,000	$200,000								$75,000							$75,000		Pending
	M		2018 Mill & Overlay	$50,000	$1,500,000	$50,000	$2,000,000	$1,600,000								$1,600,000		$1,600,000							Pending
			2018 TOTALS	$702,180	$9,101,000	$756,740	$13,029,400	$10,559,920	$63,616	$1,610,000	$0	$0	$0	$5,150,400	$0	$3,674,520	$0	$3,599,520	$0	$0	$0	$0	$75,000		
			Airport Water Mains and Tank		$8,000,000		$8,000,000	$8,000,000								$8,000,000									Pending
			Signalized Intersections/Round-a-bouts	$100,000	$800,000	$100,000	$1,000,000	$1,000,000						$1,000,000		$0									Pending
			Downtown Storm Sewer Improvements	$450,000	$4,500,000	$600,000	$5,550,000	$5,550,000								$5,550,000									Pending
			Sewer Line South from Lift Station 5	$214,700	$1,500,000	$206,100	$1,800,000	$1,920,800						$1,920,800		$0								Pending APEX	Bid Ready
			Quiet Rail 201316	$35,000	$500,000	$75,000	$610,000	$610,000						$610,000		$0								Pending SRF	Pending
			Septic Receivage Station	$10,000	$100,000	$10,000	$150,000	$120,000						$120,000		$0									Pending
			Waste Water Pipe and Liftstation for Airport		$12,500,000		$12,500,000	$12,500,000								$12,500,000									Pending
			State Ave S Watermain (Broadway to 8th)	$100,000	$1,400,000	$150,000	$1,650,000	$1,650,000				$900,000		$750,000		$0								KL/Loretta	Bid Ready
			Police Emergency Simulator in PSC		$250,000		$250,000	$250,000						$250,000		$0									Pending
			Finished Water Pump for South Side	$50,000	$400,000	$50,000	$1,500,000	$500,000				$400,000		$100,000		$0									Pending
			North Industries Utilities	$160,000	$2,000,000	$280,000	$3,000,000	$2,440,000				$400,000				$2,040,000								Highlands/Craig	Design
			SouthSide Water Tank	$200,000	$3,500,000	$300,000	$3,000,000	$4,000,000				$2,300,000		$1,700,000		$0									Pending

Infrastructure. Past, Present and Future
Water



- $45.7 mil Total
- WUMP
- State/City Teaming
  - $13.4 Mil from SWC
- 12 miles of 12”-24” pipe
- Two Tanks 1.5 MGals
- 3 Pump Stations

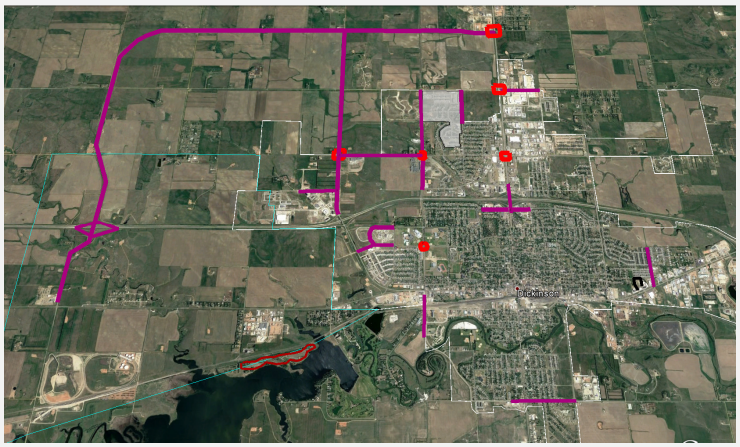
Source: City Engineering Department

Infrastructure. Past, Present and Future
Highlight – State Ave Booster Station

- $900,000
- Serves PZ 3N
- Fits into Residential
- Phase 1 Until Storage Needed

Source: City Engineering Department

Infrastructure. Past, Present and Future
Streets



- $165.7 Mil
- State/City Teaming
- 15 miles of Arterial/Collector
- 6+ miles of Shared Use Paths
- 6 Traffic Signals
- 21st St. Expandability

Source: City Engineering Department

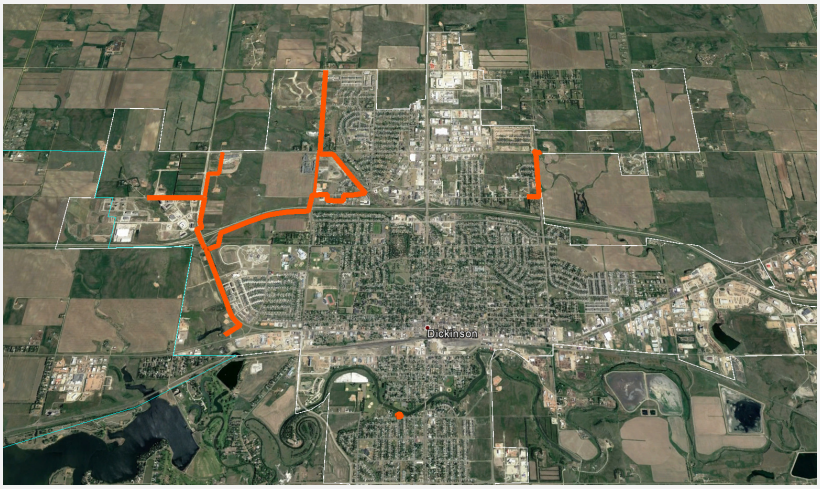
Infrastructure. Past, Present and Future
Highlight – 21st Street West Extension

$6.0 mil project cost
Designed for 5 lanes
Built to 3 Lanes

Middle School Connection
Expandable to the North

Source: City Engineering Department

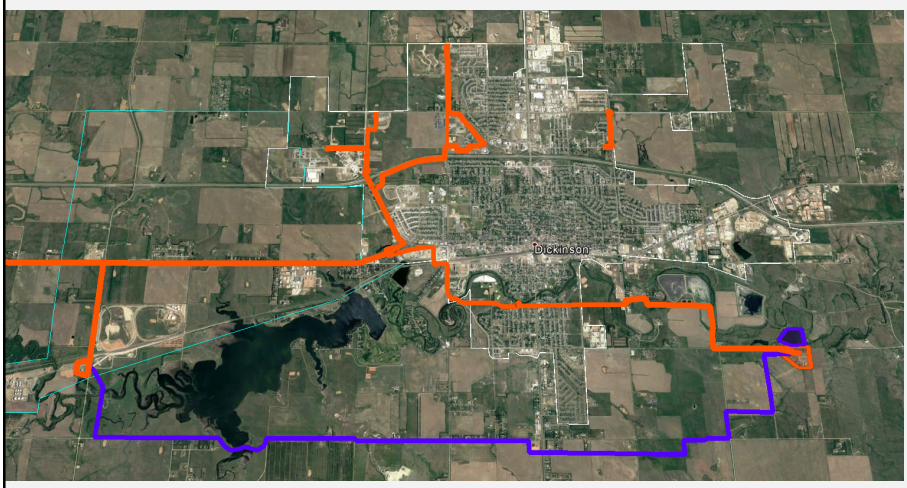
Infrastructure. Past, Present and Future
Sewer



- Dickinson System Expansion
- Three Lift Stations
- 7.3 Miles of Trunk Main

Source: City Engineering Department

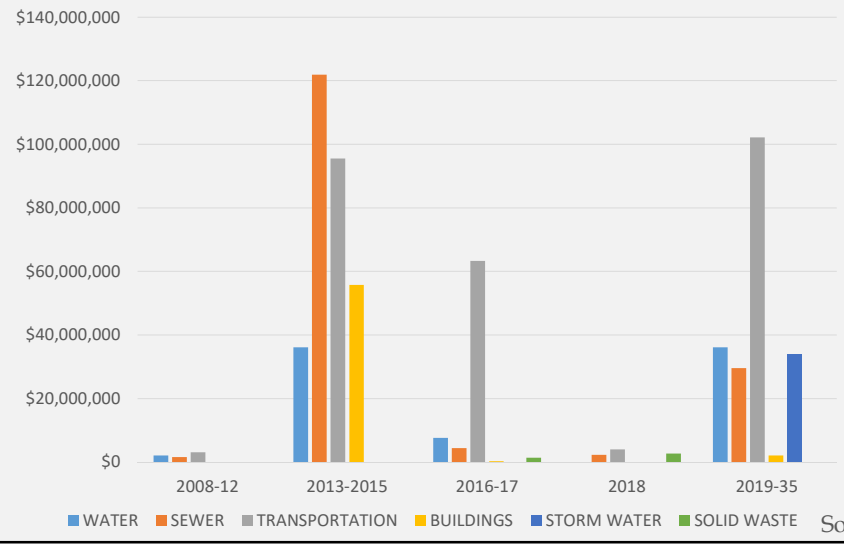
Infrastructure. Past, Present and Future
Sewer



- System Expansions
- WW Reclamation Facility
- West Area Expansion
- 9.6 miles Trunk Main
- Reuse Water Line
- $129.9 mil Total

Source: City Engineering Department

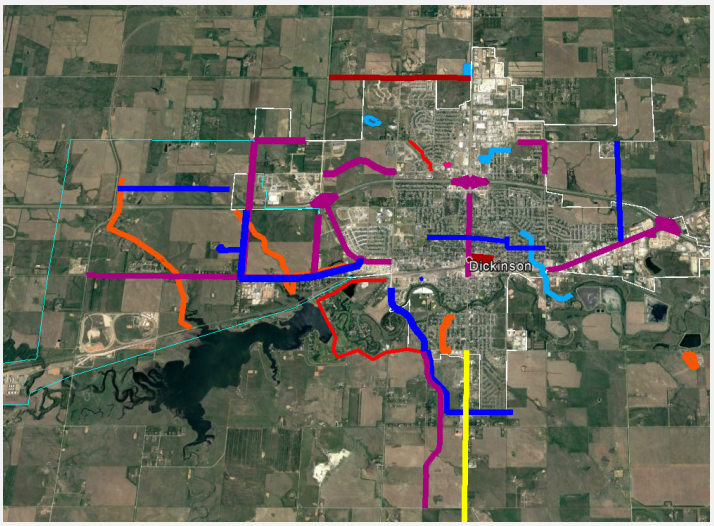
Infrastructure. Past, Present and Future Investment by Type (2008-2017)



TOTALS	
2008-2012	$6.5 Mil
2013-2015	$309.2 Mil
2016-17	$76.7 Mil
2018	$8.7 Mil
2019-2035	$203.7 Mil

Source: City Engineering Department

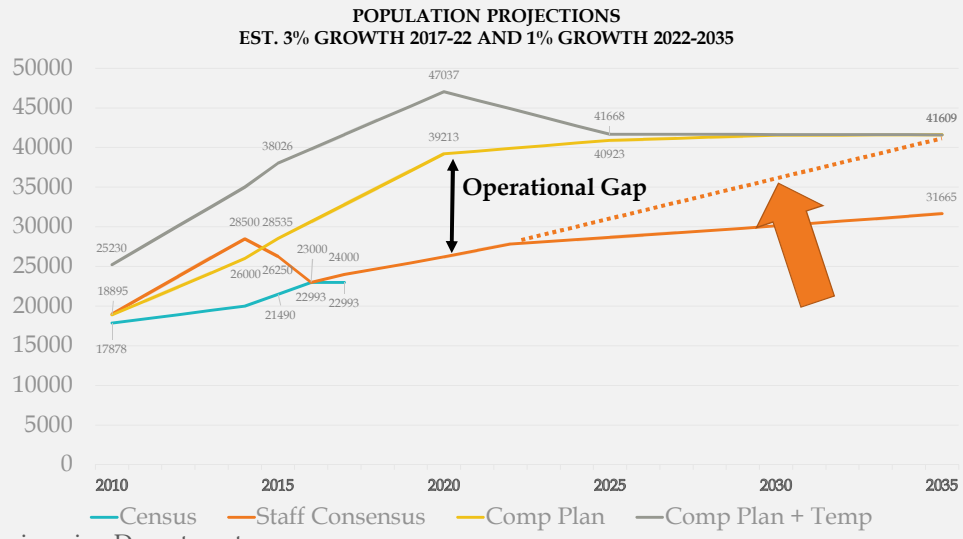
Infrastructure. Past Present and Future Overview of Future Investments



- Water $36.1 Mil
- Sewer $29.5 Mil
- Streets $102.1 Mil
- Buildings $1.3 Mil
- Storm $34.7 Mil
- **Total $203.7 Mil**

Source: City Engineering Department

Infrastructure. Past, Present and Future
The Next Upturn in Oil



Source: City Engineering Department

Infrastructure. Past, Present and Future

Gary Zuroff

-Public Works Director

TESTIMONY

Gary Zuroff
Public Works Director, City of Dickinson
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Good Afternoon Mr. Chairman and members of the committee. I want to welcome you to the Public Works Facility for the City of Dickinson. This facility, along with the many others needed vertical and horizontal infrastructure improvements, has dramatically changed the Public Works Department. The oil and gas industry has created unprecedented growth in the region which required the City to plan, prioritize, build, and now maintain the substantial expansion in infrastructure. We have changed our operations to meet the increased demands for services not just in the City but in the Region.

Highlighted Sewer Project-Water Reclamation Facility

I want to start by continuing the discussion of the sewer infrastructure and the expansion of the West Area of Dickinson. The first priority was to upgrade the wastewater treatment facility which was nearing its design hydraulic and organic loading capacities. Since Dickinson had previously experienced boom and bust cycles, city officials were apprehensive to over-build city infrastructure. The preliminary engineering report was completed for pond expansion in 2010 but the population grew faster than predicted which prompted reevaluation of the plan for the city's wastewater treatment facility. Population projections were increased which meant a pond system was no longer feasible for the rapid growth. At the same time the North Dakota Department of Health was evaluating their nutrient limits and it became evident the city would have stringent limits when discharging to the Heart River. At that time it was determined that the best option was a mechanical treatment facility to provide flexibility for

expansion and meet the stringent effluent limits. There was also a diesel topping facility being planned approximately 7 miles west of Dickinson. Limited water resources existed for industrial use, the City of Dickinson decision to build was able to make the refinery a reality by providing treated effluent for refinery process water. The selected treatment facility consists of pretreatment, integrated fixed film activated sludge (IFAS) biological treatment, clarification and UV disinfection. Both the treated effluent and biosolids are reused. The facility also addresses regionalization by providing wastewater treatment for the refinery, area industries, crew camps, City of South Heart, and the west Dickinson area.

Highlighted Sewer Project Information

The Water Reclamation Facility was bid June 21, 2012, for approximately $30,000,000. The planned substantial completion date of October 2014 became significant as that was the planned startup for the new refinery. The treatment plant was operational by that date with change orders of less than 1%.

Phasing of the Water Reclamation Facility

The Water Reclamation Facility was a #1 priority in 2012 along with being the first major project for the City. The project was the foundation for the entire sewer network and was needed for any growth to continue in Dickinson. The facility can be built over three phases to accommodate future growth up to a regional service population of 76,000. All processes and buildings were sized to accommodate future equipment and connections.

Daily flows at the Water Reclamation Facility

This slide represents the average daily flow at the Water Reclamation Facility. This graph is indicative of all of the other graphs which show that in 2013 there was a peak then a downturn but in 2016 trending upward again.

Reuse Booster for Industry and Region

The City of Dickinson entered into contract with the Dakota Prairie Refinery to ensure the refinery would be provided the required amount of reuse water for production. Dakota Prairie Refinery needed a guaranteed source of 150 gallons per minute (gpm) with a max of 500 gpm. The water from the plant is conveyed by a pipeline that was built by Dakota Prairie Refinery and at that time they told us that they only required a 6 inch line for the water they needed. Understanding that the Southwestern portion of North Dakota does not have any unclaimed water sources the City of Dickinson recognized the opportunity and wanted to maximize the availability of the reuse water to industry. The reuse water line was built to a size of 16 inches which can convey up to 3 million gallons per day. This upsized cost of 2. 6 million was then added as a wheeling fee for water sold beyond the refinery. The 3 million gallons per day is above what the plant treats per day so we are using the old lagoon cell #4 for storage and have set up a pumping system that allows us to send the maximum reuse water west to a transfer point north of the refinery. In 2016 through July of 2017 we have supplied over 175 million gallons of reuse water for oil well fracturing. This is in addition to the 60 million of gallons sent to the refinery.

Map of Regionalization and Industry

This slide shows the reuse water line in purple and the wastewater line in green which returns to the Water Reclamation Facility. The green line north of the refinery which includes the Hwy 10 Lift and then flows to the West Lift Station was also built by Dakota Prairie. This area was being considered for additional development, along with the City of South Heart wanting to send their effluent to the city, so the City decided that the lift station and the sewer main should be upsized to accommodate future growth. These “overbuild” costs totaled $3.2 million dollars. The wastewater charges for the refinery are currently being credited to the overbuild costs.

Investment for Sewer and Reuse

Once the contracts were in place there was significant pressure on the City to finish their portion of the infrastructure improvements needed for the refinery. The projects included the Water Reclamation Facility, Reuse water line, Hwy 10 Lift, Sewer Mains, West Lift Station, and the Influent Pump Station. The planned startup date for the refinery was October of 2014 and all of the projects were substantially complete except the reuse booster station that was finished at a later date and was not needed to provide the contracted reuse water. This "loop" was over a $60 million dollar investment and most of the projects were financed through debt.

Solid Waste Service Area

The City of Dickinson Solid Waste service area includes 10 counties and 23 communities and accepts waste from a large portion of southwestern North Dakota. We have just finished development of a new cell and continue to pursue land acquisition for expansion of the landfill. We have been working hard to implement recycling and divert as much as we can so that we can increase the life span and accommodate the increased tonnages.

Communities in the Solid Waste Service Area

The communities served by the City of Dickinson Landfill include the area from Beach to Flasher and from Dunn Center to Hettinger.

Solid Waste Overall Tonnage

The overall tonnage accepted at the landfill increased significantly in 2013 and in 2014 and this trend has continued.

Household Solid Waste from inside and outside city limits

When you compare the overall household tonnage from inside City limits to outside the City or non-city residential waste you can see a significant change. Iin 2014 the non-city waste stream was higher than the city tonnage and the trend has continued. The impact from the region is significant and the City of Dickinson Landfill continues to be impacted from regional growth and industry.

Landfill Cell Construction

The impacts from the oil and gas industry and subsequent growth in the region has significantly decreased the life span of the landfill. Land acquisition and expansion along with facility buildings and improvements are needed to continue to provide long term solid waste services to the region. Hub City Gross Production Tax dollars are crucial in providing the essential solid waste service for Southwest North Dakota.

Water Sold by Year

I have a couple of graphs showing water consumption that illustrate we are again trending upward in our water totals.

Water Sold by Month

Monthly sales have increased significantly over the last several years and July of this year 133,839,910 gallons were consumed which is the highest recorded amount. Without the added water mains, reservoirs, booster stations, and the finished water pump station we wouldn't have been able to meet the demand.

Street Lane Miles

The significant development has made a major impact on the Public Works Street Department. The lane miles per employee had stayed consistent over the last 30 years. The Department had 10 employees and the average miles per employee was about 25. The growth in Dickinson has increased road lane miles where the same 10 employees in 2016 are maintaining 48 miles which is almost double.

Fleet Work Orders

The Fleet department has also changed dramatically. Prior to the growth the City fleet of vehicles was maintained by a staff of two. We have doubled the staff and implemented a fleet maintenance software program so work orders and maintenance activities can be tracked more efficiently. We implemented the tracking software in 2015 and that year 646 work orders were achieved. In 2016 we closed out 994 which was an increase of 53.9%.

Public Works Department Staffing

The Public Works Department has changed considerably since 2011. You will notice that the staffing previous to that year was static and there were not many changes or needs to increase staff. Then the growth from the oil and gas industry created a major impact on all the services that the department provides. Now we need to maintain almost double the lane miles of roads, new booster stations, lift stations, water storage reservoirs, a high service pump station, and a new mechanical treatment plant. All of these needed infrastructure improvements required us to change our operations, we had to be more efficient, technical, and knowledgeable in providing the services for our citizens. We need the continued support from state so we can continue to provide the essential services for the citizens of Dickinson and the region.

Questions?

Infrastructure. Past, Present and Future
Water Reclamation Facility

Highlighted Sewer Project
Integrated Fixed Fill Activated Sludge system (IFAS)

- Design needed to meet the most stringent effluent limits in North Dakota
- Design needed to meet the changing growth dynamic
- Design needed to provided quality treated effluent (reuse water) for the new diesel topping facility and the oil industry
- Awarded the North Dakota American Public Works Project of the year in 2014
- Awarded by the North Dakota American Council of Engineering Companies for Engineering Excellence in 2014

Source: City of Dickinson Public Works & Apex Engineering Group

Infrastructure. Past, Present and Future
Water Reclamation Facility

Highlighted Sewer Project
Integrated Fixed Fill Activated Sludge system (IFAS)

- Bid Date June 21, 2012
- Bid Amount $29,954,783 for Phase I
- Budgeted Project Changes $1,500,000
- Change Orders $150,000
- Substantial Completion October, 2014 to coincide with the Dakota Prairie Refinery

Source: City of Dickinson Public Works and Apex Engineering Group

Infrastructure. Past, Present and Future
Water Reclamation Facility

- All processes were designed with future expansion in mind.
- The buildings are sized to accommodate future equipment and piping was extended for future connections.

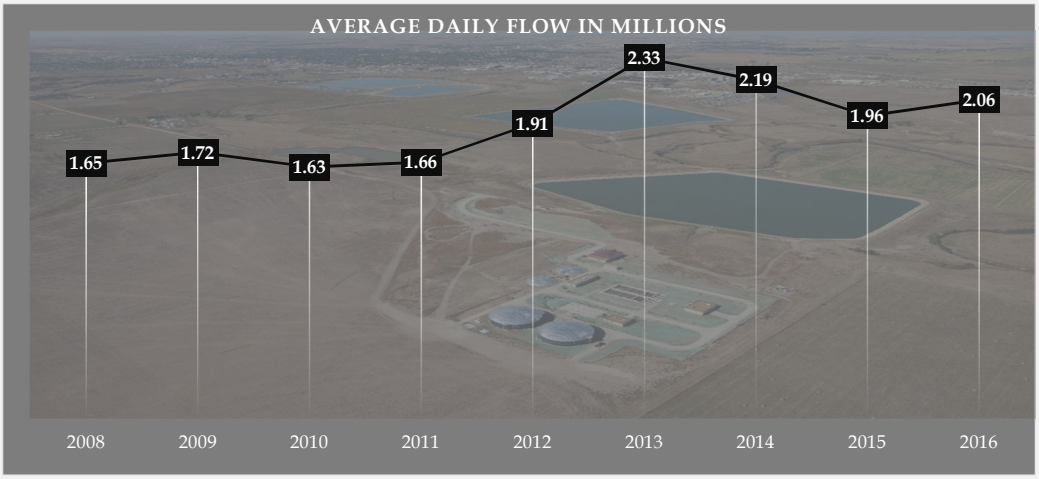
Phase 1
- Service population up to 35,000-38,000

Phase 2
- Service population up to 52,000-57,000

Phase 3
- Service population up to 70,000-76,000

Source: City of Dickinson Public Works

Infrastructure. Past, Present and Future
Water Reclamation Facility



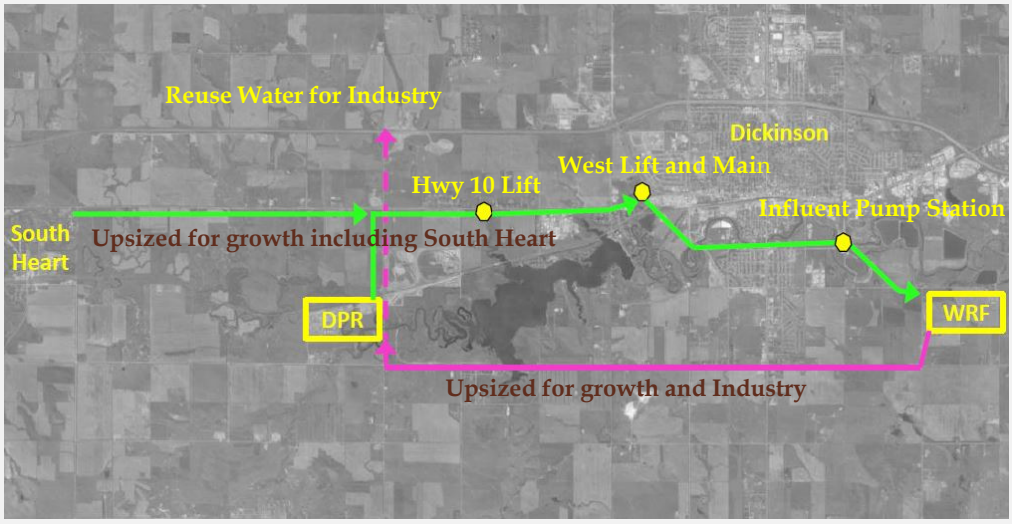
Source: City of Dickinson Public Works

Infrastructure. Past, Present and Future
Reuse Booster Station

- Project allowed the City to distribute reuse water for the oil industry, especially for oil well fracturing
- Additional City investment for Industry to meet demands
- Maximize flow in Reuse Line
- Using old lagoon cell for Treated Water
- Water supplied for oil well fracturing was over 175 million gallons in 2016-2017.
- Awarded by the North Dakota American Council of Engineering Companies for Engineering Excellence in 2016

Source: City of Dickinson Public Works

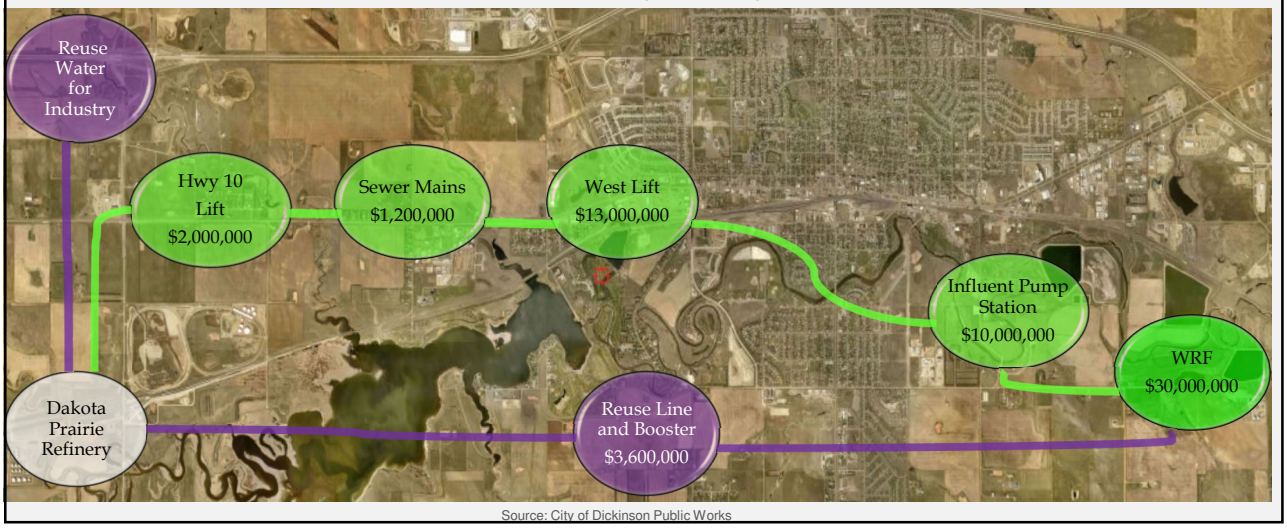
Infrastructure. Past, Present and Future
Water Reclamation Facility Regionalization and Industry



Source: City of Dickinson Public Works and Apex Engineering Group

Infrastructure. Past, Present and Future
Water Reclamation Facility Regionalization and Industry

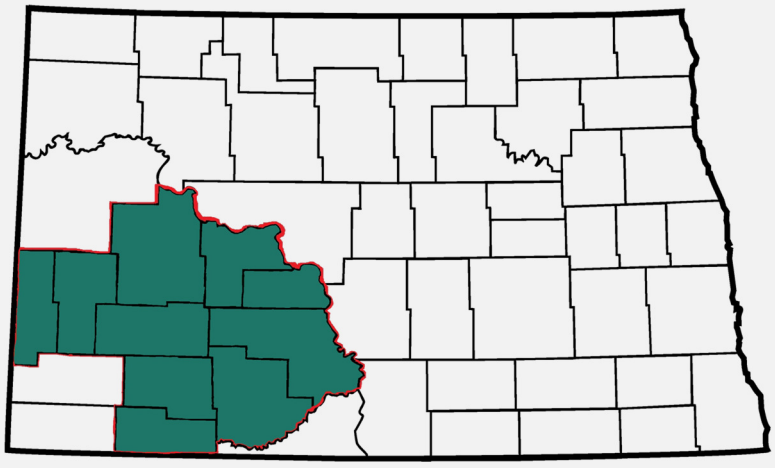
Over $60,000,000 Invested by the City of Dickinson



Source: City of Dickinson Public Works

Infrastructure. Past, Present and Future
City of Dickinson Solid Waste Service Area

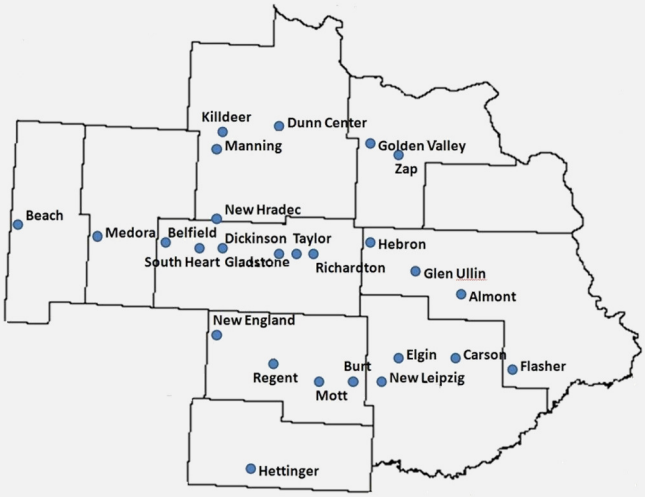
- Regional Landfill
- 10 Counties
- 23 Communities
- Cell Development
- Expansion and Acquisition Project
- Implementation of Recycling to increase life span



Source: City of Dickinson Public Works

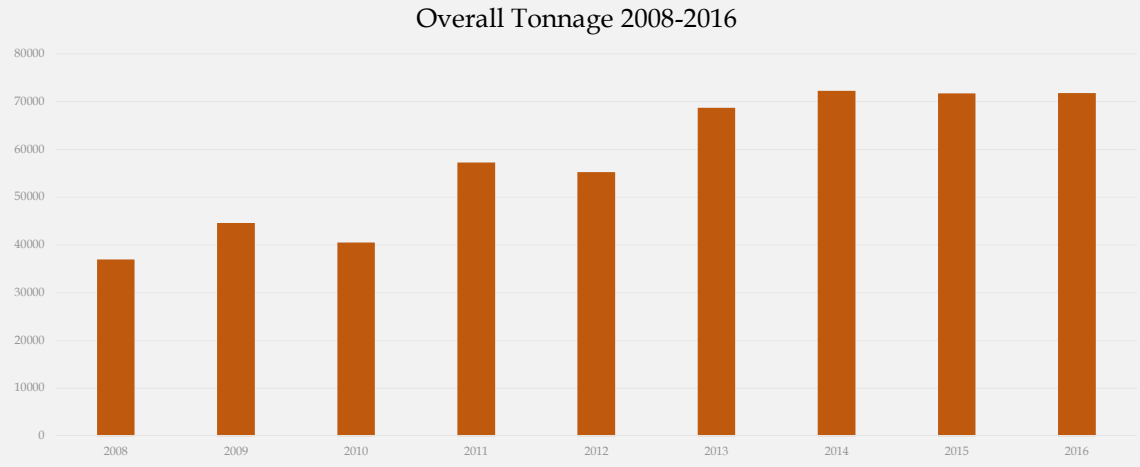
Infrastructure. Past, Present and Future
City of Dickinson Solid Waste Service Area

- Beach to Flasher
- Dunn Center to Hettinger



Source: City of Dickinson Public Works

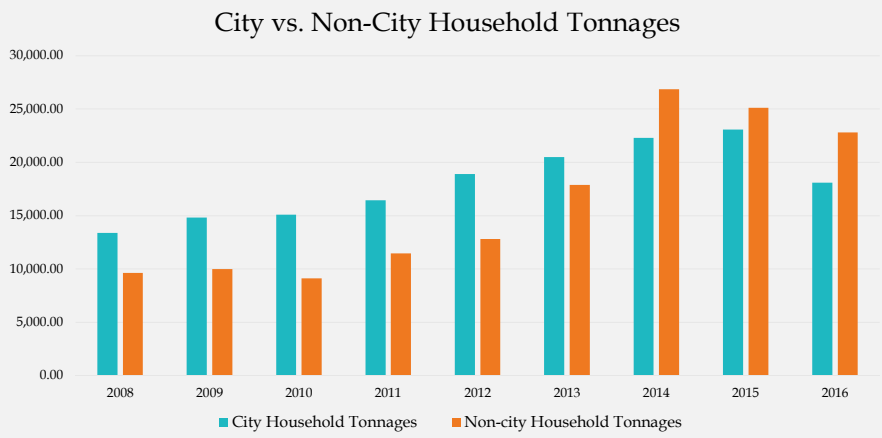
Infrastructure. Past, Present and Future
City of Dickinson Solid Waste Service Area



Source: City of Dickinson Public Works

Infrastructure. Past, Present and Future
City of Dickinson Solid Waste Service Area

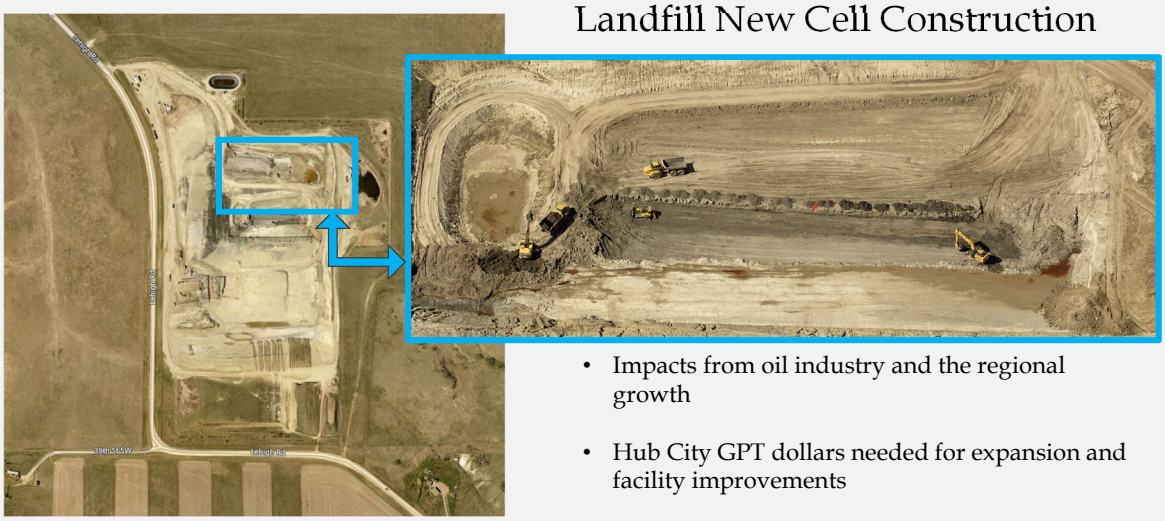
- In 2014 Non-City tonnage exceeded tonnage from inside City limits.
- The City of Dickinson Landfill continues to be impacted from the regional service area.



Source: City of Dickinson Public Works

Infrastructure. Past, Present and Future
City of Dickinson Solid Waste Service Area

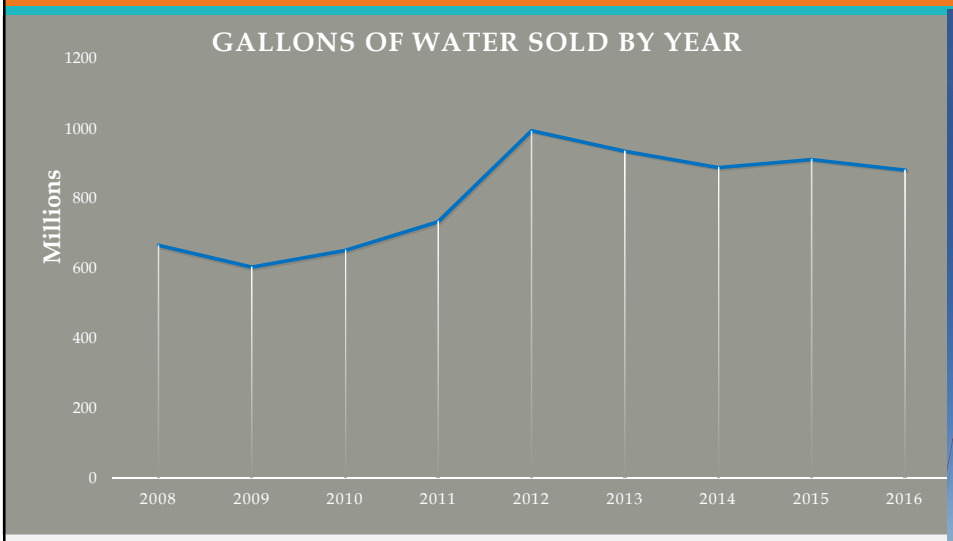
Landfill New Cell Construction

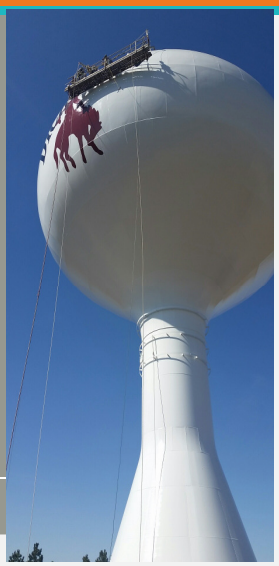


- Impacts from oil industry and the regional growth
- Hub City GPT dollars needed for expansion and facility improvements

Source: City of Dickinson Public Works

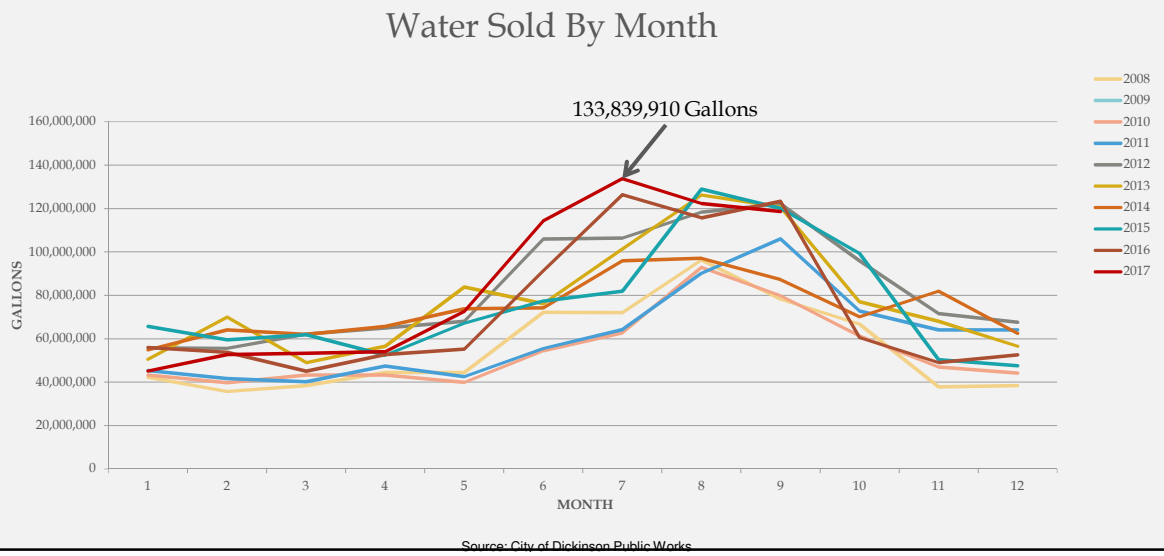
Infrastructure. Past, Present and Future
Public Works Water Utilities





Source: City of Dickinson Public Works

Infrastructure. Past, Present and Future
Water Utilities



Source: City of Dickinson Public Works

Infrastructure. Past, Present and Future
Public Works

Source: City of Dickinson Public Works

Infrastructure. Past, Present and Future
Public Works Fleet

Fleet Work Orders

- 646 in 2015
- 994 in 2016

This was an increase of 53.9%

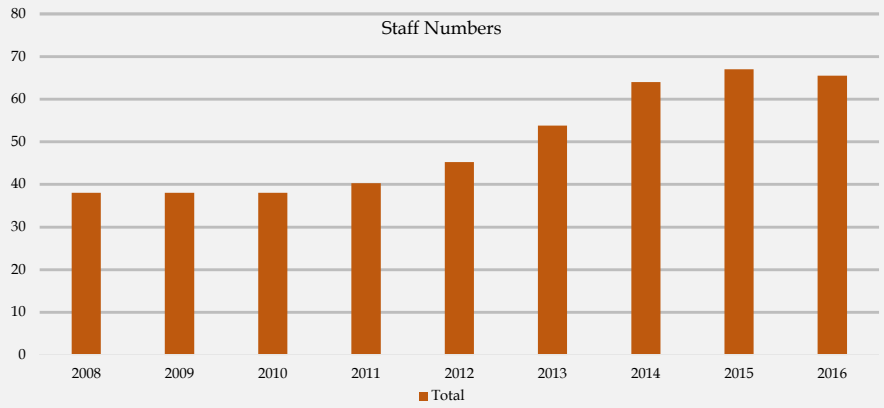
Implementation of City Fleet and Maintenance Software in 2015

Source: City of Dickinson Public Works Fleet

Infrastructure. Past, Present and Future
Public Works Department

Currently 65.5 Full Time Staff

- STREET AND FLEET
- BUILDING AND SITES
- FORESTRY
- SOLID WASTE
- WATER UTILITIES
- WATER RECLAMATION



Source: City of Dickinson Finance

Infrastructure. Past, Present and Future
Questions?

Source: City of Dickinson Public Works

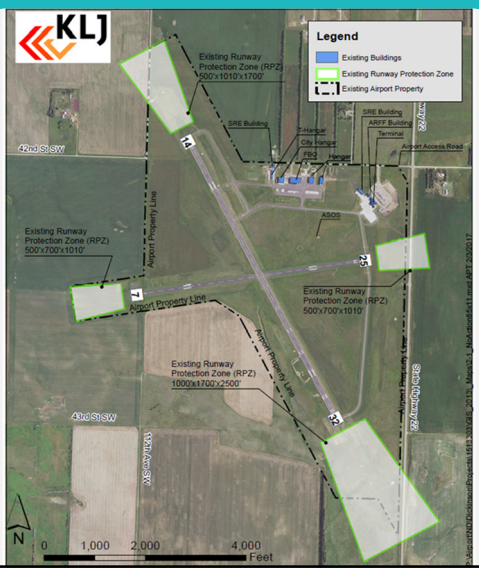
Theodore Roosevelt Regional Airport

Dickinson Theodore Roosevelt Regional Airport Capital Improvement Plan – Project Background

- 2012: Critical Aircraft Change
  - ✓ERJ 135 jet 50 passenger
- 2014:Master Plan
  - ✓ FAA accepted in 2017
- 2015: Environmental Assessment
  - ✓FONSI issued September 2017
- 2017: Land Use Plan
  - ✓Codification by City and County late 2017

Dickinson Theodore Roosevelt Regional Airport Existing Airfield

Runway 14-32:	6,399’ x 100’
Runway 7-27:	4,699’ x 75’
Based Aircraft:	33 (1 Jet, 4 Multi-Engine)
Entitlements:	16,795 passengers (2016)



Dickinson Theodore Roosevelt Regional Airport Forecast

Metric	Actual				2016 FAA Terminal Area Forecast - Accepted			
	2014	2015	2016	YTD 2017	2020	2025	2030	2035
Enplanements	55,688	49,589	16,822	13,629	17,591	19,328	21,236	23,331
Operations	4,086	4,673	4,945	3,802	2,447	2,571	2,702	2,840
Departures	2,043	2,336	2472	1,901	1,223	1,285	1,351	1,420

Source: FAA Terminal Area Forecast (TAF) January 2017,
NOTE: Some figures may differ due to rounding.
Operations are IFR only based on FAA ATC records for DIK. IFR traffic accounts for approximately 40% of total operations.

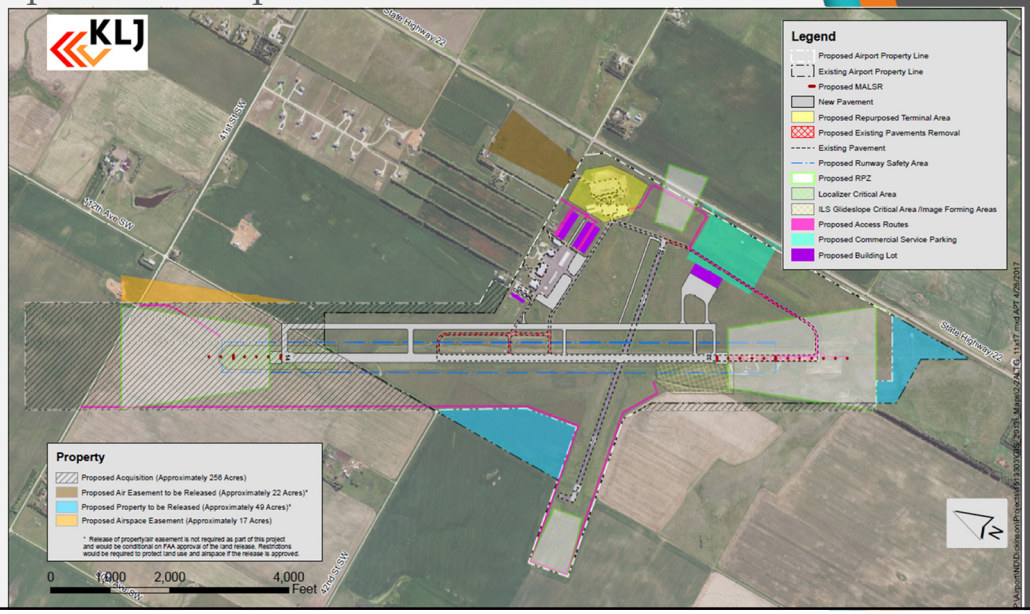
Dickinson Theodore Roosevelt Regional Airport Proposed Development

- Reconstruct Runway 14-32:
  - Lengthen from 6,399′ to 7,300′ (includes shift of 1,712′ North)
  - Widen from 100′ to 150′
  - Strengthen from 40,000 lbs. DW to 90,000 DW
  - Bring RSA and OFA into compliance with design standards.
  - Land – Acquire 256 acres fee simple and 17 acres air easement
  - Relocate NAVAIDS
  - Develop instrument approach and departure procedures
  - Install HIRL
- Construct parallel taxiway (usable as temporary runway)

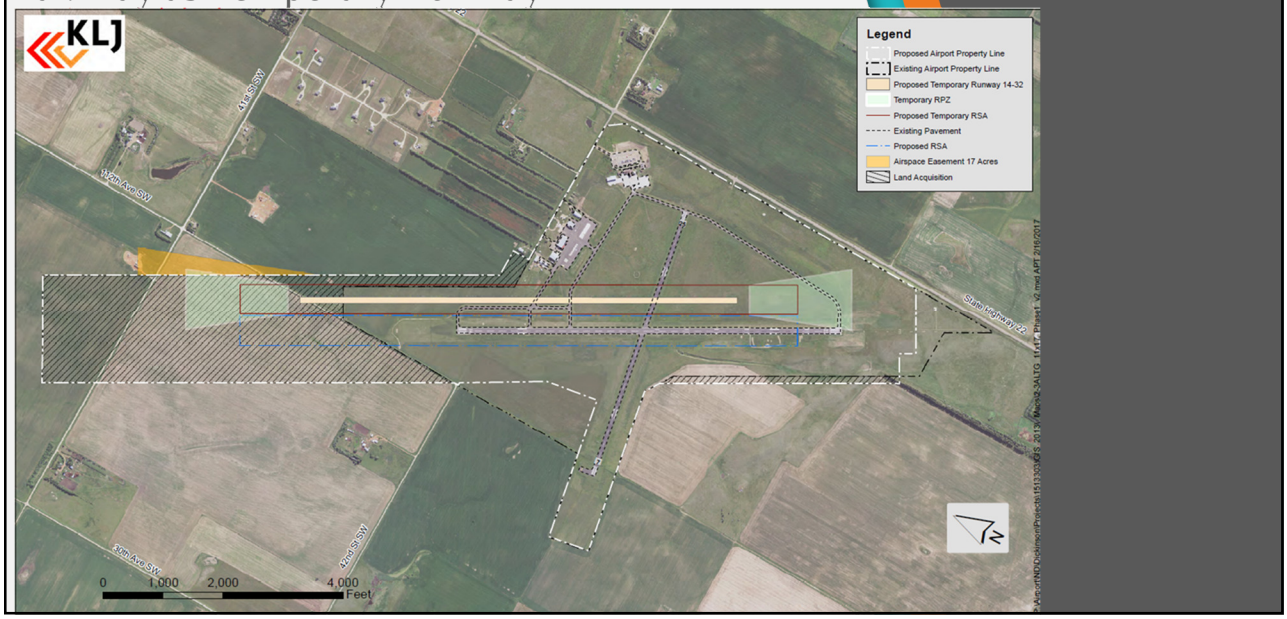
Dickinson Theodore Roosevelt Regional Airport Proposed Development – 2021 and beyond

- Environmentally clear a new terminal and GA expansion:
  - Need a larger terminal to accommodate regional jet service
  - Construct terminal apron.
  - Terminal parking
  - General Aviation Area (apron, hangar area, auto parking)

Dickinson Theodore Roosevelt Regional Airport Proposed Development - Continued



Dickinson Theodore Roosevelt Regional Airport
Taxiway as Temporary Runway



Dickinson Theodore Roosevelt Regional Airport
Project Schedule

2017
- Complete Environmental Assessment
- Start Land Acquisition
- Start design
  - Parallel taxiway/lighting/PAPIs
  - NAVAIDS
  - Approaches
- **Start Wetland Mitigation**

2018
- Construct Parallel Taxiway (Ph 1)
- Complete Land Acquisition
- Complete 2017 design
- Start design Runway 14-32 and perimeter fence

Dickinson Theodore Roosevelt Regional Airport Project Schedule - Continued

2019
- Construct Parallel Taxiway (Ph. 2)
- Install Medium Intensity Taxiway Lighting/ PAPI
- Install NAVAIDS.
- Construct perimeter fence
- Complete Wetland Mitigation

2020
- Construct Runway and Lighting for Runway 14-32 (Ph 1)

2021
- Construct Runway and Lighting for Runway 14-32 (Ph. 2)

Dickinson Theodore Roosevelt Regional Airport Project Cost/Funding

- Estimated Project Cost: $61.7M
- Estimated Funding:
  - FAA: $40M
  - State of ND: $18.5M
  - Airport Authority/City: $3.2M

Police Department

Dustin Dassinger
-Police Chief

TESTIMONY

Dustin D. Dassinger
Police Chief, City of Dickinson
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Dickinson Police Department Establishment

Before Dickinson was organized as a town in 1899, police protection was handled by the county until the residents voted to formalize their village. At that point, Robert Craig became the first, and only marshal of Dickinson. He and other elected officials served only until the following year, when the voters approved changing the status of Dickinson to a "city". When this occurred, Mayor Dan Manning appointed J.E. McCoul as the first chief of police of Dickinson.

2017 Department Overview

The Dickinson Police Department currently has 58 fulltime and one part-time employees. From these staffing numbers, 39.5 members are sworn law enforcement officers.

The Dickinson Police Departments Patrol Division is allocated for 29 positions, which includes one truck regulatory position. The Criminal Investigative unit is allocated for five positions, the School Resource Officer Program is allocated for one position, and one officer assigned to the drug task force.

The Dickinson Police Department manages the dispatch center with currently13 employees assigned to the division. There are two members assigned to animal control and three allocated positions in our records division.

Department Overview Budget

In 2008 the Dickinson Police Departments budget was $2,517,877.00 and in 2018 the Departmental budget will be $5,342,895.00.

The Past and the Present

In 2010 there was 9.92 square miles in city limits (6,346 acres). Currently there is 14.28 square miles in city limits (9137 acres).

As the city grew in size some of the problems created for the police department were an increase in response times to incidents due to geographical distances. Also, communication deficiencies

were an issue due to a radio system that did not have the coverage strength to adequately cover newly developing areas of our community.

Police Departmental Challenges with Rapid Growth

As the population grew within our community there was a shift in policing style. Quiet neighborhoods where everyone knew their neighbors became rare. Neighbors no longer communicated with one another.

The police department saw an increase in reported crimes along with the serious nature of them. Weapon related calls and reports of "shots fired" were common.

The police department found less time to be proactive in the community with educational activities and became primarily reactive.

Traffic activity and congestion on city roadways also became a factor in response time and the ability to properly conduct traffic enforcement activities.

There was an increase an aggravated assaults and bar fights. It was common to have bar fight calls stacked up on the weekends.

Calls for Service

In 2008, the Dickinson Police Department responded to 20,283 calls for service. In 2011 the trend of increased activity levels began. In 2015 our department peaked at 29,613 calls for service and currently we are on pace to match that of 25,988 calls for service that we saw in 2016.

Staffing – Broken Down

In 2008, the Dickinson Police Department had a total of 43 employees, including 29 sworn officers. Currently the police department is allocated for 58.5 employees, in which 39.5 are sworn officers.

Staffing

In 2008, the minimum manpower of the department was three officers. This meant that at any given time there had to be three sworn officers on duty. In 2011 it increased to four, and in 2014 the number increased to five.

Calls for service numbers, response time, and severity of calls were the driving force of increasing the minimum staffing numbers.

Police Department Challenges with Rapid Growth

With the rapid growth some the challenges we faced included staffing, radio communication issues, and infrastructure challenges.

The increase in calls for service and the severity of them proved we needed more staff. At this same time, every law enforcement agency in the Bakken was also in the same situation. We were directly competing with them for staff.

Team members were young and lacked law enforcement experience, which put a lot of strain on experienced officers who were relied upon heavily for training and middle management positions.

As the size of our community grew in land mass, the radio communication system that the city had was inadequate. Officers did not have the ability to properly communicate with dispatch via portable radio when they were in the newly developed areas, especially within structures. This was not only a problem for the police department, but also the fire department.

As the department was growing, we lacked space to grow within the Law Enforcement Center. There was no room for the growing staff, fleet, or storage.

The record management system (RMS) was antiquated and not up to the challenge of a growing community and department.

Meeting the Challenge of Growth

The Dickinson Police Department offered sign on bonuses to help attract new staff and lessen the sting of high housing costs to new employees. The department also offered and continues to offer skill base pay to positions that are difficult to fill.

To fix the communication issue, the department purchased the simulcast radio system, with the help of ND Criminal Justice Oil Impact Funding Grant. The Dickinson Police and Fire Department both benefitted from this technology advancement.

In 2014, The Dickinson Police Department moved out of the Law enforcement Center into a new home, the Public Safety Center. The Public Safety Center is a 14 million dollar facility and a joint effort between police and fire in obtaining an energy impact grant which helped move this project forward.

In 2014, the Dickinson Police Department also purchased a new records management system (RMS), which allowed our staff to become more efficient with record management, report writing, and evidence tracking.

Specialty Teams

The Dickinson Police Department has two regional specialty teams consisting of the Southwest Tactical Team and the Hostage Negotiations Team. Both teams have Special Operations Committee certification along with requirements they have to meet annually.

The Southwest Tactical Team currently consists of 18 operators. Twelve members from the Dickinson PD, four members from Dunn County, and two members from Stark County.

The Crisis Negotiation team consists of members from the Dickinson Police Department, Stark County, Dunn County, and Hettinger County.

Grant Awards

The Dickinson Police Department was very active in writing grants during the rapid growth period and secured several grants helping the department obtain necessary equipment.

ND Criminal Justice Oil Impact Funding - $1,116,67, Dept. Emergency Services Grant - $254,686, Energy Impact Grant 1.6 M, Department of Transportation Grants - $71,055.00, and Department of Justice Vest Grant - $40,162.0. Total grant awards was 3,082,576.

Current and Future Challenges

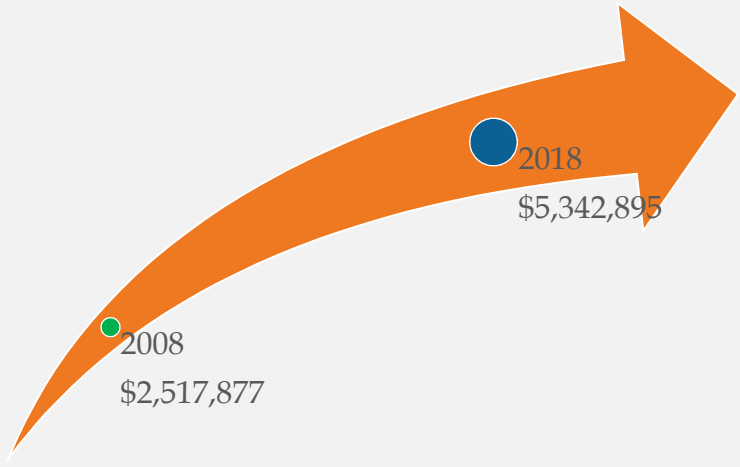
The Dickinson Police Department still currently faces several challenges caused by the rapid growth of our community. Some of those challenges are a lack of a mental health facility in South Western North Dakota, an Opiod Epidemic, lack of adequate funding for the drug task force, increase in calls for services, and recruiting new police officers.

Dickinson Police Department

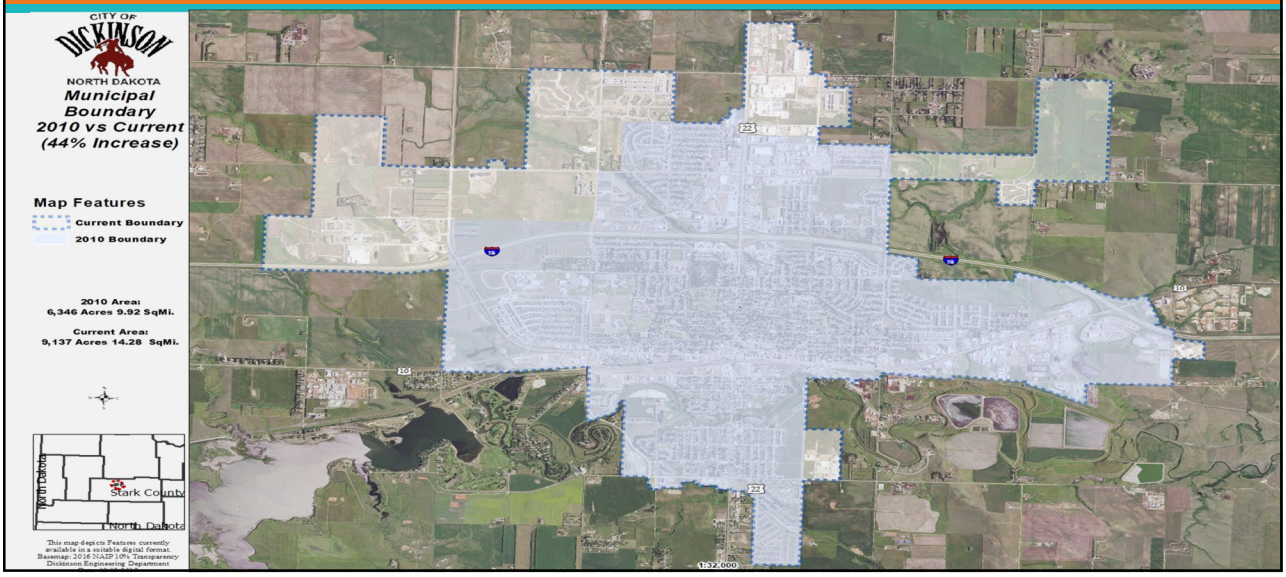
2017 Department Overview

- Patrol Division (28 Allocated Positions)
- Truck Regulatory Position (1 Allocated Position)
- School Resource Officer (1 Allocated Position)
- Criminal Investigative Unit (5 Allocated Positions)
- Drug Task Force (1 Allocated Position)
- Public Safety Answering Point (13 Allocated Positions)
- Animal Control (2 Allocated Positions)
- Records Division (3 Allocated Positions)

Departmental Overview - Budget



The Past and The Present



Police Department Challenges with Rapid Growth

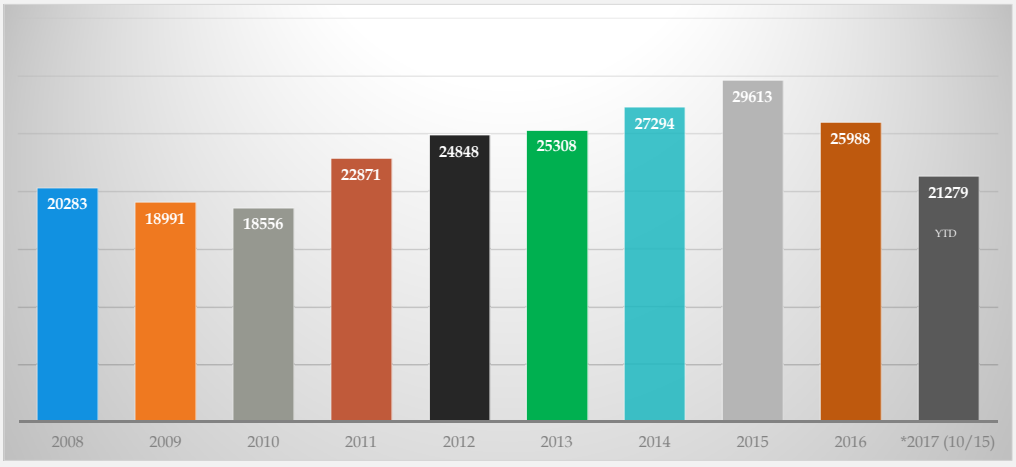
Shift in Policing Style

Informal and Personal to Professional and Hardline
Influx of New People "Neighbors No Longer Communicated"
Increase in Reported Crimes and the Serious Nature of Them

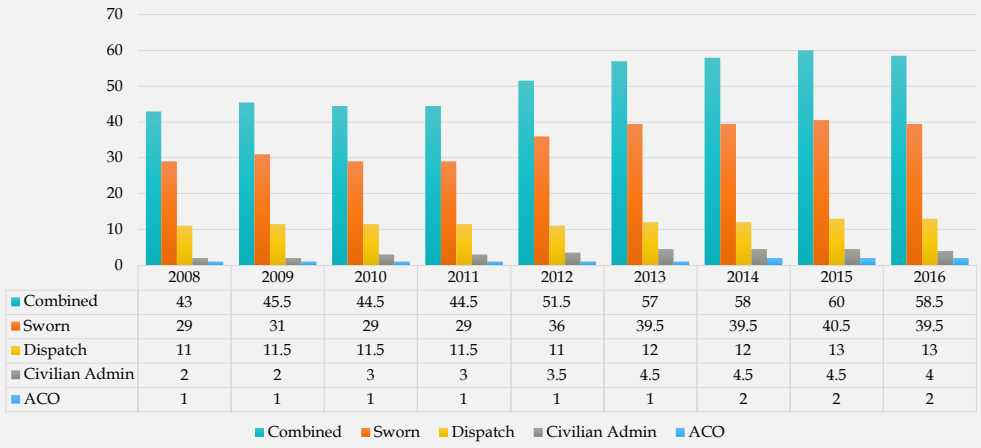
Activity

Became Strictly Reactive – Less Time for Proactive Activities
Traffic Activity and Congestion
Increase in Aggravated Assaults "Bar Fights"

Calls for Service

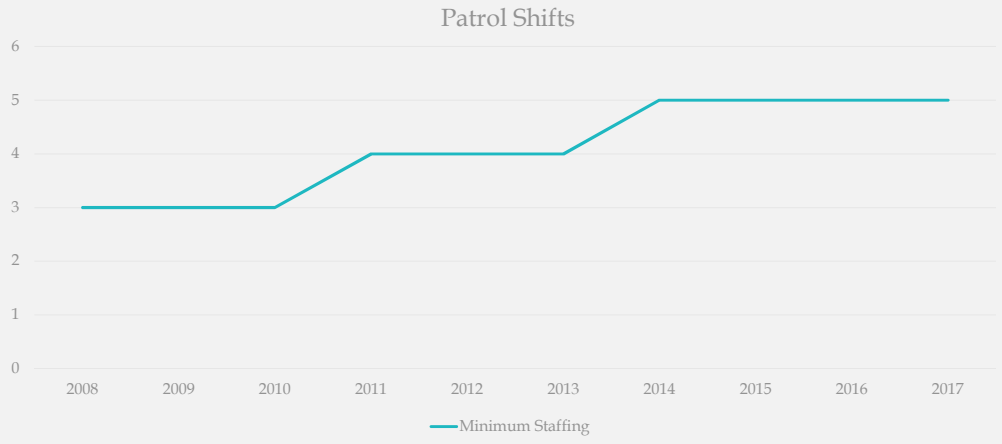


STAFFING- Departmentalized



	2008	2009	2010	2011	2012	2013	2014	2015	2016
Combined	43	45.5	44.5	44.5	51.5	57	58	60	58.5
Sworn	29	31	29	29	36	39.5	39.5	40.5	39.5
Dispatch	11	11.5	11.5	11.5	11	12	12	13	13
Civilian Admin	2	2	3	3	3.5	4.5	4.5	4.5	4
ACO	1	1	1	1	1	1	2	2	2

Minimum Manpower



Police Department Challenges with Rapid Growth

Staffing

- Lack of staff
- Difficulty hiring staff
- Young – lack of experience

Communication

- Problems communicating via portable radio in newly expanded city limits

Infrastructure

- Outgrew police facility
- Record Management System outdated and not efficient

Meeting the Challenge of Growth

Increase Staffing

- Sign on Bonuses
- Skill Base Pay
- Training

Simulcast Radio System

- Tait Communication System
- ND Criminal Justice Oil Impact Funding (OIL3012)

Public Safety Center

- 14 M Facility
- Energy Impact Grant
- Zuercher Records Management System

Specialty Teams

Southwest Tactical Team
Hostage Negotiations Team

Our Team

12

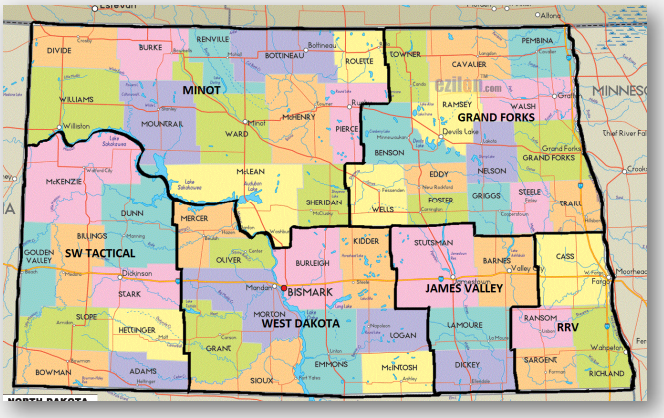
4

2

18 operators (2017)

Specialty Teams –Mission Statement

"Provide a well-equipped, highly trained and skilled tactical team as a resource for agencies to successfully resolve critical incidents, with the intent of preserving life and protecting citizenry"



DPD Total State & Federal Grant Awards 2012 - 2016

- ND Criminal Justice Oil Impact Funding - $1,116,673
- Dept. Emergency Services Grants - $254,686
- Energy Impact Grants $1.6 M
- DOT Grants - $71,055
- DOJ Vest Grants - $40,162

- **Total State & Federal Grants= $3,082,576**

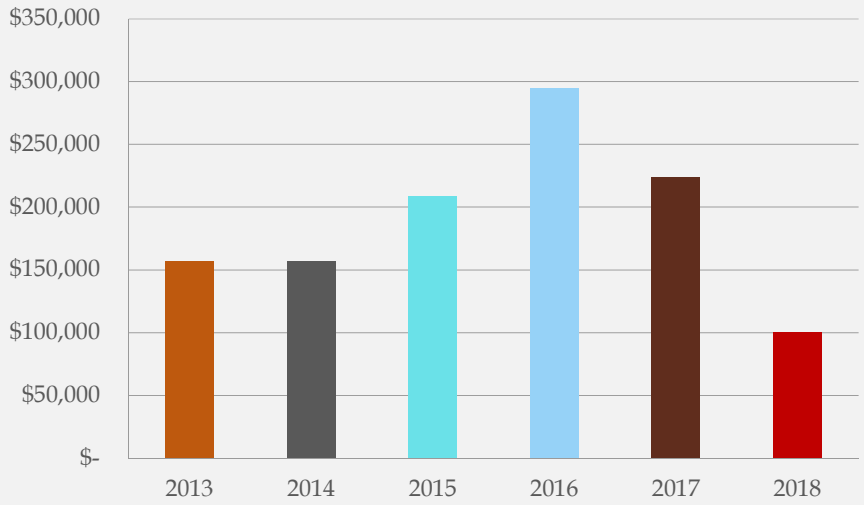
Current and Future Challenges

- Lack of Mental Health Facility in South Western North Dakota
- Opioid Epidemic
  - Related Overdoses - Heroin, Fentanyl
- Lack of Funding for Drug Task Forces
- Calls For Service Still High
- Staffing
  - Recruiting New Officers

SOUTHWEST NARCOTICS TASK FORCE STAFFING

- 6 sworn Agents
  - 3 Agents assigned by the Bureau of Criminal Investigation.
  - 1 Agent assigned by the Dickinson Police Department.
  - 1 Agent assigned by the Stark County Sheriff's Office.
  - 1 Agent partially funded through the Justice Assistance Grant.
  - 1 Agent lost, due to the termination of the Oil Impact Grant, in July of 2017.
- 1 Intelligence Analyst funded by Asset Forfeiture.

GRANT BUDGET



Questions

Fire Department

Robert "Bob" Sivak

-Fire Chief

TESTIMONY

Robert Sivak
Fire Chief, Dickinson Fire Department
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Mr. Chairman and Members of the Committee, thank you for the opportunity to present to you today. The Dickinson Fire Department has a long history of protecting our community dating back to 1891. We have grown through the years from an all-volunteer fire department, to the combination department we are today. Our mission continues to be to provide quality fire service through community partnerships and education while investing in the betterment of our members.

In order to accomplish our mission, our fire prevention bureau is responsible for fire and life safety inspections, plan reviews, code enforcement and public education. Our fire division is responsible for fire suppression, hazardous material incident response, medical assistance calls, and technical rescue. The Dickinson Fire Department is one of eight departments in the state of North Dakota tasked with hazardous material and structural collapse regional response. In 2008, our department had a budget of $371,707. However, with the expansion of our services and responsibilities in both the fire prevention bureau and the fire division, the 2017 department budget grew to $1,570,446.

In 2008, 90% of our firefighters were volunteer with only four full time positions, operating out of one station in downtown Dickinson. The rapid growth of the community, which was driven by the energy boom, created a need for additional staff in order to continue a quality level of service in both the fire division and fire prevention bureau. In 2008 we had an aggressive fire prevention program where inspections were being completed in twelve months or less. We steadily lost ground due to the increase of incident responses and code enforcement activity including site plan reviews, fire suppression and fire alarm system reviews and inspections that were necessary for the rapid growth taking place. We prioritized inspections, hired additional staff, and still find ourselves being over eighteen months behind on some inspections while responding to almost twice as many calls. As you can see by the graph, the blue line indicates our hiring process through this time. We grew cautiously and responsibly, and today 68% of our department remains volunteer with sixteen fulltime positons.

The communities' growth required additional infrastructure, department staffing, fire apparatus, and another station. The following resources were used to guide our growth: the Insurance Service Office (ISO) Standards, the National Fire Protection Association (NFPA) 1710/1720 Pamphlets, and the City Fire Department Needs Assessment and Response Reports. It was with this information and research we recognized that an additional fire station and apparatus was needed to address travel distances, response times, as well as shortfalls in infrastructure to support the necessary fire protection through fire flows. The new Public Safety Center, at a cost of approximately 14-Million dollars, is the primary response location of the new $670,000 Aerial Apparatus that was necessary for the increase in high density, multi-level residential buildings.

Underwriter Laboratories (UL) have proved that modern fires are eight times faster than 50 years ago, creating a smaller escape time for families and requiring a shorter response time from departments**.** The response to an emergency by our volunteer firefighters is negatively affected by expanded travel distances, traffic congestion, and in many cases employment that requires our members to work beyond a reasonable response distance. Energy industry employment makes it difficult for members and new candidates to fulfill training and attendance requirements. With fulltime personnel available to respond to the initial page, firefighters can be on scene of an emergency quicker for initial scene size-up and life safety while still relying on the response of volunteers to ensure adequate resources and manpower. Not including salary or benefits, it costs about $4,500 dollars per-fulltime firefighter to initially provide them with a uniform and basic equipment after hiring.

The growth and development of the department and community infrastructure has allowed the Dickinson Fire Department to qualify for a Class 3 ISO Public Protection Classification (PPC) rating. This is a testament to the positive impact of the necessary changes made during the rapid growth of the community. Though some suggest that things are returning to normal, "normal" has changed. There are approximately seventeen well sites now located within city limits, there is an undeniable change in population and traffic density, response distances, and incidents reported. Even with the changes made, there are still high density residential and commercial areas that fall outside the recommended response zones. Though the "Boom" has lessened, the impact has not and we continue to see the impact on our department and community.

DICKINSON FIRE DEPARTMENT

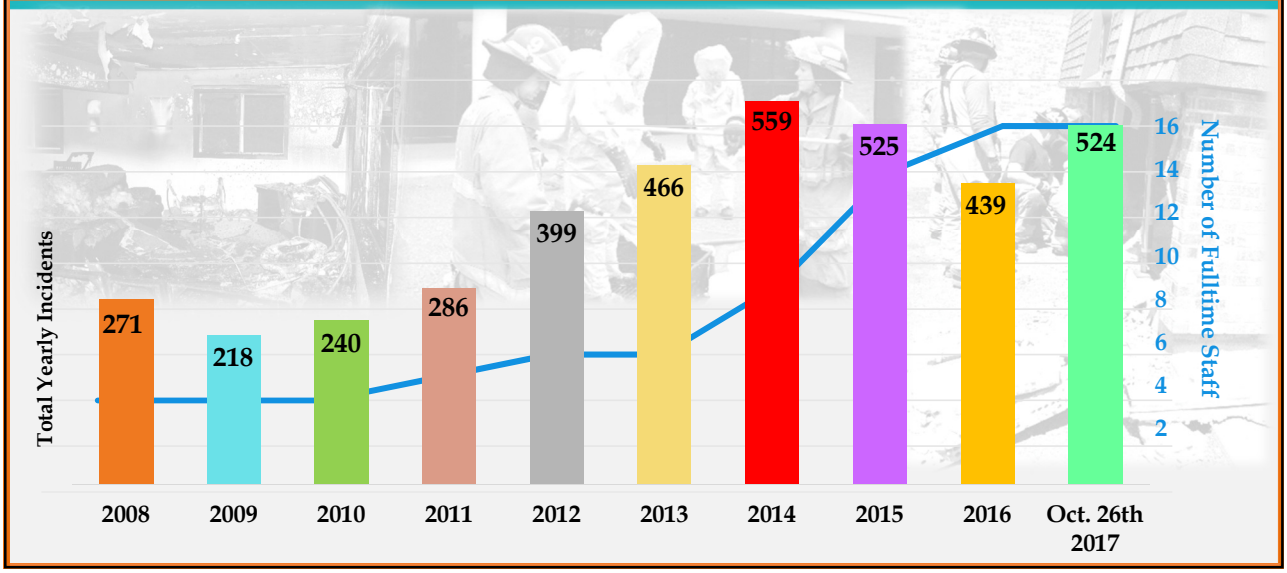
Department Overview

- **Fire Prevention Bureau**
  Pre-Plans/Plan Reviews, Inspections, Code Enforcement, and Education.

- **Fire Division**
  Fire Suppression, Hazardous Materials Incident Response, Medical Asst., Technical Rescue.
  - One of eight Fire Departments tasked with Hazardous Material and Structural Collapse Regional Response.

- **2008 Budget $371,707**
- **2017 Budget $1,570,446**

Key Changes with Community Growth



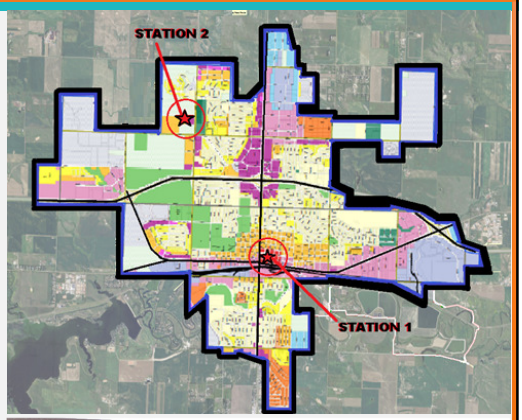
Impact of Growth & Response

Increased Area and Population required additional infrastructure, staff, apparatus and another fire station:

- **PUBLIC SAFETY CENTER:** $14,000,000
- **NEW APPARATUS** (Aerial 505): $670,000

Resources Used to Guide our Growth:

- Insurance Service Office (ISO) Standards
- National Fire Protection Association (NFPA) 1710/1720 Pamphlets
- Dept. Needs Assessment/Response Reports



Impact of Growth & Response

- **Changing Fire Dynamics**

  Faster Fires- United Laboratories Study

  2 minutes or less escape time- National Averages from the Home Fire Sprinkler Coalition

- **Response Travel Distance/Traffic Congestion**

  From home/work to Station
  Station to Emergency

- **1- FULLTIME FIREFIGHTER (without salary/benefits) $4,500**

Responding to Change

Positive Impact:

Awarded Class 3 P.P.C. from ISO

<u>2017 Dickinson:</u>

- **17 Well Sites within city limits**

  Oil Wells/ Production-Water Injection Wells

- **Increased Population/Traffic Density**
- **Increased Response Distances**
- **Increased Incidents Reported**

Dickinson State University

Small Community. Big Opportunity.

- Est. in 1918 as a normal school to meet a need for teachers
- Celebrating 100th anniversary this year – More than 14,000 alumni!

- Three guiding principles
  1. Students are paramount
  2. Faculty and staff are the core of the institution
  3. Teamwork and community

TESTIMONY

Thomas Mitzel
President, Dickinson State University
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Dickinson State University: Small Community. Big Opportunity

I. **Background**:

Dickinson State University was established in 1918 as a normal school to meet a need for teachers in western North Dakota. Since that time, it has grown and prospered, in much part due to a wonderful partnership with the surrounding community. The university will celebrate its 100th anniversary in 2018 with over 14,000 alumni who have proudly earned their degrees from DSU.

The institution is guided by three principles: 1) Students are paramount, 2) Faculty and Staff are the core of the institution, 3) Teamwork and Community is the platform upon which we must build…always.

Enrollment for DSU has risen 8.25% over the past two years. This trend reversed an enrollment drop that occurred in each of the six previous years. We have been partnering with an outside firm, and have placed multiple retention and community programs in place to help with better outreach to potential students and raise our attainment rates. We are confidant that we can continue the enrollment trend for the foreseeable future.

II. **Looking to the future**:

The University's goal is to raise enrollment to 1830 by the fall of 2020. This number equals the student enrollment in 2012, and we feel it places the university on a nice trajectory to rebuild the student community, and to place the institution on a stable financial platform. The final enrollment goal will be 2,000. At this level of enrollment, DSU is utilizing its campus to a filled capacity, but not an overflowing capacity. Student support can be maintained at high levels, and the greater number of students will help to strengthen further the campus and community environment.

III. **Economic Impact – North Dakota University System**:

A healthy university/college system is healthy for the state of North Dakota. The Agribusiness and Applied Economics Report completed in May 2017 estimates that the North Dakota University System has a $1.6 billion direct impact on the state's economy. These expenditures resulted in an increased total business activity for the state of $4.6 billion.

IV. **Economic Impact – Dickinson State**:

More local to the Dickinson area, DSU expenditures injected $30.1 million into the local economy in 2015, a 102% increase over the past 16 years. These expenditures create a

ripple effect of indirect influences raising DSU's total economic impact in the region to $91.4 million.

There were 249 people employed at DSU in 2015 with an estimated 205 secondary jobs created in the community due to the presence of Dickinson State. Retail sales during this period benefited by $21.7 million from DSU activity. Each student spent approximately $10,450 into the local economy in 2015, up $378 from 2014. We project that student spending will grow to $12,685 by 2021.

V. **DSU Forward**:

DSU plans to grow its enrollment to 2,000 students by 2021. With each student injecting $12,685 into the local economy, there will be over a $21 million positive direct impact in the region.

Investing in DSU growth is also an investment in the community and region. DSU has won multiple awards over the past two years. One of the awards is for Economic Mobility, where DSU ranked eighth of all higher educational institutions in the nation. DSU is one of the top schools in the nation for receiving students in the lower 20% economically, giving those students a wonderful education, and those students then using that degree to move themselves into the top 20% economically. Low tuition and low debt for DSU students are major factors in the Economic Mobility we measure. We will work hard to continue to offer top education at affordable rates.

Dickinson State is the only four-year regional institution in western North Dakota. It continues to provide access to education to train and sustain an equipped workforce. More than 75% of local teachers have graduated from, or have taken Continuing Education Units from, Dickinson State University. We prepare some of the best RN and BSN level nurses with 100% pass rates on national exams, and 100% placement upon graduation. We prepare the regions business leaders and entrepreneurs. The Department of Business was recently recognized for its efforts by being recognized as The School of Business and Entrepreneurship/SBDC. The university continues to seek other pathways to ensure that our adult populace has access to an education by expanding offerings of certificates, technical, associates, and master's level education.

Dickinson State is also instrumental in bringing to the community the following areas: Tourism, Athletics, Fine Arts Performances, Cultural Events, and a Community Connection.

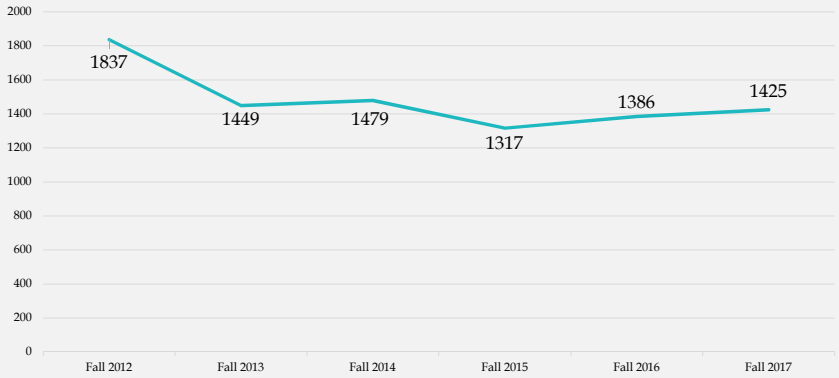
VI. **Summary**:

Dickinson State is proud to be a part of such a wonderful circle of life within the Dickinson community and region. As shown, DSU is also a good steward to the community, economically and culturally. As we look back at the previous 100-years, there are many areas in which we should be proud. As we look forward to the next 100-years, there are equally as many areas where we can continue to grow and connect with the Dickinson region and all of western North Dakota.

Dickinson State University

Small Community. Big Opportunity.

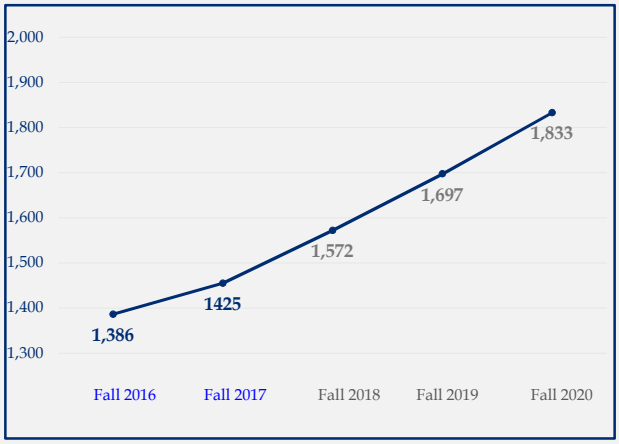
Historical enrollment



Dickinson State University

Small Community. Big Opportunity.

Looking to the future



Dickinson State University

Small Community. Big Opportunity.

Economic Impact – North Dakota University System

- The Agribusiness and Applied Economics Report completed in May 2017 estimates that the North Dakota University System has a $1.6 billion direct impact on the state's economy.
- These expenditures resulted in increased total business activity of $4.6 billion.

NORTH DAKOTA UNIVERSITY SYSTEM

http://www.ndus.edu/uploads/reports/169/ndus-rpt-econimpact-2017.pdf

Dickinson State University

Small Community. Big Opportunity.

Economic Impact – Dickinson State

- DSU expenditures injected **$30.1 million into the local economy** in fiscal year 2015, reflecting a 102 percent increase over the past 16 years.
- Those expenditures created a ripple effect, or series of indirect impacts, which brought DSU's total economic impact within the region's economy to **$91.4 million**.

http://www.ndus.edu/uploads/reports/169/ndus-rpt-econimpact-2017.pdf

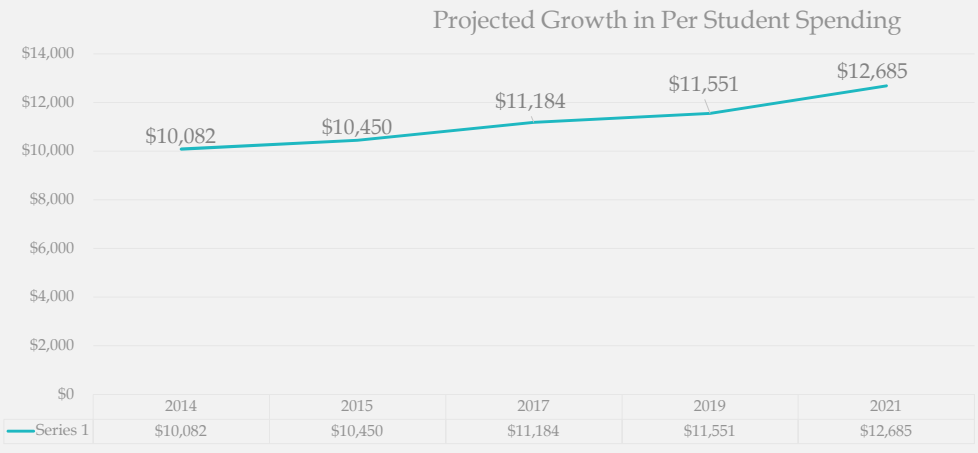
Dickinson State University

Small Community. Big Opportunity.

- 249 people employed in 2015
- Est. 205 secondary jobs created in the community
- Retail sales also benefited with a $21.7 million impact from DSU
- $10,450 per student into local economy in 2015, up $378 per student from 2014.

Dickinson State University

Small Community. Big Opportunity.



Dickinson State University

Small Community. Big Opportunity.

DSU FORWARD

Develop. Strengthen. Unify.

Dickinson State University

Small Community. Big Opportunity.

- Grow enrollment to 2000 by 2021
- $12, 685 per student is more than $21 million in direct impact on local economy
- Investing in DSU growth is an investment in the community and the region – DSU ranked in top 10 in nation for economic mobility for graduates

Dickinson State University

Small Community. Big Opportunity.

- Providing access to education to train and sustain an equipped workforce
- Meeting the need for training teachers - more than 75% of local teachers have graduated from or taken Continuing Education Units from DSU
- Preparing RN and BSN level nurses – 100% pass rate on national exams
- Preparing business leaders and entrepreneurs – School of Business and Entrepreneurship / SBDC
- Expanding certificates, technical, associates and masters education

Dickinson State University

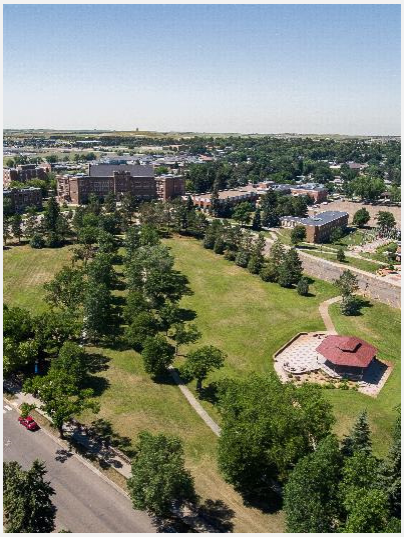
Small Community. Big Opportunity.

DSU also brings:

- Tourism
- Athletics
- Fine Art Performances
- Cultural Events
- Community Connection

Dickinson State University

Small Community. Big Opportunity.



Welcome

Energy Development and Transmission Committee

Tuesday, October 31, 2017

OIL IMPACT ON THE COUNTY

STARK COUNTY North Dakota

TESTIMONY

Jay Elkin
Commission Chairman, Stark County
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Welcome

Mr. Chairman, members of the committee and other guests, my name is Jay Elkin and I am the Chairman of the Stark County Commission. I was elected to the Commission in 2008, along with 38 years of farming and ranching in Stark County. I have witnessed firsthand the many challenges rural counties are faced with each and every day. I want to personally thank you for the opportunity to present the State of Stark County and look forward to working with you.

County at a Glance

Stark County covers 1,340 square miles with an estimated 2016 population of 31,199. The 2010 Census population was 24,199. This is an increase of nearly 7,000 people over a six year period. The population growth was a direct impact of the oil industry.

Staffing

Stark County has increased the overall staffing number to help meet the demand on departments due to oil impacts. A majority of the staffing increase has been in the Sheriff's Department, Social Services, and State's Attorney's office. Assistance was provided through oil impact grants to assist with a number of added positions however Stark County has made a conscious effort to hire for future sustainability of any additional positions. In 2008 we had 90 full-time positions in the County. Presently we have 114 full-time position. We are down 4 positions from 2016 and placed a hiring freeze in effect.

Budget

The Stark County budget has seen a steady rise starting in 2013. A significant portion of the budget increase was due to Road Department projects. The 2018 budget was approved at nearly half of the 2017 budget amount. The drop in the 2018 budget reflects State funding of Social Services, road department cuts, and cuts to all County departments. Stark County is taking a budget neutral approach for future sustainability.

General Fund Mills Levied

In 2008 Stark County levied 96.41 general fund mills at a mill value of $57,105.66. Property valuations have experienced a steady increase through 2016 with a peak mill value of $221,140.55. For the 2018 budget Stark County will levy 63 general fund mills at a mill value of $203,000.

Oil Impact Grants

Stark County is deeply grateful to the Legislature for the oil impact grants received through State agencies. These grants assisted in direct funding of necessary positions and equipment to address oil impact concerns. Although additional grant funds may have been applied for, Stark County identified that using grant dollars for staffing positions was a one-time funding mechanism and we added positions based on future sustainability.

Oil and Gas Production Tax and Allocations

Since 2009 Stark County has collected approximately $34,465,255 in oil and gas production tax. The estimated revenue for 2017-2018 is $3,000,000. This funding is absolutely critical as the money collected assists in project funding with direct oil impacts. This funding has allowed Stark County to address immediate needs brought about by the oil impact

Road Department Report / Department Responsibilities

Stark County has 1,100 miles of gravel roads, 100 miles of paved roads, 241 secondary structures, and 130 bridges. The road department is made up of 20 full-time, 4 part-time, and 2 seasonal staff.

One of the greatest oil impacts to Stark County is the road network. The priority of the road department has always been and will continue to be the safety of those traveling in Stark County.

The oil industry downturn has provided Stark County with the opportunity to catch up on other maintenance projects. Stark County has 46 County bridges remaining that are less than 20 feet in length. Bridges under 20 feet are not inspected by the State Department of Transportation and do not qualify for State funding. Many of the 46 bridges were constructed in the 1940's and 1950's. The deterioration of these bridges presents a significant safety concern. Future plans estimate an approximate cost of $500,000 to convert each bridge to a box culvert with an overall project cost estimate of $23,000,000.

Road Department Funding

On behalf of Stark County I would like to extend my most sincere thank you for the $21,641,039 allocated in Senate Bill 2103. This funding came at the most appropriate time to address immediate impact on Stark County roads. The funding was used to address issues with all County Major Collector Routes, 30 miles of gravel roads, and 30.55 miles of paved roads. Heavy loads and impact from increased traffic have taken a high toll on our roads and they are in continuous need of repair and replacement.

Planning and Zoning

In 2016 Stark County issued 31 residential building permits and 120 commercial building permits of which 105 of the commercial permits were issued for wind farm projects. Compared to 2017 we have issued 43 residential permits and 11 commercial permits. We continue to see a growth in population wanting to live in rural Stark County which places an additional demand on our infrastructure and emergency services.

New Addresses 2013 – 2017

Tracking of the number of address points being issued began in 2013. Since 2013 there have been 1,141 new address points in the City of Dickinson and 419 in Stark County. Although address points being issued shows a trend of new construction and growth, it is vital to understand that a single address point

is assigned per structure. Essentially, a 48-unit apartment building will only be represented as a single address point on this graph. From an emergency services perspective, each address point issued is potential for a 9-1-1 call for service.

Sheriff's Office Report

The following Sheriff's Department report will outline the rise in activity and demand on our law enforcement community.

The demand on law enforcement has led to the staff doubling between 2010 and 2017. Although the slowdown in oil activity has decreased, the impact on law enforcement is still very much needed to address the criminal element which is increasing.

Transports

Prisoner, juvenile, and mental health transports have increased substantially since 2005.

Estimated Mental Health Expense

Mental health and addiction continues to be a top priority issue. Travel expenses specifically related to mental health started to be tracked in 2015 with a total cost to Stark County in 2015 of $56,201, $53,988 in 2016, and an estimated $60,000 in 2017. These total numbers are just transport costs associated with mental health transports to Bismarck, Jamestown, and Fargo, etc. as an example. The need of a mental health and addiction facility in Stark County cannot be stressed enough. Given the geographic location of Stark County, a facility located here could serve as a regional center to not only help with the cost burden of Stark County but all western North Dakota counties.

Traffic Incidents

The traffic incident accidents, citations, and warnings are presented from 2012 through current and provides a good illustration of the increase from oil activity. The low numbers in 2016 and 2017 can be partially attributed to Stark County deputies assisting with the Dakota Access Pipeline protest.

Dakota Access Pipeline

I would like to take this opportunity to thank the State of North Dakota for the reimbursement of $186,171.73 for expenses while assisting Morton County with the Dakota Access Pipeline protest. Stark County is always willing to help other counties and cities in times of need.

Truck Regulation

Funds generated from the truck regulation overweight permits and overload fees provide funding to the Sheriff and Road Department's staffing and road maintenance.

24/7 Program

The 24/7 program was mandated statewide in 2008 by the Attorney General's office. It is a court ordered program developed to alleviate congestion resulting from drug and alcohol-related offenses in the jail system. The program was setup to be self-sufficient and was not supposed to become an expense to the county. The program works well however the need for supplemental funding is coming soon.

Courthouse Expansion

This was a necessary need with the addition of a Southwest District Judge in 2015 and increasing number of court cases.

9-1-1 Calls

9-1-1 call volume shows a sharp increase during peak oil impact times. This increase is primarily due to the substantial population growth brought about by the oil industry. Please take into consideration that the Stark/Dickinson Dispatch Center stopped dispatching for Dunn County in 2013. With 9-1-1 call volumes returning to a "normal" level.

Social Services

The Stark County Social Services department services both Stark and Billings counties. The State has recently launched a pilot program to take over the financial responsibilities of social services however the building and related infrastructure still remains under Stark County. The existing building no longer meets the space needs with the increased staff and activity closely related to oil impacts.

Veteran's Service Report

The Stark County Veteran's Service Office is a regional office providing services for Stark, Dunn, Billings, and Hettinger counties. With a staff of two, the Veteran's Service Office currently services 2,430 individuals. This is an increase of 736 veteran's since 2014. Please note that starting in 2018, Dunn County will be handling their local Veteran Services however a majority of the Veterans are located within Stark County.

In conclusion, thank you for the opportunity to share the State of Stark County with you today. I hope after my presentation you have a better understanding of the challenges we continue to face and the number of people our decisions affect.

STARK COUNTY COMMISSION CHAIR

JAY ELKIN

- Elected to the Stark County Commission in 2008
- Stark County Commission Chair
- Farmer/Rancher for the Past 38 Years in Taylor Area and Now Retired

COUNTY AT A GLANCE

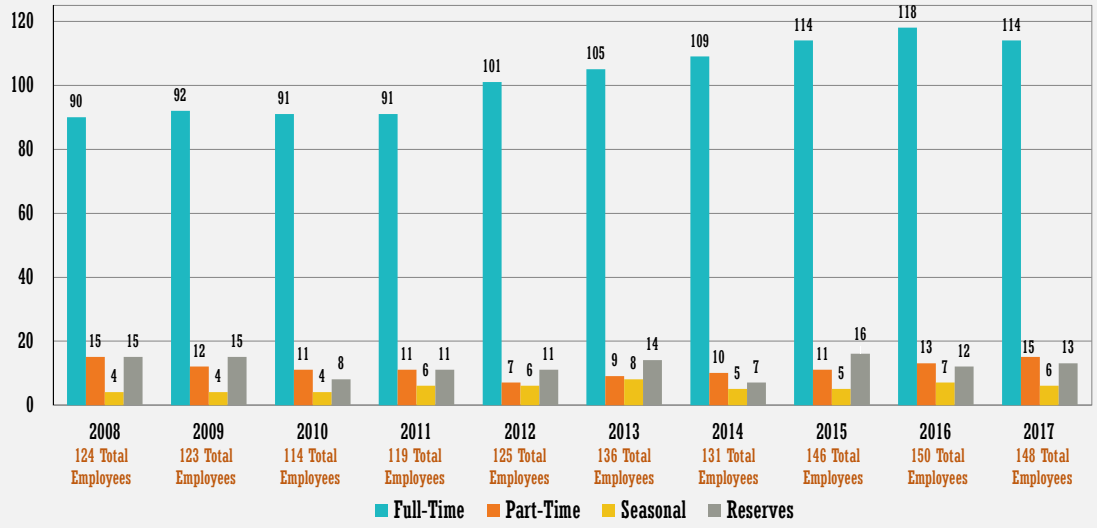
2016 Estimated U.S. Census

- Covers 1,340 Square Miles
- Estimated Population of 31,199

As of December 2016

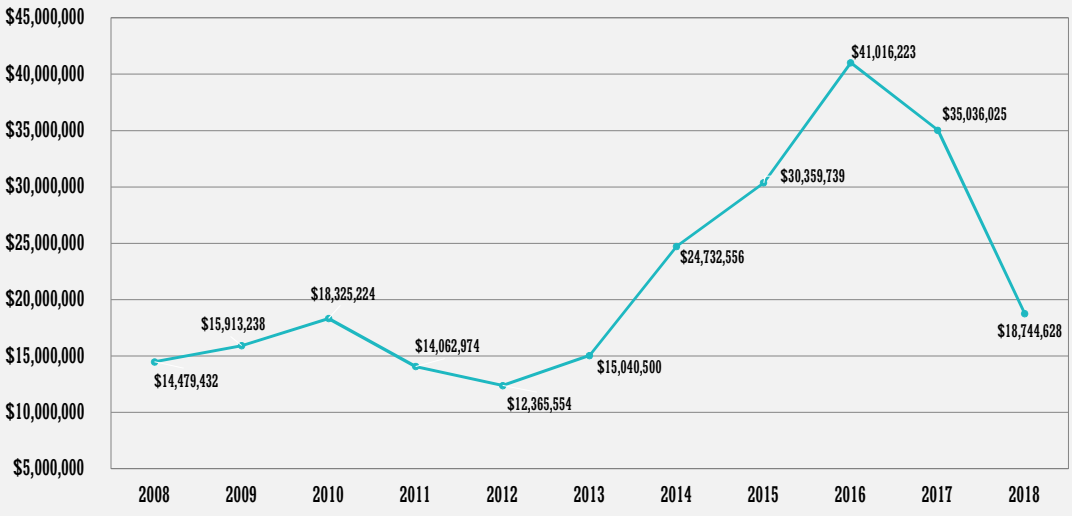
- 18,078 Jobs
- Unemployment Rate 3.4%
- 0.2% Increase Since December 2015

STAFFING 2008-2017

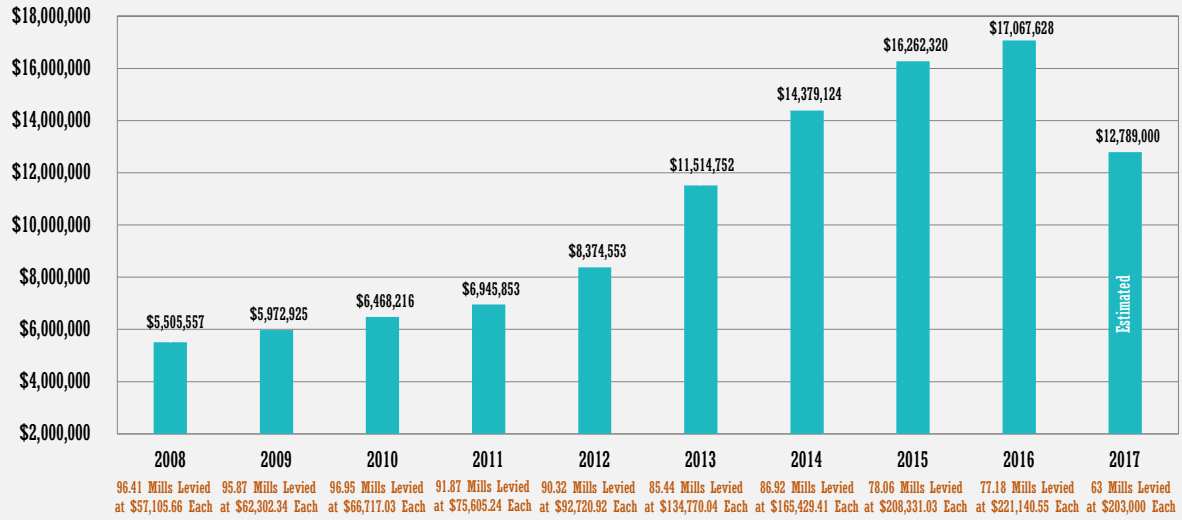


*Does not include elected officials.

BUDGET 2008-2018



GENERAL FUND
MILLS LEVIED 2008-2017



OIL IMPACT GRANTS

Sheriff's Office
- Overtime & Fringe – $75,000
- 2 Vehicles & Equipment - $109,600
- 75%-25% Match
- August 1, 2013, thru January 30, 2014

States Attorney
- Legal Secretary – Salary & Fringe $80,406
- 90%-10% Match
- February 1, 2014, thru April 30, 2015

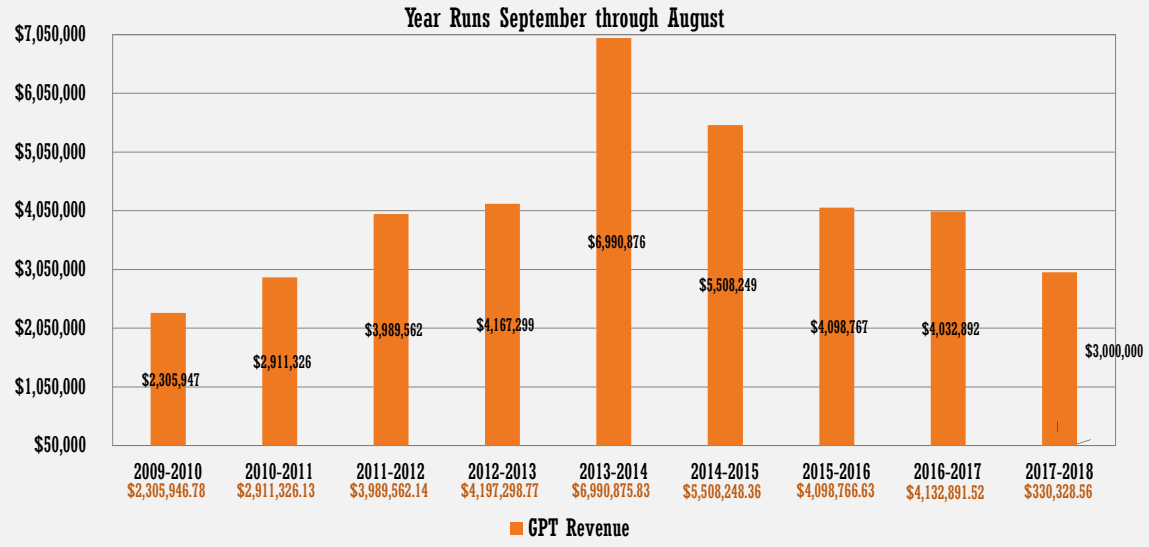
Sheriff's Office
- 3 Vehicles, Equipment & Supplies - $192,152
- 90%-10% Match
- February 1, 2014, thru April 30, 2015

Sheriff's Office
- Deputy Salary & Fringe - $98,546
- 1 Vehicle, & In Car Video System – $55,712
- 90%-10% Match
- February 1, 2014, thru April 30, 2015

Sheriff's Office
- School Resource Officer – Salary - $77,400
- 1 Vehicle, Equipment & Supplies - $54,625
- 90%-10% Match
- July 1, 2015, thru June 30, 2017

Victim Witness
- Salary - $25,000
- 90%-10% Match
- July 1, 2015, thru June 30, 2017

OIL AND GAS PRODUCTION TAX AND ALLOCATIONS 2009-2018



ROAD DEPARTMENT REPORT

Staffing

- 20 Full-Time
- 4 Part-Time
- 2 Seasonal

DEPARTMENT RESPONSIBILITIES

1,100 Miles of Gravel Roads

100 Miles of Paved Roads

241 Other Structures

- Cattle Passes
- Box Culverts
- Low Water Crossings

2,173 Road Sign Locations

- Replacement Value: $289,703.46

130 Bridges

- 84 State Inventory Bridges
  - Larger than 20 Feet
- 46 Stark County Bridges
  - Less than 20 Feet

ROAD DEPARTMENT FUNDING 2016

Received $21,641,038.64 in the Senate Bill 2103 Appropriation

- Used to Complete the following:
  - All County Major Collector Routes
  - 30 Miles of Gravel Roads with a Minimum of 6”
  - 30.55 Miles of Paved Roads
    - Widening, Reconstruction, Fog Sealing, Striping and New Pavement

PLANNING AND ZONING COMMISSION REPORT

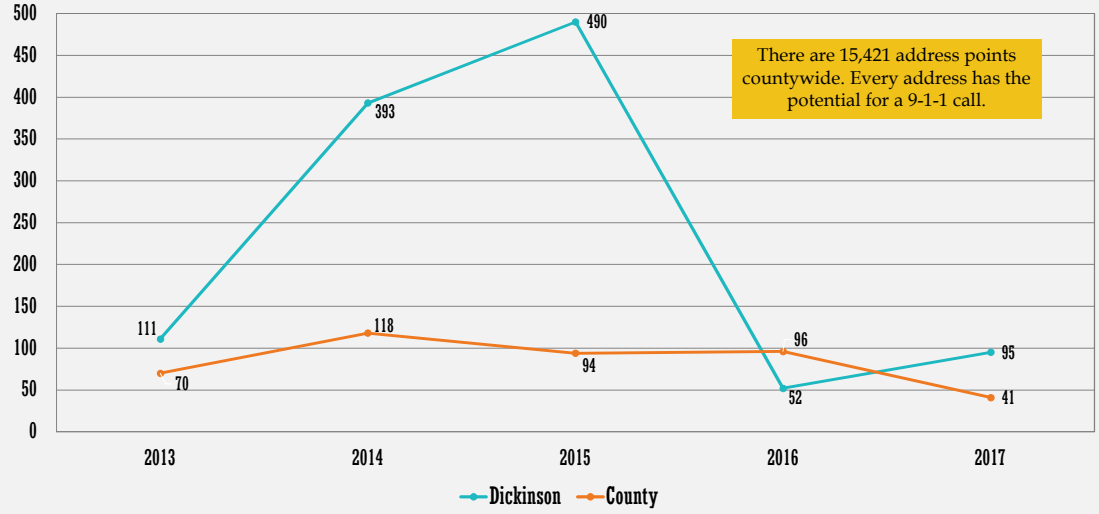
In 2016

- 31 Residential Building Permits Issued
- 120 Commercial Building Permits Issued
  - 105 Due to Wind Mills

In 2017

- 43 Residential Building Permits Issued
- 11 Commercial Building Permits Issued

NEW ADDRESSES 2013-2017



SHERIFF'S OFFICE REPORT

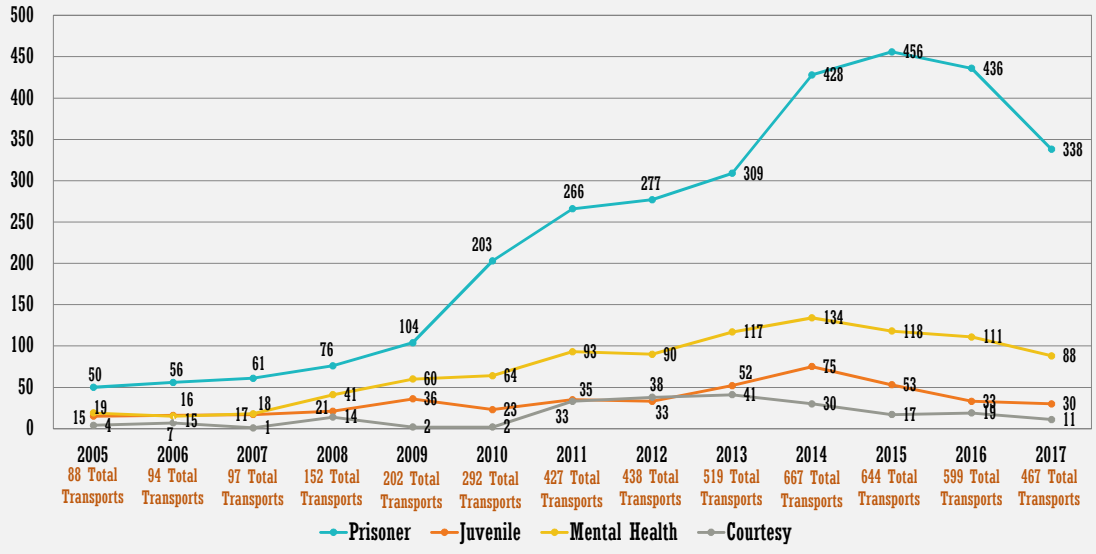
In 2010

- 12 Sworn Deputies
- 9 Reserve Deputies
- 3 Civilian Staff Members

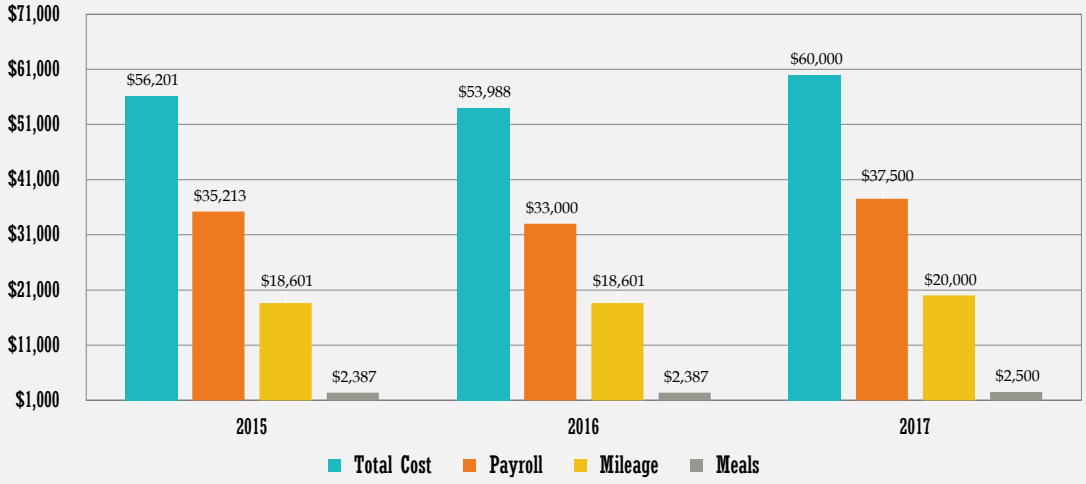
In 2017

- 25 Sworn Deputies
- 13 Reserve Deputies
  - It's difficult to find reserve deputies; previously in 2016 there were double.
- 5 Civilian Staff Members

TRANSPORTS 2005-2017



ESTIMATED MENTAL HEALTH EXPENSE 2015-2017



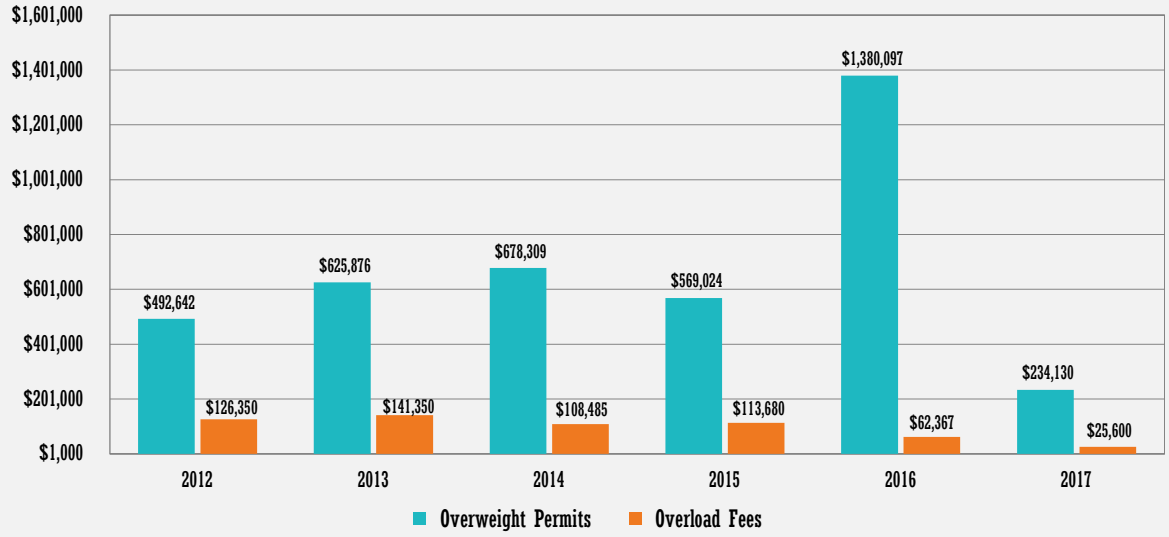
DAKOTA ACCESS PIPELINE

Total Reimbursed = $186,171.73

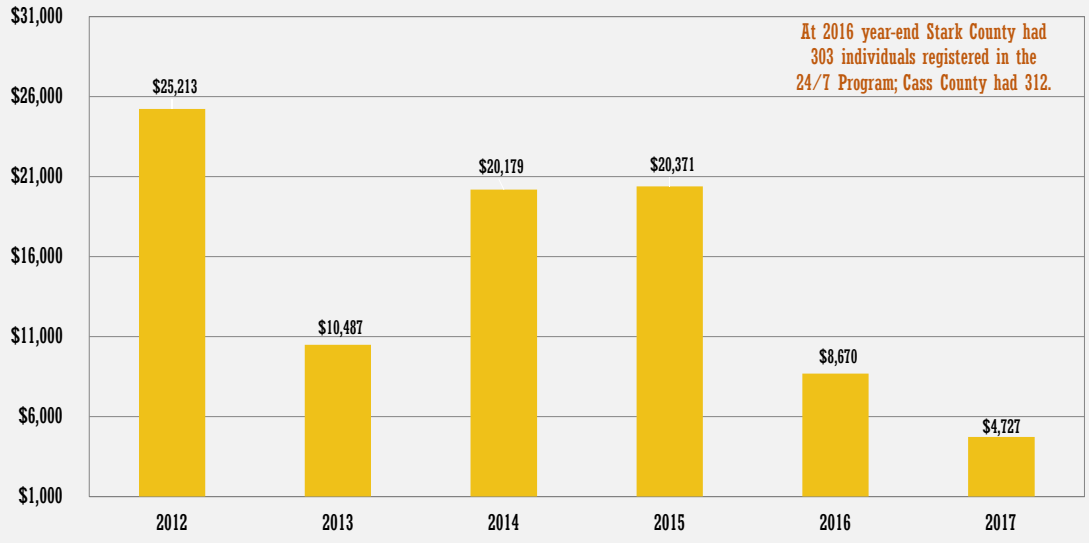
- Covered Payroll, Call-In, Overtime, Travel, Vehicle Expense and Materials.

Photo Submitted to Dickinson Press by Morton County Sheriff's Department

TRUCK REGULATION OVERWEIGHT PERMITS AND OVERLOAD FEES 2012-2017



END OF YEAR FUNDS GENERATED FROM 24/7 PROGRAM 2012-2017



COURTHOUSE EXPANSION

IDENTIFIED NEED DUE TO INCREASED DEMAND ON SYSTEM

Construction Phase

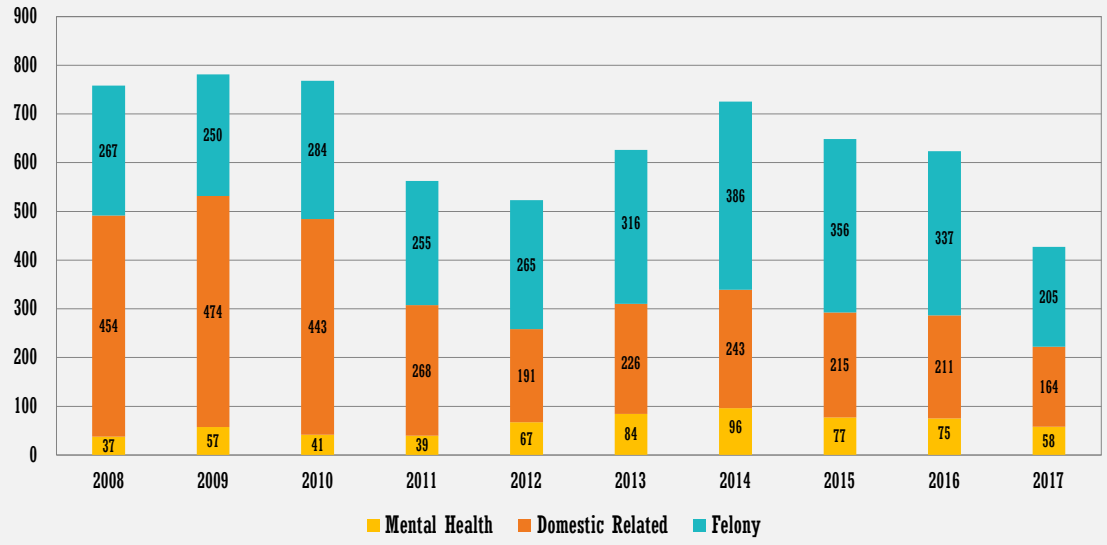
- $6.5 Million

Expansion Benefits include

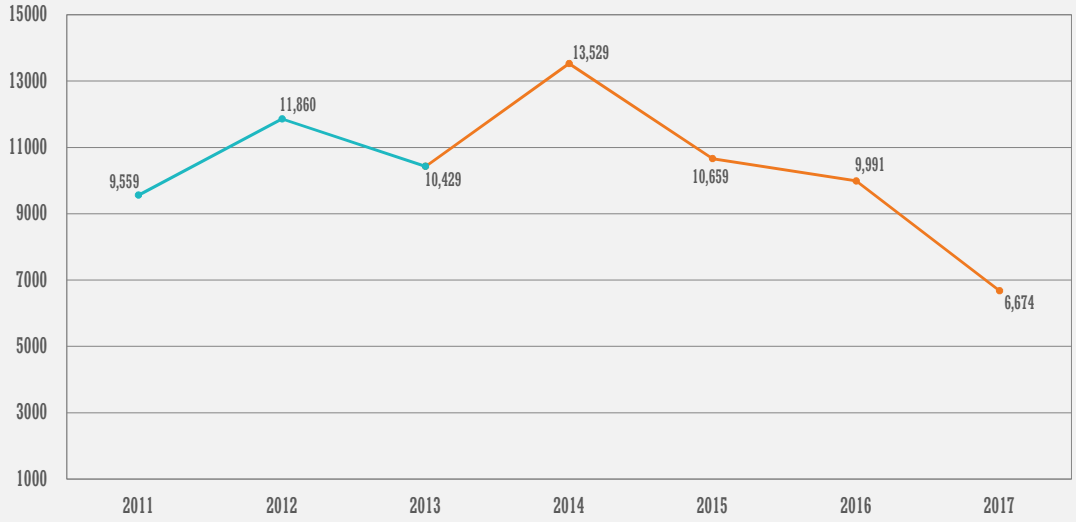
- 12,000 Sq. Foot Addition
- New Commission Room
- Additional Courtroom
- Judge's Chamber
- State Attorney's Office

Construction nears completion on Stark County's new courthouse in Dickinson. (Grady McGregor/The Dickinson Press)

TYPES OF DISTRICT COURT CASES 2008-2017



9-1-1 CALLS 2011-2017



FIRST RESPONDER AGENCY STAFFING

3 Ambulance Services

- 45 Staff/Volunteers

6 Fire Departments

- 206 Staff/Volunteers
  - *Due to an increase in call volume there is greater demand on businesses.*

4 Law Enforcement Agencies

- 97 Staff

SOCIAL SERVICES REPORT

As of September 30, 2017

63 Children in Foster Care

84 Open Child Protection Reports

53 Family Preservation Cases

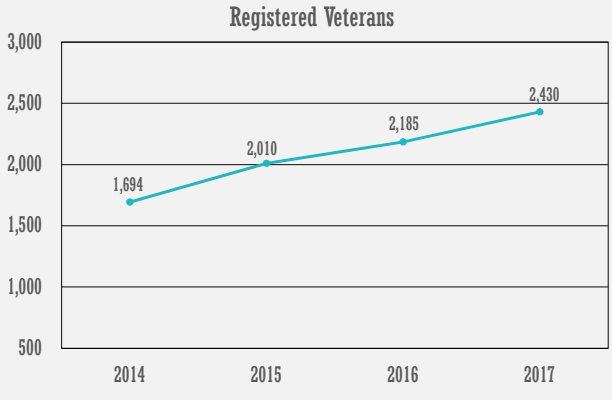
1,029 Expanded Medicaid Participants

53 Licensed Home, Group, Center or Preschools

5 Self-Declared Child Care Homes

27 Licensed Foster Homes for Children

VETERANS SERVICES REPORT

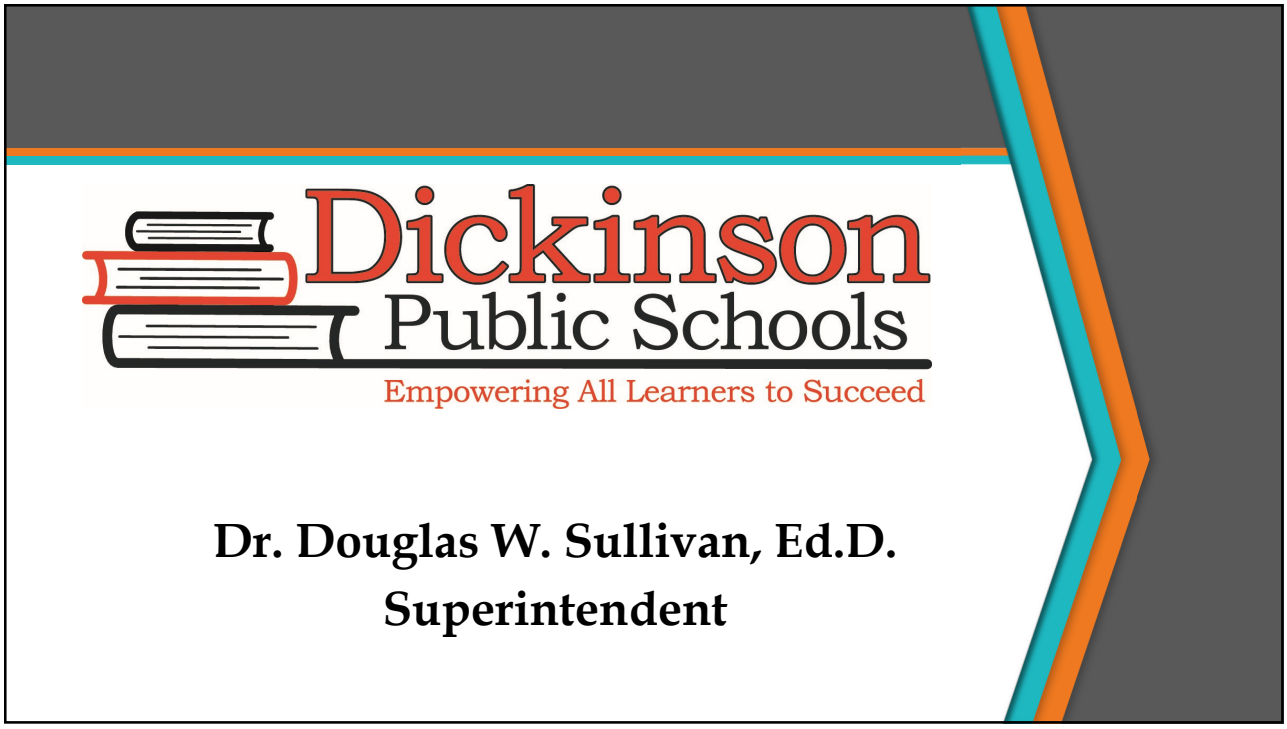


Thank You
FOR YOUR SUPPORT!

Presentation By:
Jay Elkin, Stark County Commission Chair
E: jelkin@starkcountynd.gov or **C:** 701-290-6583

Contributing Sources:
Sheriff's Office, Auditor, Road Department, Planning and Zoning Commission, Department of Emergency Services, Social Services, Veterans Office and Recorder

Photos From:
Jessica Schmitt, Bill Fahlsing, Grady McGregor, Morton County Sheriff's Department, North Dakota Department of Transportation, Wells Concrete


Dickinson
Public Schools
Empowering All Learners to Succeed
Dr. Douglas W. Sullivan, Ed.D.
Superintendent

TESTIMONY

Dr. Douglas W. Sullivan
Superintendent, Dickinson Public Schools

INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Dickinson, ND October 31, 2017

Testimony

Dr. Douglas W. Sullivan
Superintendent
Dickinson Public Schools

Introduction

In 2009, I accepted the position of Superintendent of Schools for Dickinson Public Schools. Prior to my arrival, the District was seeing enrollment for all grades as low as 2,469. Fall of 2009, pipeline workers came to the area and enrollment started increasing. It went from 2,519 in 2008 to 2,634 in 2009. Within five years from 2009 to 2014, the enrollment increased from 2,519 to 3,448 students in the District, an increase of 929 students. During my tenure, it has increased by 1,152 students with current enrollment in the District at 3,671.

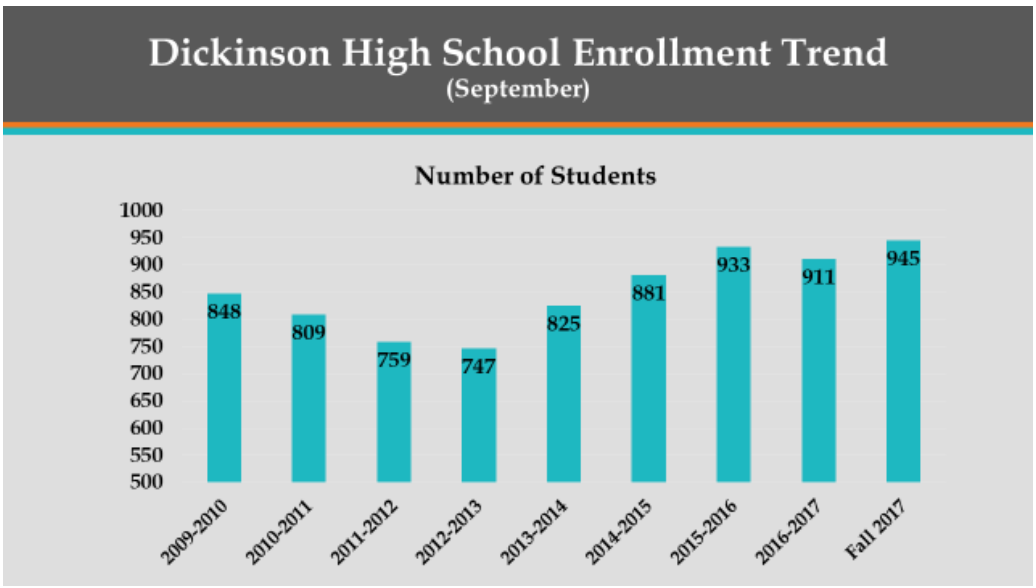
Dickinson Public Schools Demographics (October 2017)

- 3,671 Students
- 647 Special Education Students
- 139 English Language Learners Speaking 24 Different Languages
- 654 Total Employees
- 286 Certified/Professional Staff (Teachers)
- 225 Classified (Support) Staff
- 14 Administrators
- 129 Part-time and/or Temporary Employees

Dickinson Public Schools Facilities

1. Dickinson High School
    a. Serves grades 9-12.
    b. Built in 1968 with additions in ‘72, ‘74, ‘79, and 1997.
    c. Built to Serve 1,100 Students.
    d. Current Enrollment = 949.
    e. Departmental instructional classrooms, core courses include language arts, math, physical education, science, and social studies. There are 188 courses and 43 extra-curricular activities offered at the high school.

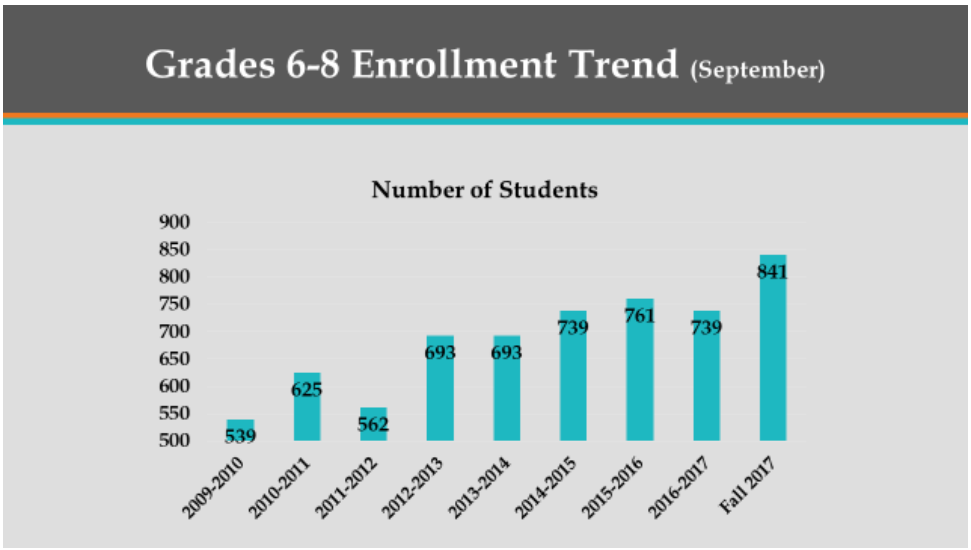
f. The continuous growth in enrollment at Dickinson High School poses issues with the facility that is being addressed by the community in public open forums. Looking at the fall enrollment for grades 5, 6, 7, and 8th and rolling forward four years, there would be approximately 1,096 students at the high school in 2021.



2. Hagen Building
    a. Alternative High School.
        i. Current Enrollment is 25+.
    b. Adult Learning Center.
    c. West Dakota Parent and Family Resource Center.
    d. Offices for:
        i. Regional After School Program Directors.
        ii. School Psychologists.
    e. Built in 1936 with an addition in 1950 and 1991.
    f. This building was built in 1936 and is home to the original Central High School. In the 1960s it was transformed into Hagen Junior High and the high school students were moved at that time to the new Dickinson High School. Starting in fall 2017, the 7th and 8th grade students previously served at Hagen Junior High were moved to the Dickinson Middle School. Hagen Junior High was again transformed to serve the students in the alternative Southwest Community High

School, Adult Learning Center, West Dakota Family Parent and Family Resource, and offices for the after school program directors and school psychologists.

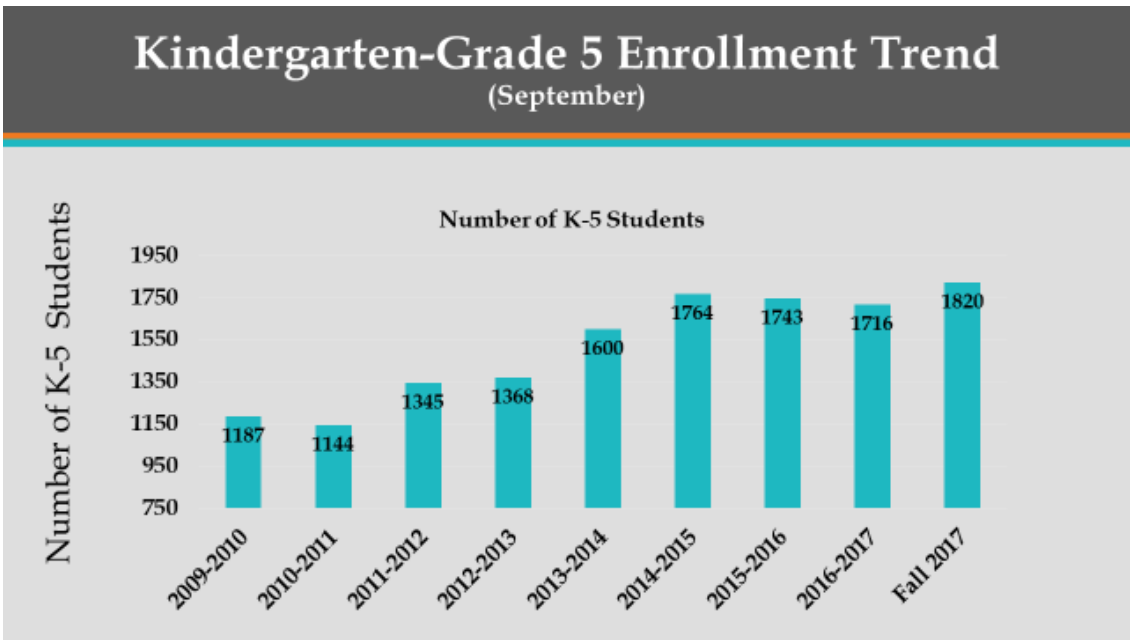
3. Berg Building
    a. Built in 1950 with additions in '52, '55, and 2003.
    b. Most currently served sixth grade students.
    c. Will reopen in fall 2018 as an elementary school.



4. Dickinson Middle School
    a. Serves students in grades 6, 7, and 8.
    b. Built in 2017.
    c. Bond Referendum.
    d. Current Enrollment = 831.
    e. In September 2013, the Dickinson Public School Board contracted out a consultant to review the District's facility master plan. The consultant held several public open forums to receive input from the public regarding its sentiment for accommodating the growing population. The forums indicated a new middle school was preferred. In October 2014, a bond referendum for a new middle school went to a public vote. After the referendum passed, work began to secure a building site to build the $65 million school. When Dickinson Middle

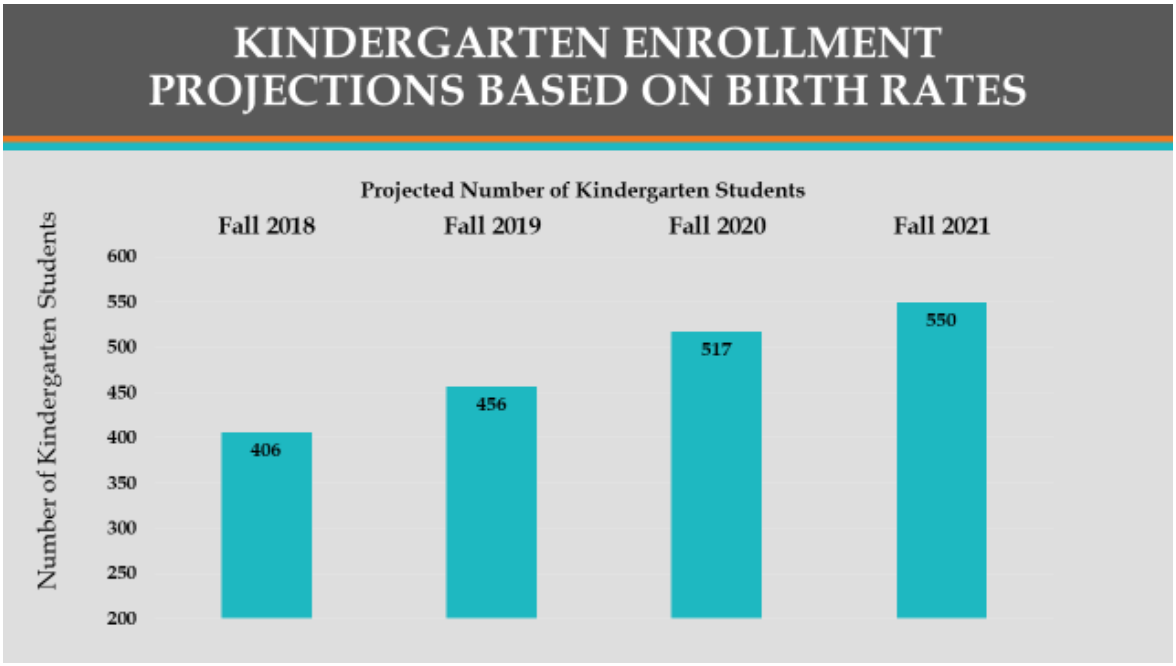
School opened in 2017, it was projected to open with 799 students; Dickinson Middle School opened in fall 2017 with 841 students.

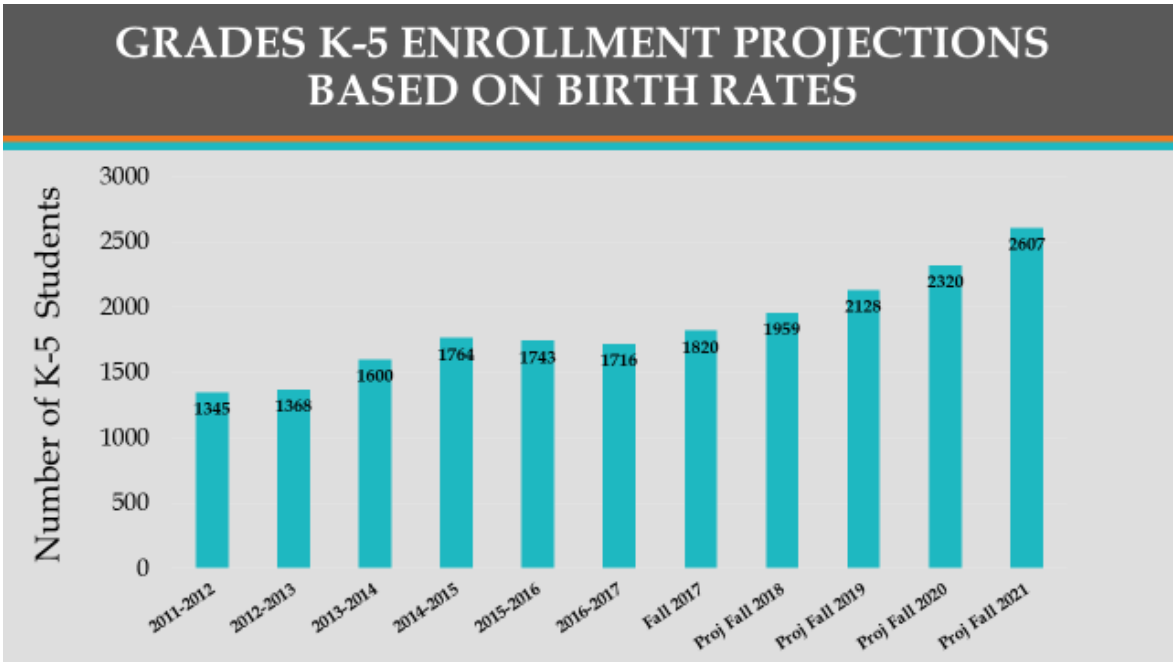
5. Heart River Elementary
    a. Built in 1982.
    b. Current Enrollment = 288.
6. Roosevelt Elementary
    a. Built in 1920 with additions in 1983 and 2003.
    b. Current Enrollment = 269.
7. Jefferson Elementary
    a. Built in 1963 with additions in 1983, 2003, and 2011.
    b. Current Enrollment = 369.
    c. The addition at Jefferson Elementary in 2011 added 4 classrooms, a multimedia room, and minor kitchen remodeling.
8. Jefferson Elementary
    a. Built in 1963 with additions in 1983, 2003, and 2011.
    b. Current Enrollment = 369.
    c. The addition at Jefferson Elementary in 2011 added 4 classrooms, a multimedia room, and minor kitchen remodeling.



Testimony

Dr. Douglas W. Sullivan
Superintendent
Dickinson Public Schools





9. Prairie Rose Elementary
    a. Serves grades K-5.
    b. Built in 2013 with an addition in 2014.
    c. 23 classrooms.

d. Current enrollment = 517

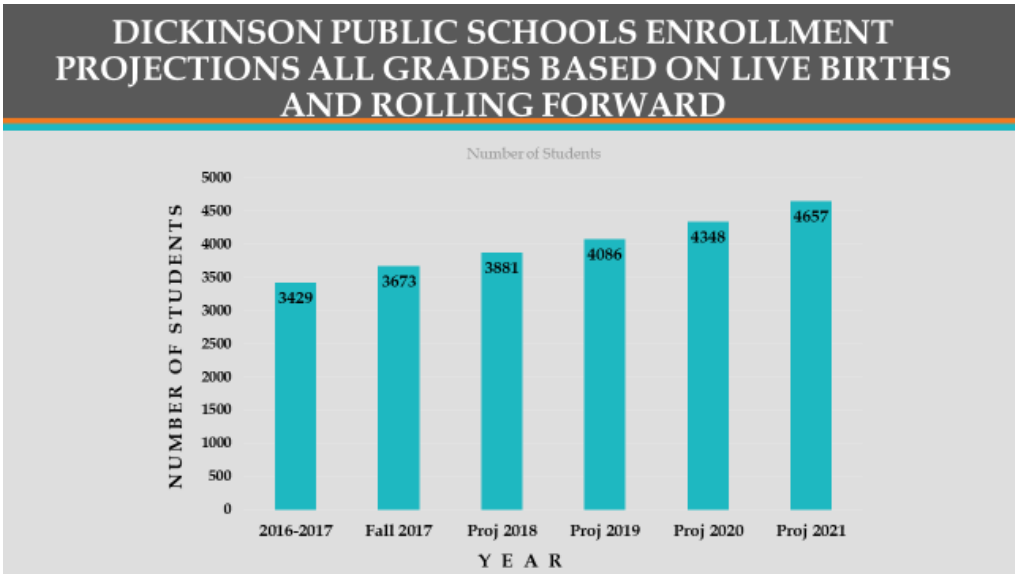
e. In the fall of 2011, the planning began to build the school now known as Prairie Rose Elementary on some land that the school district had purchased in the 1980s. Prairie Rose Elementary opened in fall 2013 with 278 students. The enrollment continued to climb. One year later in 2014, an additional wing was added to accommodate the enrollment growth. Today, Prairie Rose Elementary provides service to 517 students.

f. Acreage in western Dickinson

    i. Flexibility for future expansion

Dickinson Public Schools Bonding Capacity

- Dickinson Public Schools has exhausted its bonding capacity. Some of it will be recaptured year-to-year, but it will not be near enough to build a new facility other than an elementary school.

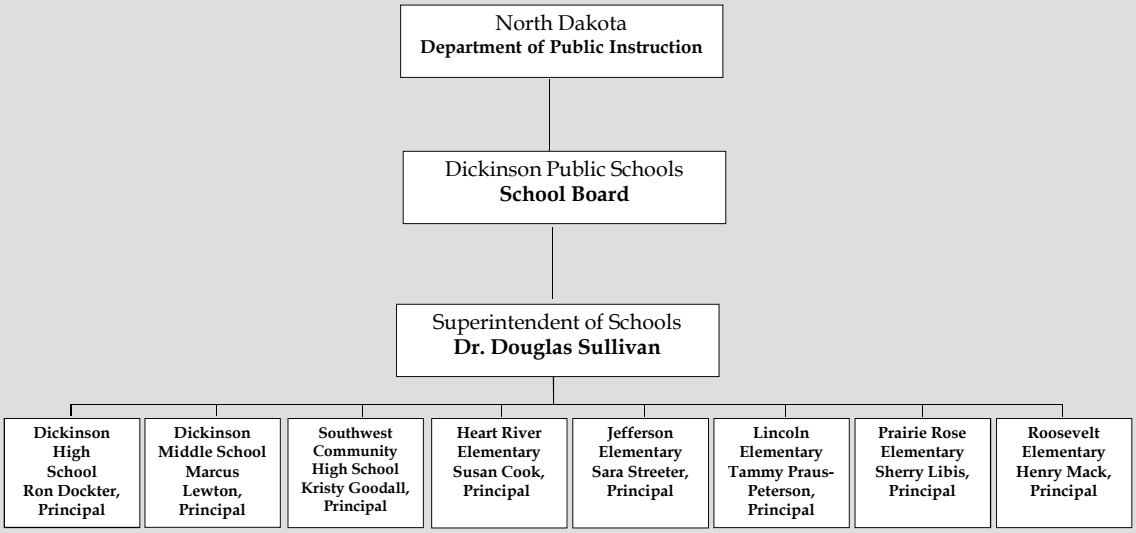


- MIDDLE SCHOOL MEETING CAPACITY - 2017 Enrollment K=348, 1st grade=322, 2nd grade=264. These three grades total 944. Rolling forward, in six years when these three grades are the 6th, 7th and 8th graders at DMS in 2023, there will be 944 students without taking into account any inward migration. This is

100 students less than the capacity as Dickinson Middle School was built to serve 1,050 students.

- ELEMENTARY STUDENTS – Even with reopening Berg as an elementary school in 2018, it is projected there will still need to be another elementary school built within the next 5-7 years. Berg can serve approximately 270 students. Based on live births, the projected kindergarten enrollment for the next three years is estimated at 406 kindergarteners, 456 kindergarteners, and 517 kindergarteners. The Dickinson Public Schools recommended classroom size for kindergarteners is 20 per classroom.

SCHOOL DISTRICT ORGANIZATION



DICKINSON PUBLIC SCHOOLS DEMOGRAPHICS (October 2017)

- 3,671 Students
- 647 Special Education Students
- 139 English Language Learners, Speaking 24 Different Languages

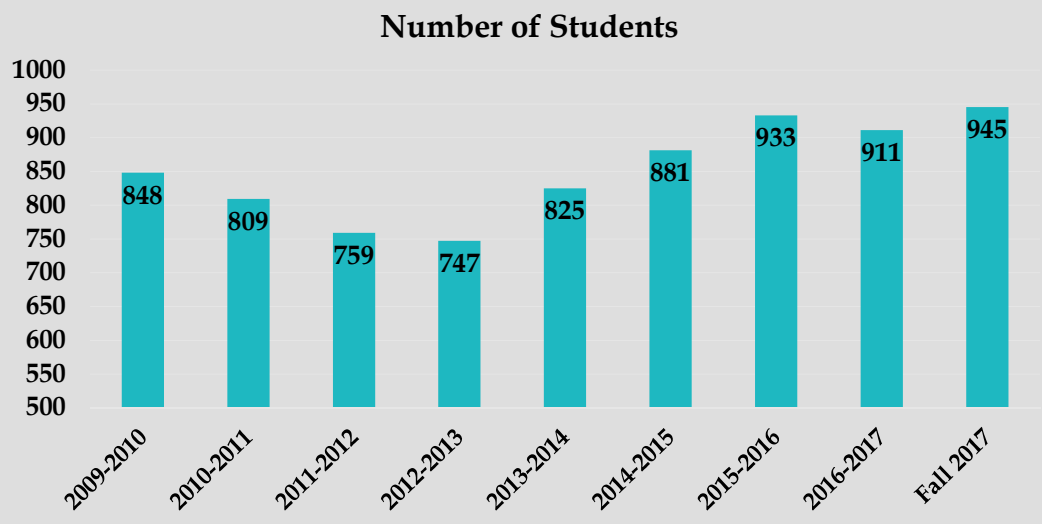
- 654 Total Employees
- 286 Certified/Professional Staff (Teachers)
- 225 Classified (Support) Staff
- 14 Administrators
- 129 Part-time and/or Temporary Employees

FACILITIES – Dickinson High School

Dickinson High School

- Serves grades 9-12
- Built in 1968 with additions in '72, '74, '79, and 1997
- Built to Serve 1,100 Students
- Current Enrollment = 949

Dickinson High School Enrollment Trend
(September)



FACILITIES – Hagen Building

Hagen Building

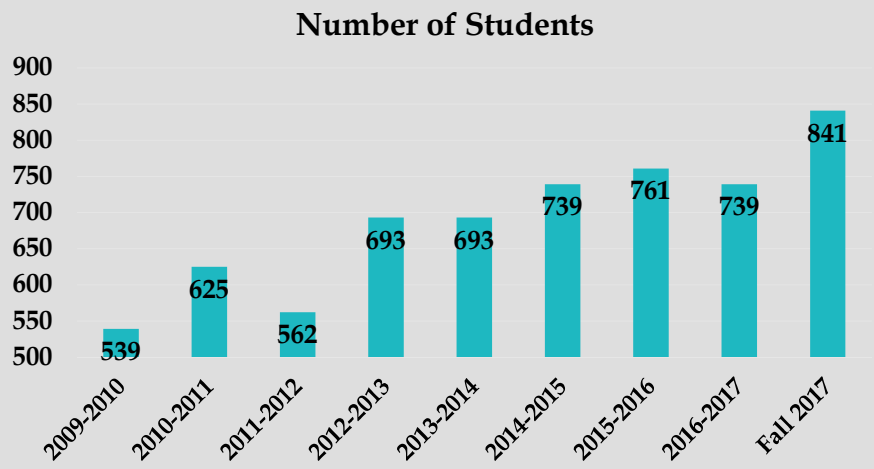
- Alternative High School
  - Current Enrollment is 25+
- Adult Learning Center
- West Dakota Parent and Family Resource Center
- Offices for
  - Regional After School Program Directors
  - School Psychologists
- Built in 1936 with an addition in 1950 and 1991.

FACILITIES – Berg Building

Berg Building

- Built in 1950 with additions in '52, '55, and 2003.
- Most currently served sixth grade students
- Will reopen in 2018 as an elementary school

Grades 6-8 Enrollment Trend (September)



FACILITIES – Dickinson Middle School

Dickinson Middle School

- Serves students in grades 6, 7, and 8
- Built in 2017
- Bond Referendum
- Current Enrollment = 831

FACILITIES – Heart River Elementary

Heart River Elementary

- Built in 1982.
- Current Enrollment = 288

FACILITIES – Roosevelt Elementary

Roosevelt Elementary

- Built in 1920 with additions in 1983 and 2003.
- Current Enrollment = 269

FACILITIES – Jefferson Elementary

Jefferson Elementary

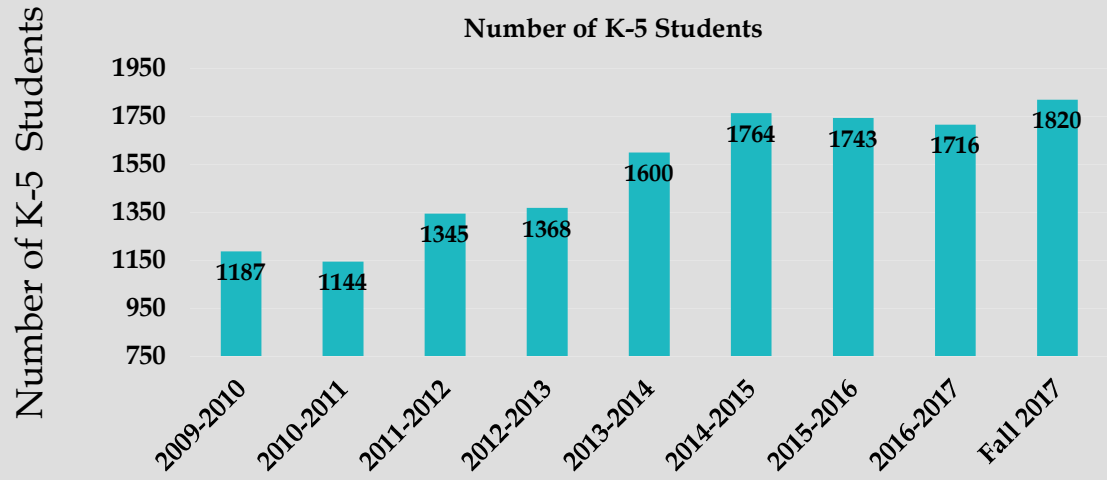
- **Built in 1963 with additions in 1983, 2003, and 2011.**
- **Current Enrollment = 369**

FACILITIES – Lincoln Elementary

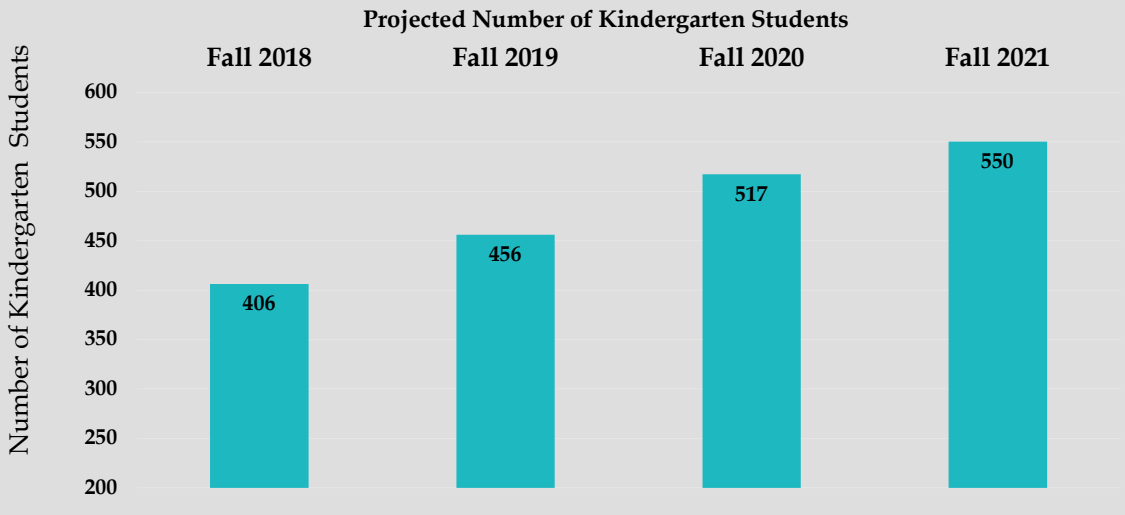
Lincoln Elementary

- **Built in 1958 with additions in 1965, 1982, 1994, 2003, and 2011.**
- **Current Enrollment = 378**

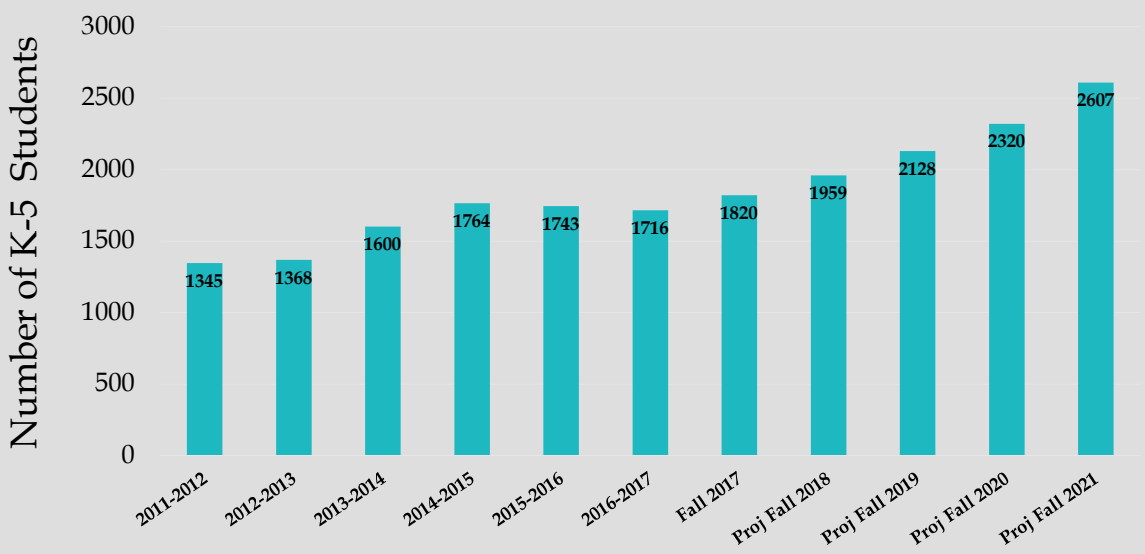
Kindergarten-Grade 5 Enrollment Trend
(September)



KINDERGARTEN ENROLLMENT PROJECTIONS BASED ON BIRTH RATES



GRADES K-5 ENROLLMENT PROJECTIONS BASED ON BIRTH RATES



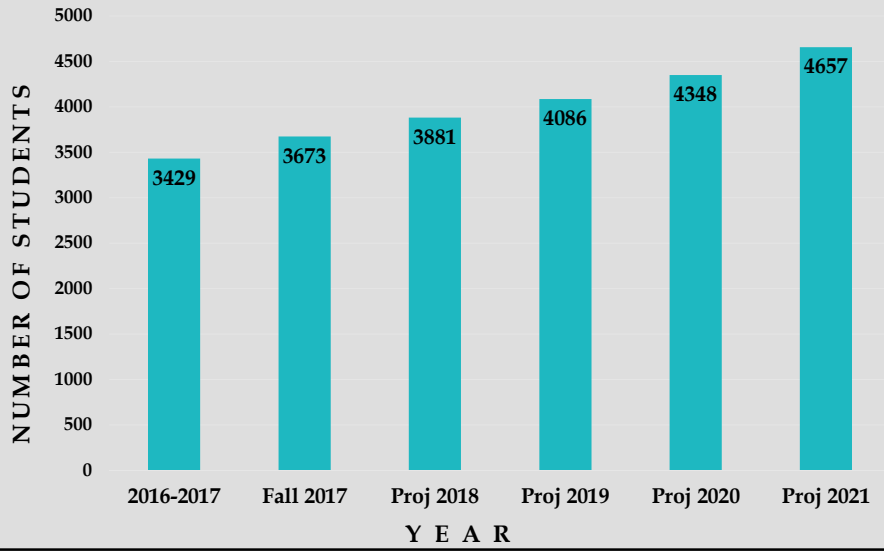
FACILITIES – Prairie Rose Elementary

- **Serves grades K-5**
- **Built in 2013 with an addition in 2014**
- **23 classrooms**
- **Current enrollment = 517**

The Future – Land Acquisition

- 114 acres located in western Dickinson
- Flexibility for future expansion

DICKINSON PUBLIC SCHOOLS ENROLLMENT PROJECTIONS ALL GRADES BASED ON LIVE BIRTHS AND ROLLING FORWARD



THANK YOU

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CITY OF DICKINSON
NORTH DAKOTA

Community Benchmarking and 6-Cities Study Financial Gap Analysis Results

TESTIMONY

Shawn Gaddie
AE2S Nexus
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Mr. Chairman and Members of the Committee, thank you for the opportunity to present to you today. I have had the pleasure and honor of working with the City of Dickinson and the Western Dakota Energy Association to identify and help plan for the potential impacts of infrastructure and operational changes necessary to serve growing communities in the western part of our state.

The first topic I would like to cover today is that of how we as a State attract and retain workers in the highly competitive job market of the oil and gas industry. As you have heard from industry representatives, a major challenge since the downturn is finding the workers in state to run the frack crews and keep operations going. Instead, workers are finding comparable jobs, with comparable pay in different shale plays that may have more attractive climates, larger cities, or other amenities. This message indicates that in order to stay competitive among national oil and gas plays, we must continue to improve tangible and measureable quality of life aspects for our workforce. While our communities look to continuing to provide opportunities for improved quality of life, they must do so with an eye towards affordability – a challenge that every community faces.

To better understand how Dickinson compares on affordability, we looked at multiple communities across various plays. These communities were identified by industry representatives to be in competition for the human resources required to support further oil and gas development in Western ND:

Community	Shale Play	Cost of Living Index[1]	Median Home Price
Ft. Collins, CO	Niobrara	124.2	$285,450
Watford City, ND	Bakken	117.2	$302,450
Williston, ND	Bakken	115.1	$260,000
Dickinson, ND	Bakken	112.6	$272,719
Minot, ND	Bakken	105.4	$209,500
Gillette, WY	Niobrara	104.4	$209,842
Greeley, CO	Niobrara	104.2	$285,000
Casper, WY	Niobrara	100.5	$214,950
Midland, TX	Permian	97.7	$273,900
Odessa, TX	Permian	94.5	$185,000
Norman, OK	Woodford	87.8	$204,905

[1]Sterling's Best Places Cost of Living Index

The results of this analysis showed that in various cost of living indices, Dickinson and other North Dakota communities generally had higher costs of living than other communities in comparable shale plays. Similarly, this was corroborated when looking at median home prices across these communities where Dickinson, Williston, and Watford City all have above average median home prices ($246,000) for the communities surveyed. Taxes, utility rates, and local fees are not typically considered in these cost of living indices.

While property taxes, utility rates, and local fees are not generally included in these cost of living indices, they are an important part of overall affordability and are generally one of the few items that are within the ability of state and local authorities to control. In comparing the total cost of property taxes on a median priced home along with utility fees, North Dakota communities again are generally at or above the average for communities evaluated. When considering the impacts on affordability overall (general cost of living, taxes, rates, fees, etc.), North Dakota needs to remain cognizant and intentional in striking the appropriate balance to the overall state and local taxation strategy.

Across communities in North Dakota, the Gross Production Tax (GPT) is critical to supporting investments in infrastructure and city services that improve quality of life and affordability in these communities. Without the funding the GPT provides Dickinson and others would need to reevaluate how critical infrastructure is implemented and how it is paid for. The resulting cost burden would hurt overall affordability within North Dakota communities and impede the ability to compete for the human resources necessary to meet long-term industry needs.

Looking ahead, this revenue stream will continue to be tested as the infrastructure investment needs of communities grow. The second key item I would like to highlight is the investment needs for the City of Dickinson as identified by the Western Dakota Energy Association's 6-City study completed early 2017. Considering the volatility in the oil industry and the anticipated moderate recovery, the Study was intended to demonstrate core City needs as the price of oil began the recovery cycle and included an evaluation of traditional capital infrastructure improvements required such as water, sewer, roads, etc. It also identified how operations and City services provided will need to grow to keep pace with the anticipated growth pattern in each City. In regards to Dickinson specifically, the results of the study provided a 7-year financial roadmap for the City's anticipated capital and operational financial needs and quantified the fiscal impacts that the City can expect to realize for a prescribed population growth planning scenario.

Population forecasts for the impacts analysis were based on adaptations from the workforce and population analyses performed by North Dakota State University (NDSU) in conjunction with Vision West. The workforce and population analysis focused on county-level economic activity in the region and its effect on workforce and population through 2040 under varying oil price recovery scenarios. The resulting County-level projections for a moderate recovery scenario were adjusted to City-level results based on historic trends in city/county capture rates and other county hub city benchmarks from across the region. Ultimately under the moderate price recovery scenario, the population forecasting model projected that Dickinson could expect to see a 3.5% annual growth rate, growing to nearly 29,000 people by the year 2023.

The study also identified existing operational service levels for the City of Dickinson and identified growth projections that will drive future operational service levels. Projected operational levels were analyzed based on key metrics of population, utility accounts, and centerline infrastructure miles. Infrastructure mile projections were based on average mile of linear infrastructure required per unit population from 2013 – 2015. Similarly, future projections of utility accounts were based on average population in the City per water account data from 2013 – 2015.

Capital improvements needed to support projected growth were also identified and prioritized by year of construction from 2017 to 2023. Capital improvements fell into categories of transportation, water, wastewater, storm water, airport and other public facility needs (City Hall, Public Works, and Recreational). The total 2017-2023 projected capital costs were totaled to a sum of $213M. Preliminary identified funding sources, such as SRF loans, State Water Commission Cost-Share, and other anticipated Federal and State Funds, were then assigned to total projected infrastructure needs where appropriate to identify a total remaining unfunded CIP cost of $198M from 2017 to 2023.

Considering the growth projected through 2023, operational increases were also projected and analyzed to determine appropriate future municipal service levels across impacted City departments. To make prudent projections, the study team reviewed and analyzed specific organization, staffing, and fleet inventories from a cross section of benchmark communities throughout the region with populations similar in size to Dickinson and along the City's anticipated growth trajectory. Based on the results of the benchmarking analysis against the comparable communities, staffing and fleet needs were forecasted in order to effectively deliver services at desired levels of service into the future.

Based on the analysis, Dickinson staffing levels are estimated to grow from a projected 175 FTEs in 2017 to 232 FTEs by 2023, an increase of 57 FTEs. The estimated new incremental annual cost for these employees was calculated to be just over $3.0 million annually by 2023. Due to increased service levels and growth in FTEs, total City fleet levels are also expected to grow from a rolling stock count of 139 in 2017 to 162 by 2023. The total projected cost for fleet renewal and additions to the year 2023 is estimated to be $17.6 million.

Considering projected capital and operational revenue requirements across the 7-year timeframe, a multi-year revenue and expense projection model and cash flow spreadsheet was developed based on the City's 2017 budget. The model was used to determine the 7-year financial "gap" for all capital and operational requirements for the City of Dickinson's growth impacted funds. The modeling analysis also included a detailed review of each City's line item budgets in order to determine appropriate escalation factors for all anticipated growth impacted expenses and revenues. Similarly, a detailed analysis of projected major revenue sources such as Gross Production Tax, Sales Tax, property tax, and utility rate revenues was completed, with appropriate escalation factors applied to minor revenue line items. Ultimately, the model showed under the prescribed growth projection scenario that the City will have a combined cash-based funding gap of $111M by the year 2023.

The results of the study ultimately highlighted that even at the tail end of a slow-down, a moderate oil price recovery will continue to place significant demands on the City of Dickinson's infrastructure and governmental services. Past investments by the State and the City in trunk infrastructure such as

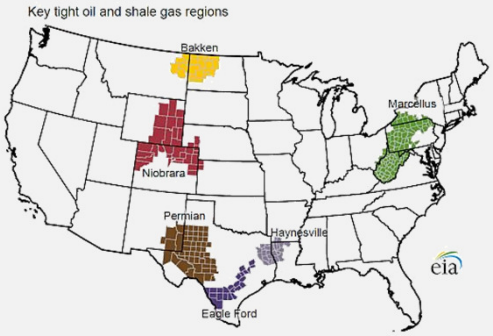
transportation corridors, water supply, and wastewater treatment have positioned the City for further growth. It is also expected that moderate oil price recovery will moderately increase City revenues, however, the rebound in revenues are not projected to meet the anticipated needs. To this end, the City of Dickinson will remain heavily dependent on major revenue sources such as GPT to offset projected capital infrastructure and associated debt service demands. Furthermore, unique funding and financing strategies will be required to fill the total funding gaps projected and strategies for addressing these shortfalls will require solutions at both the local and State level.

PLANNING FOR THE FUTURE
SUPPORTING CONTINUED INVESTMENT

- Dickinson has made **smart, prudent investment** through the boom
- All of our State's communities that support energy development are **typical small town ND** that have been thrust into **high paced growth** at a **high cost**
- Integral to a **high quality of life** is providing a **cost of living** existing/prospective residents and businesses **can afford**

AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES
Cost of Living | Comparable Plays

- While price of oil often dictates activity by **employers**, quality of life and cost of living dictates activity of **employees**
- **ND** (and Dickinson) is **in competition** with other plays **for Human Capital**:
  - Permian
  - Niobrara
  - Woodford
  - Eagle/Ford



AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES

Cost of Living | Measure of Affordability

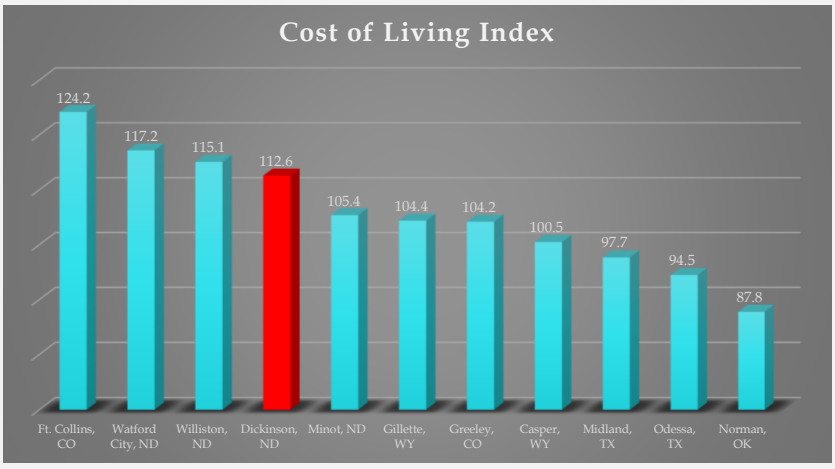
- Comparison Costs – Readily Available Online
- Select Data comes from U.S. Census Bureau and:
  - **Housing (30%):** Freddie Mac, National Association of Realtors, National Association of Home Builders, and State Association of Realtors
  - **Food/Groceries (15%):** Bureau of Labor Statistics, Bureau of Labor Statistics
  - **Transportation (10%):** Federal Travel Directory, Federal Aviation Administration, Federal Transit Administration, Federal Highway Administration, and Amtrak
  - **Utilities (6%):** Department of Energy
  - **Health Care (7%):** U.S. Department of Health and Human Services, Centers for Disease Control and Prevention,
  - **Misc (32%):** Includes variety of clothing, services, and entertainment Does not include state/local taxes or utility costs

C2ER THE COUNCIL FOR COMMUNITY AND ECONOMIC RESEARCH

sperling's BEST PLACES

AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES

Affordability | Comparable Plays



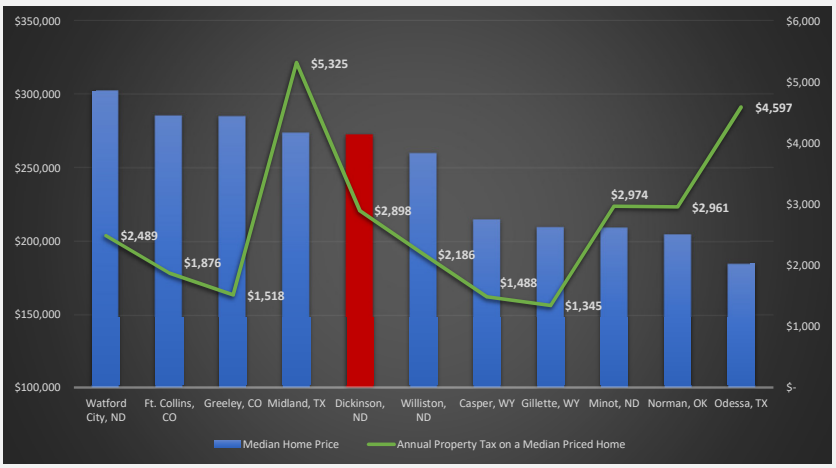
Bestplaces.net | Index value of 100 is representative of national average

AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES
Affordability | Comparable Incomes

City	Equivalent MHI
Ft. Collins, CO	$78,473
Watford City, ND	$74,050
Williston, ND	$72,724
Dickinson, ND	***$71,144***
Minot, ND	$66,595
Gillette, WY	$65,963
Greeley, CO	$65,837
Casper, WY	$63,499
Midland, TX	$61,730
Odessa, TX	$59,708
Norman, OK	$55,475

Based on Dickinson's MHI, you would need to make the following to have an equivalent standard of living (based on Cost of Living Index)

AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES
Median Home Prices | Comparable Plays

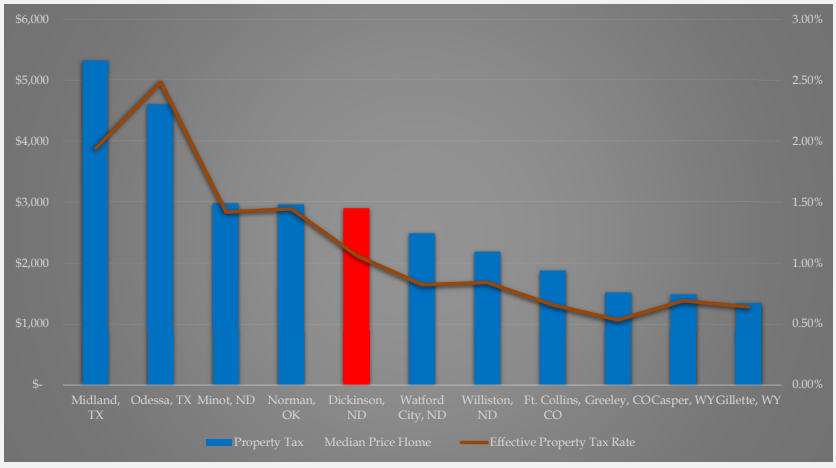


Based on publically available listing and recent sale price on Zillow.com

INVESTING IN OURSELVES
Affordability | Supporting Housing

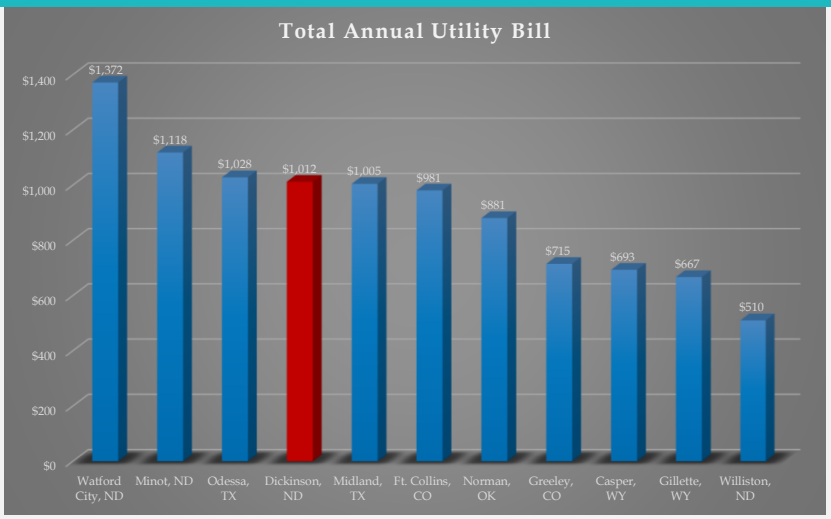
- Community support is primarily through Infrastructure and City Services
- Dickinson has used Gross Production Tax to develop Supporting Infrastructure
  - Largely Avoiding Special Assessments
- How else do communities support affordability? Through managing:
  - Property Taxes
  - Sales Taxes
  - Utility Fees

AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES
Property Taxes | Comparable Cities



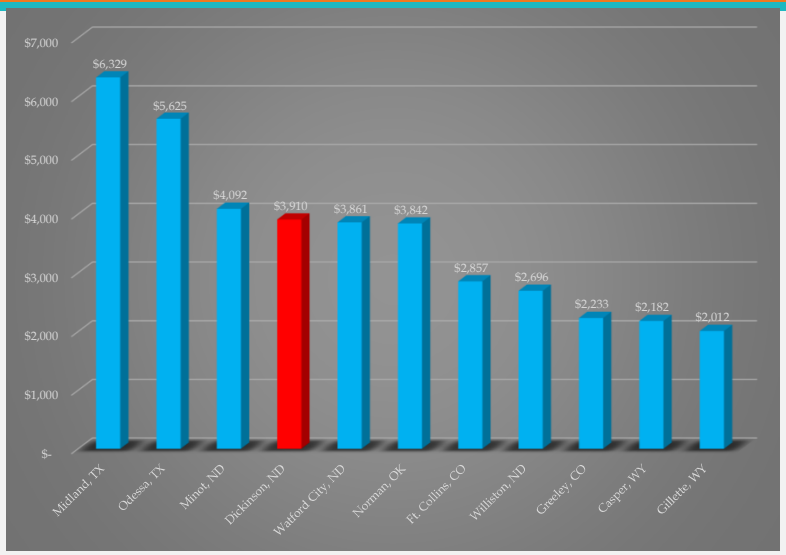
*Texas and Wyoming communities do not have individual income taxes and fund universities, other basic government functions, through property taxes

INVESTING IN OURSELVES
Cost of Living | Utility Rates

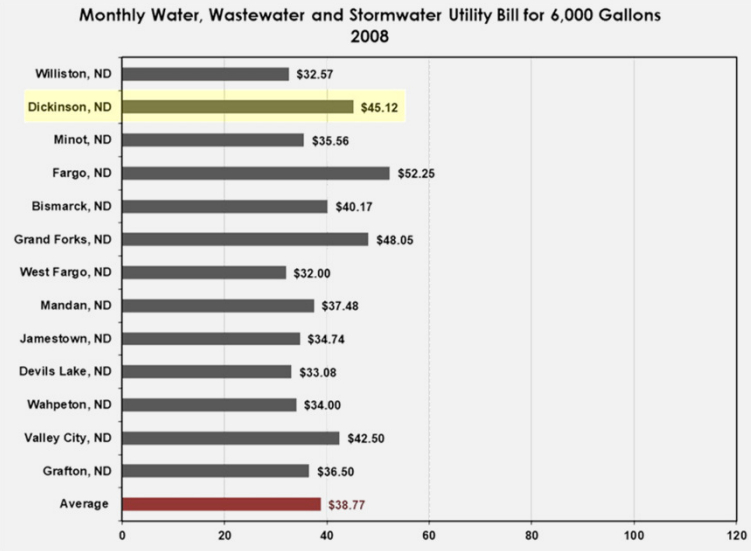


Includes: Water, Wastewater, Stormwater, Garbage

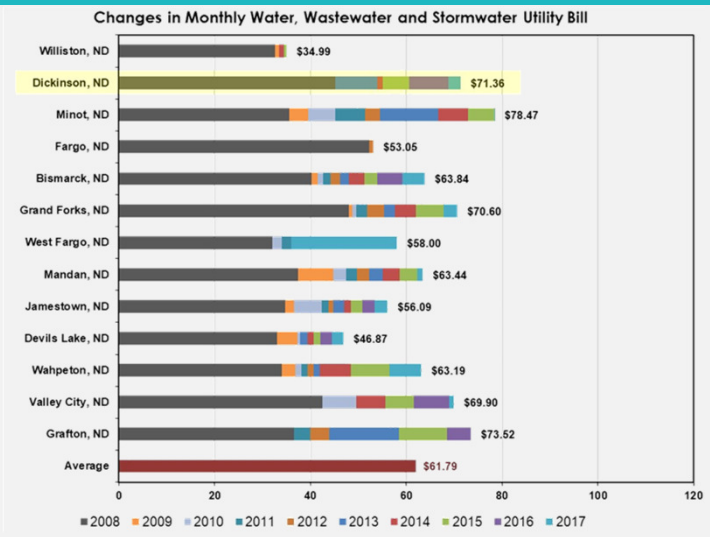
AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES
Cost of Living | Annual Combined Tax & Utility



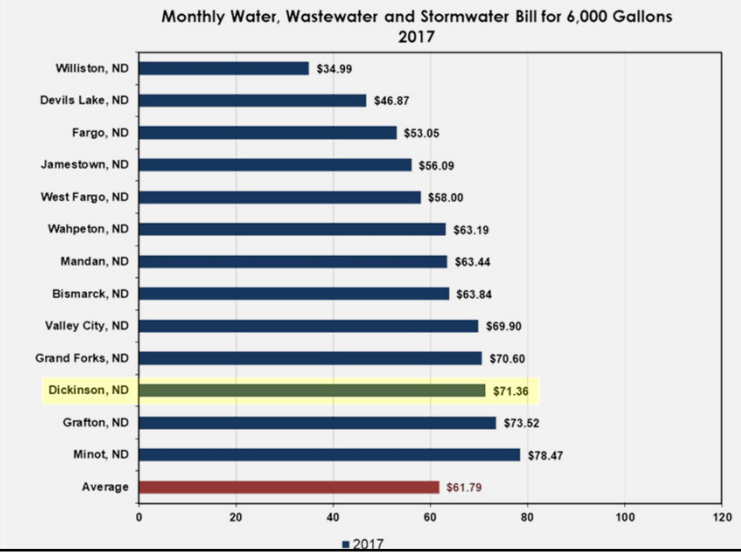
AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES
Cost of Living | ND Utility Rates - 2008



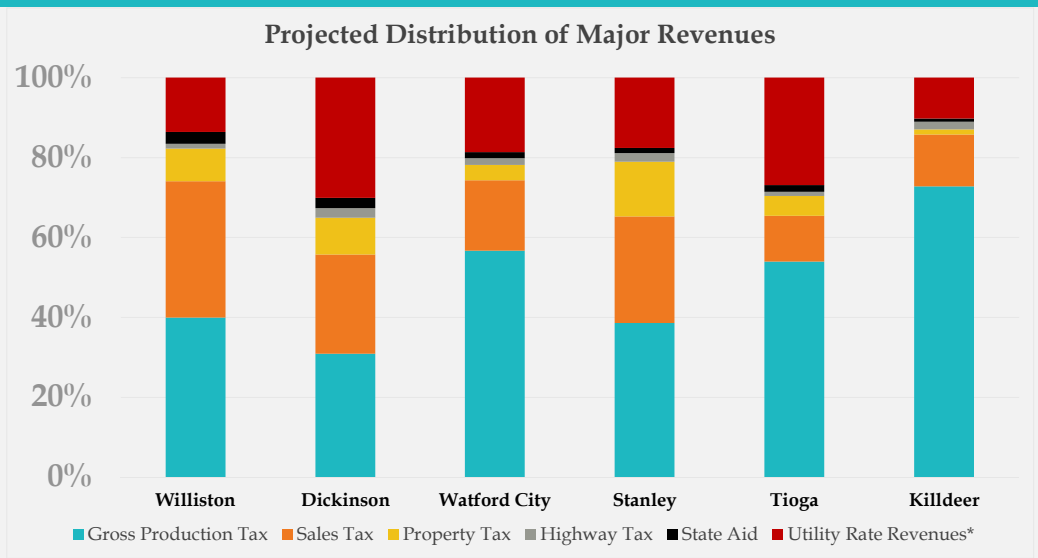
AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES
Cost of Living | ND Utility Rates - 2017



AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES
Cost of Living | ND Utility Rates - 2017

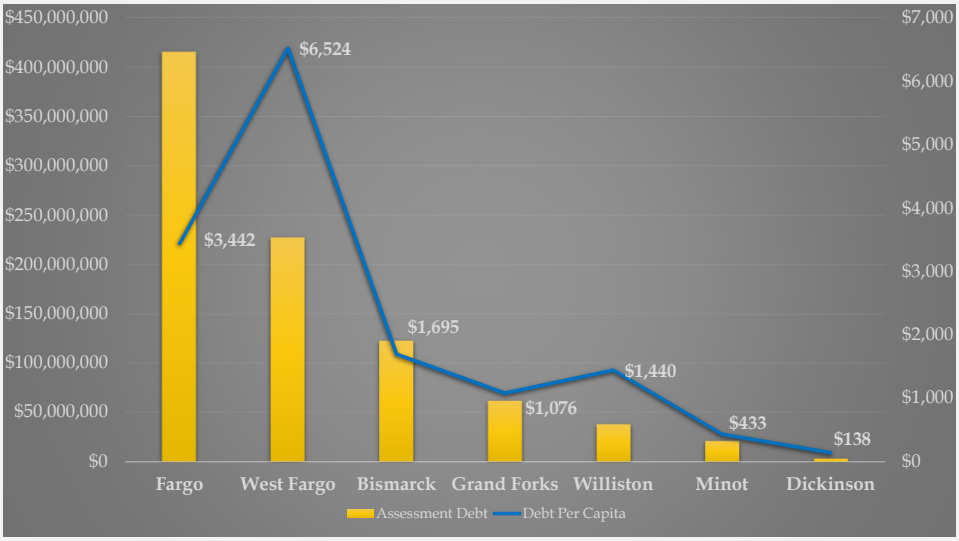


MAJOR REVENUES BY CITY



AFFORDABLE | COMPETIVE | ATTRACTIVE COMMUNITIES

Assessment Debt



INVESTING IN OURSELVES

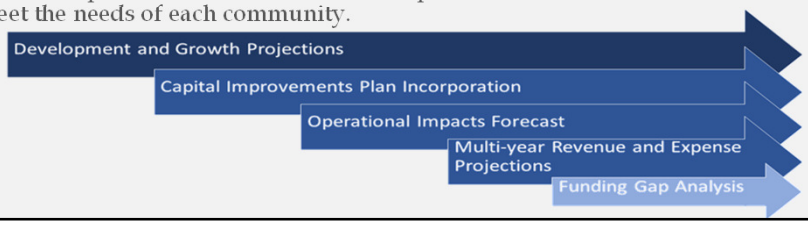
Affordability | Maintaining Quality of Life

- Six-City study developed to show how quality of life is maintained through continued infrastructure and service investments
- Dickinson has tall task of maintaining an affordable quality of life and cost of living
- Needed future investments will keep pressure on City to maintain affordable tax and fee levels
- GPT/Hub City funding is a critical tool

WDEA 6-Cities Study Results

- Completed Early 2017
- Capital and Operational Forecasting and Financial Gap Analysis
- Study Funded 50/50 by WDEA and Participating Cities
- Impacts Forecasts for Six Participating Cities

  Williston | Watford City | **Dickinson** | Tioga | Stanley | Killdeer
- Further projected population increases are expected to place additional service demands on each city
- Impacts to include the expansion of infrastructure and operations that will be required to meet the needs of each community.



NDSU POPULATION AND WORKFORCE STUDY

- Impacts forecasting based on adaptations from workforce and population analyses performed by North Dakota State University with support by WDEA through VisionWest ND
- NDSU Study Focused on ***County-level*** Economic Activity in the Region and Effect on Workforce and Population through 2040

OIL PRICE **JOBS** **PEOPLE** **HOUSING**

POPULATION & GROWTH IMPLICATIONS
GROWTH IN DICKINSON

	2017	2018	2019	2020	2021	2022	2023
Population	23,440	24,441	25,150	26,220	26,980	28,123	28,938
Infrastructure Miles	179.6	185.1	189.0	194.9	199.1	205.4	209.9
Utility (Water) Accounts	7,886	8,231	8,476	8,846	9,108	9,503	9,785

- Road mile projections based on average road mile per population 2013 – 2015 *(5.5 miles per 1,000 population)*
- Future Utility Account projections based on average population per water account from 2013 – 2015 *(2.89 people per water account)*

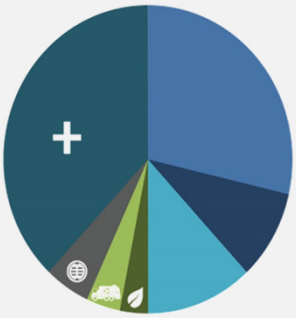
CIP NEEDS – DICKINSON

CAPITAL IMPROVEMENT NEEDS

CATEGORY	Year (Estimated Costs in Millions)			
	Total 2017-2023 Project Costs	Less Preliminary Assigned Funding Sources		Remaining
Transportation	$61.0	$0.0	1	$61.0
Wastewater	$20.0	$0.0		$20.0
Water	$25.4	($15.2)	2	$10.2
Parks	$6.7	$0.0		$6.7
Sanitation	$8.1	$0.0		$8.1
Stormwater	$10.8	$0.0		$10.8
Other Facilities/Admin	$80.9	$0.0		$80.9
Totals	**$212.9**	**$(15.2)**		**$197.7**

Preliminary Identified Funding Sources

1. State Projects Shown at Local Cost-Share Level
2. State Water Commission Funding on Applicable Water Projects



Key Capital Needs

- Water/Sewer Extensions to Airport
- Events Center Development
- Trunk Sewer Expansion for Further Northside Development
- Trunk Water Transmission and Storage Improvements for Further Northside Development

BENCHMARKING

- Regional analysis looking at operational levels of service from communities similar in size to long-term growth trajectory of participating City's
- Operational levels based on metrics of population, utility accounts, infrastructure miles, and facilities operated
- Benchmark data used as basis for future staffing, fleet, and budgetary impact projections

BENCHMARKING RESULTS
Dickinson Staffing Ratios

Benchmarked Department	Benchmarked Average FTE[A]	Dickinson FTE	Staffing Ratio
Finance/Administration	4.3	**3.4**	per 10,000 Population
Human Resources	1.0	1.1	per 100 Total FTE
Fire	11.9	**7.2[B]**	per 10,000 Population
Police	19.7	24.4	per 10,000 Population
Engineering	3.6	3.8	per 10,000 Population
Building / Inspections	2.2	2.1	per 10,000 Population
Planning & Zoning	1.4	1.3	per 10,000 Population
Streets	8.9	**6.8**	per 100 CL Infrastructure Miles
Sanitation / Landfill	2.5	**1.8**	per 1000 Utility Accounts
Shop / Vehicle Maintenance	1.5	1.3	per 10,000 Population
Water / WW / Storm	11.4	**7.2[C]**	per 10,000 Population

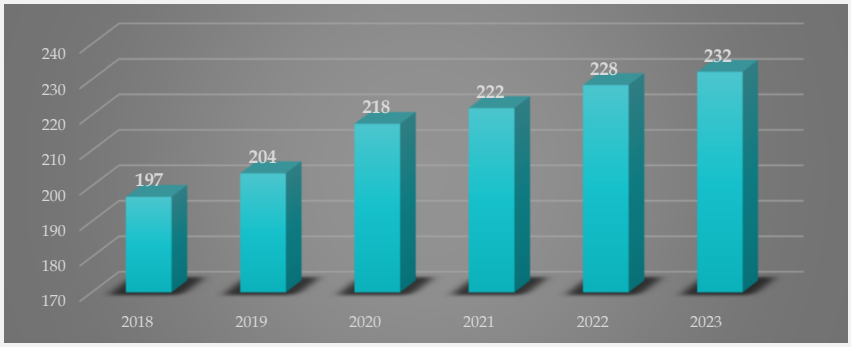
A *Average across Williston, ND | West Fargo, ND | Gillette, WY | Bozeman, MT | Minot, ND | Grand Forks, ND | Great Falls, MT | Bismarck, ND*

B *Hybrid Fire Department*

C *Purchased Water*

BENCHMARKING RESULTS
PROJECTED EMPLOYEE GROWTH

***2023 Staffing Needs = 35 Additional FTE** (from 2018 Projections)*



	2018	2019	2020	2021	2022	2023
Projected Total Annual Cost for New FTE	$1.1M	$1.5M	$2.2M	$2.5M	$2.8M	$3.0M

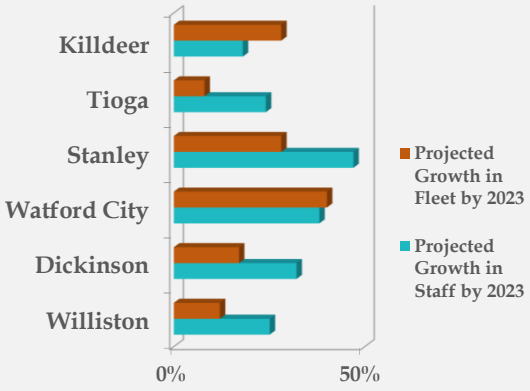
BENCHMARKING RESULTS
PROJECTED FLEET GROWTH

	2017	2018	2019	2020	2021	2022	2023
Police	26	26	26	27	27	27	28
Fire*	7	6	6	7	7	7	7
Sanitation / Landfill	42	43	43	45	45	45	46
Wet Utilities	22	23	25	27	28	29	30
Street	42	43	44	46	49	51	51
Total	**139**	**141**	**144**	**152**	**156**	**159**	**162**

2017-2023 Fleet Needs = $17.6 M

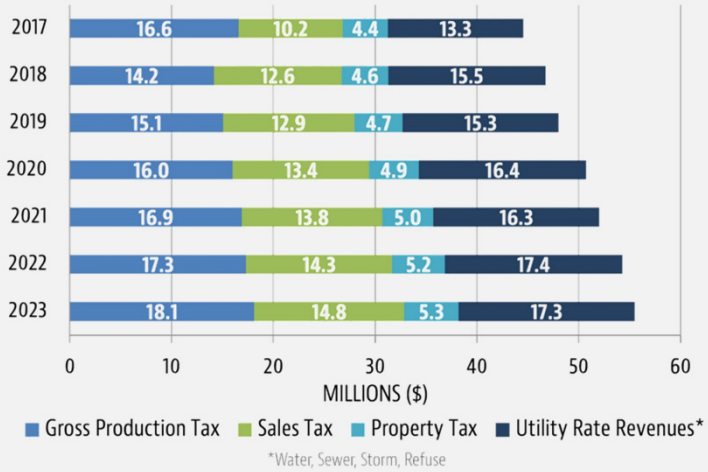
BENCHMARKING RESULTS

- Operational demands continue to grow in the form of municipal employee needs and fleet purchase needs
- Meeting these operational demands is critical to maintaining high-quality City services and continued quality of life



REVENUE - DICKINSON

MAJOR REVENUE SOURCE PROJECTIONS

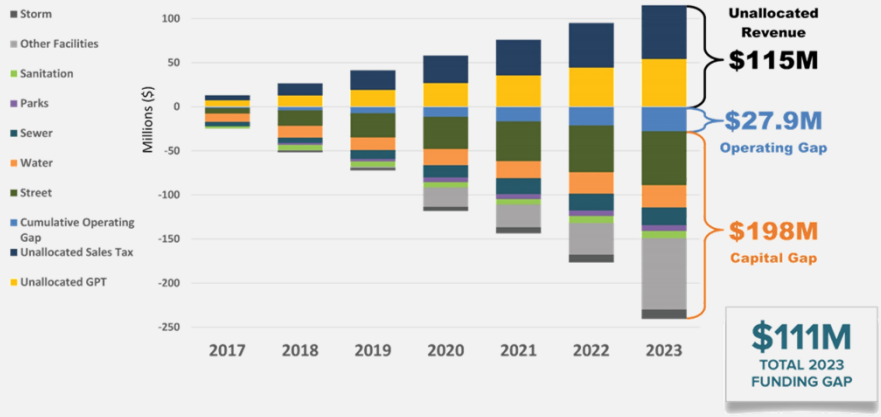


FUNDING GAP - DICKINSON

FUNDING GAP OF $111M PROJECTED BY 2023

Given all projected revenues and expenditures, application of preliminary infrastructure funding sources, and cash funding of remaining capital projects, a total 2023 net funding gap of $111M has been identified.

CASH BASED FUNDING GAP ANALYSIS



$111M
TOTAL 2023 FUNDING GAP

Financial Overview

Linda Carlson
-Deputy City Administrator

TESTIMONY

Linda Carlson
Deputy City Administrator, City of Dickinson
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Mr. Chairman and Committee members, thank you for the opportunity to present the financial data to you. I serve as the Deputy City Administrator over Finance and Administration and today I am going to give an overview picture in the next several slides of where the City's revenues have been in the past and where they are presently. All the slides, unless noted, are depicting the years of 2008 through 2016.

Revenue Comparison

This slide shows how the major revenue streams have changed. In 2008 the total revenue was approximately $19 million and in the end of 2016 the city received approximately $62 million. In 2016, GPT revenue was the same amount as the total of 2008. In 2008, the major revenue source was our Enterprise revenue based on rates we charge our customers.

1% and ½% Sales Tax

The one percent sales tax was adopted in 1990, imposed by a vote of the people and does not have a sunset clause. The one percent sales tax money was broken down to three different buckets; 50% is dedicated for infrastructure, debt reduction and property tax relief, 30% dedicated to capital purchasing and enhancing social and economic vitality of southwestern North Dakota, and remaining 20% dedicated to both job development and senior citizen programs.
The half-percent sales tax was imposed by a vote of the people and adopted in 2002 without having a sunset clause. The ½% tax is dedicated to the construction of a community center, funding of the operations, maintenance and repair expenses. Lastly, funds can be used for property tax reduction and infrastructure. Just recently the sales tax cap was changed from $37.50 to $100 per sale.
The graph shows over the years the sales tax collections have had a moderate rate of collection, but after the decrease in oil activity, the city has seen a significant downhill slide.

Hub City / Eastern Cities Sales Tax

Dickinson is compared to the other Hub cities of Williston, Watford City, and Minot on sales taxes collected and all of these cities are showing a decline of collection after 2015; some more than others. Then Dickinson is compared to some eastern cities of Bismarck, Grand Forks, and West Fargo. In this comparison to the eastern cities, Dickinson has a decline in sales tax collections since 2015, whereas the eastern cities show either a very slow decrease to a significant increase.

50% of the 1% Sales Tax Revenue

I am showing you a breakdown of how infrastructure, lane miles, has affected our revenue source. The orange line shows how much revenue has been collected for the bucket of the 50% of the 1%. The 50% of the 1% has been dedicated to infrastructure and/or the maintenance of infrastructure; this includes our lane miles. In this slide, the revenue grew through the years up to 2014 to sustain dollars to maintain the lane miles we had. When oil activity dictated an explosion of building the road miles, the needed revenue was not there to support it. This is another reason GPT money was needed to support the operational gap that other revenues couldn't. Even though we needed the infrastructure our sales tax collections have fallen and we are not able to support the infrastructure that needs to be maintained.

GPT Revenue Overview

Based on legislative session, there is a formula that supports how much revenue is received by each entity. Dickinson receives 30% of the 9% of the 1% gross production tax. This is also based on the percentage point of mining related employment.
The gross production tax revenue has been solely used for three main purposes: Debt reduction, fulfilling the operational gap from oil activity, and the possibility of new infrastructure and/or capital projects.
The GPT revenue received in the last nine years has grown to support the development and quality of life that Dickinson needed.
The comparison slide of GPT, Sales Tax and Property tax revenue shows that GPT has been a crucial source to maintaining the City as a whole. The Gross Production tax has been needed for the operational gap due to oil activity. Sales Tax has significantly fallen and property tax has been a steady increase source of revenue.
As stated, property tax revenue has been steady but it still does not meet the need to support General Fund departments. This slide shows that out of 16 departments that make up the general fund, our police budget alone cannot be supported by property tax.

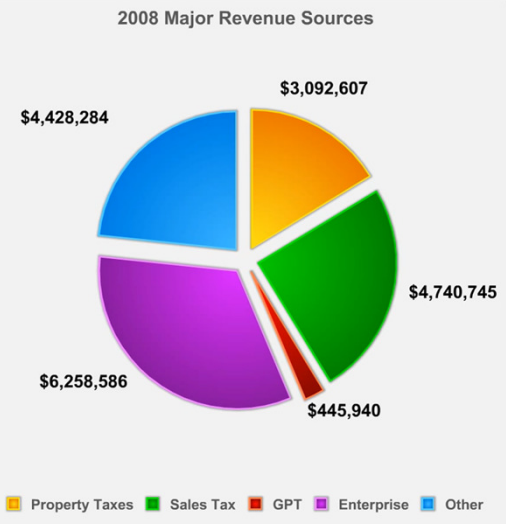
Water Rates and Enterprise Billing Revenue

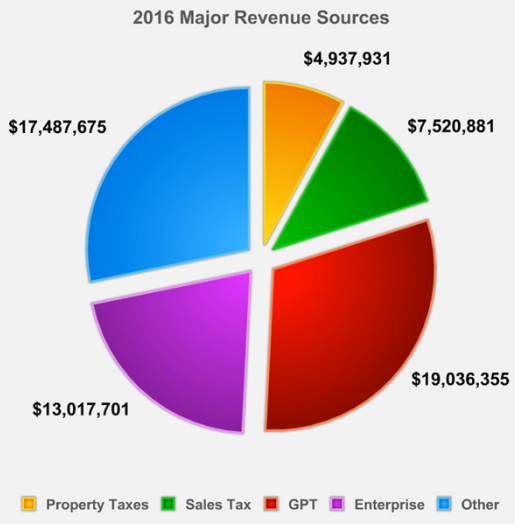
In my position, I oversee the utility billing staff and wanted to show a couple slides. The first one shows water consumption rates. The city purchases water from Southwest Water Authority and passes on those rates to our citizens at a minimal increase.
The total revenue from utility billing has been on the increase since 2010 and even with the oil activity decrease, our utility billing revenue has had a very slight decrease.

Debt Summary

These slides show where Dickinson stands with debt. Most of the debt is due to SRF loans for new infrastructure. Money dedicated out of GPT is to pay down those debts each year, as other revenue sources are not sufficient.
The graph shows how the City of Dickinson was in debt in 2008, paid down major debts in 4 years and with the increase in oil activity, debt was the highest in 2015. Since then a plan has been in place to reduce the debt portfolio. In 2016, the City paid off a bond of just over $1million. In 2018, the plan is to pay off two more loans in the tune of $700,000. Even though the City has a good financial plan of reducing debt, the developing and maintaining of capital has suffered with less revenue.

Revenue Comparison





Source: City of Dickinson Finance Records

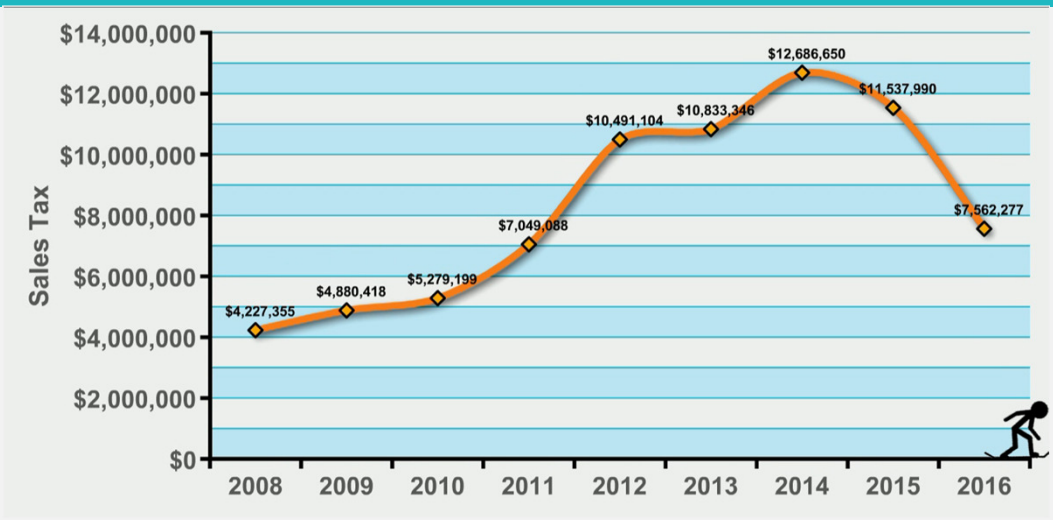
1% Sales Tax Uses

- 1% Sales Tax adopted in 1990
- 50% of 1% dedicated to infrastructure, debt reduction, and property tax relief.
- 30% of 1% dedicated to capital purchases enhancing social and economic vitality of Dickinson and southwest North Dakota
- 20% of 1% dedicated to both job development and senior citizen programs
- Maximum Sales Tax is currently capped at $100/sale

½% Sales Tax Uses

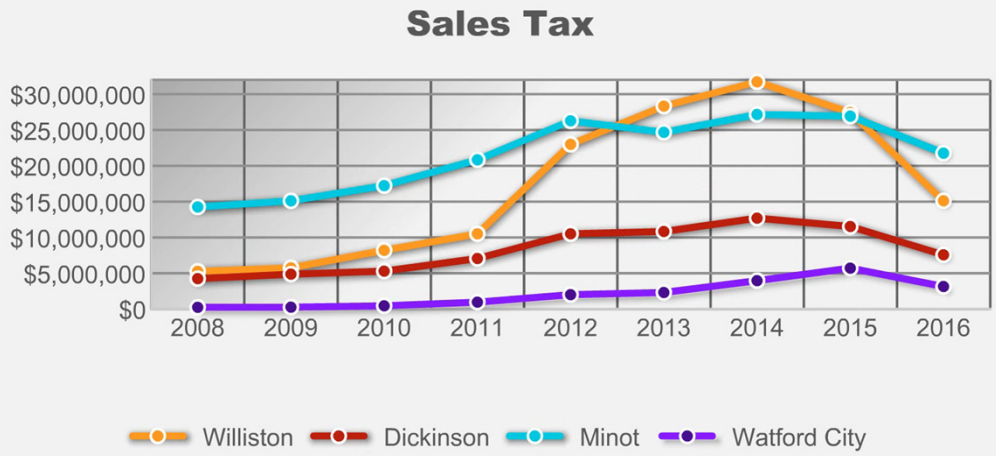
- ½% Sales Tax adopted in 2002
- Construction of the West River Community Center
- Operation, repair, and maintenance of the West River Community Center
- Property tax reduction and infrastructure (streets, water, and sewer).
- Maximum Sales Tax is currently capped at $100/sale

Total 1.5% Sales Tax Collections 2008-2016



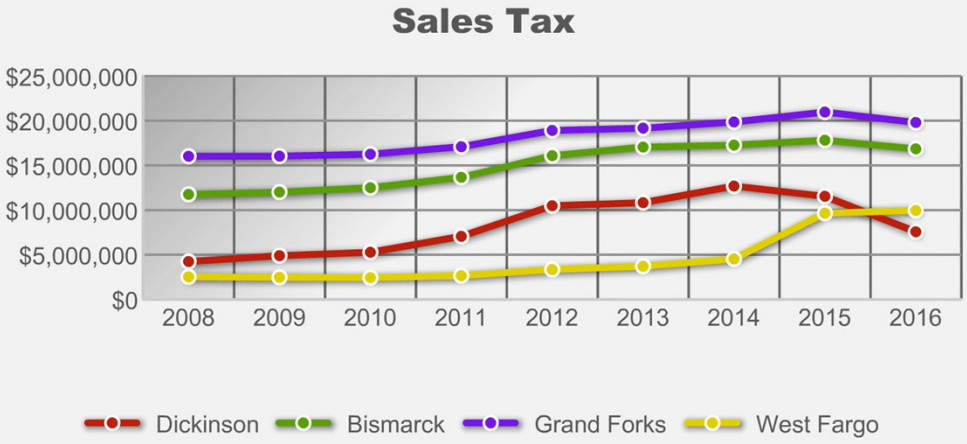
Source: ND Office of the State Treasurer

Hub City Sales Tax



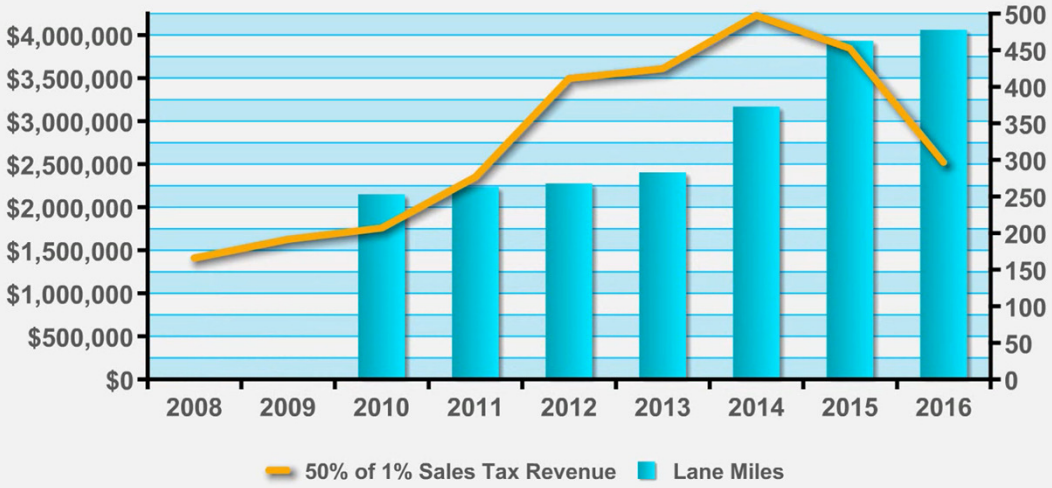
Source: ND Office of the State Treasurer

City Sales Tax- Dickinson Compared to Eastern Cities



Source: ND Office of the State Treasurer

50% of the 1% Sales Tax Revenue



Source: ND Office of the State Treasurer & City of Dickinson Public Works

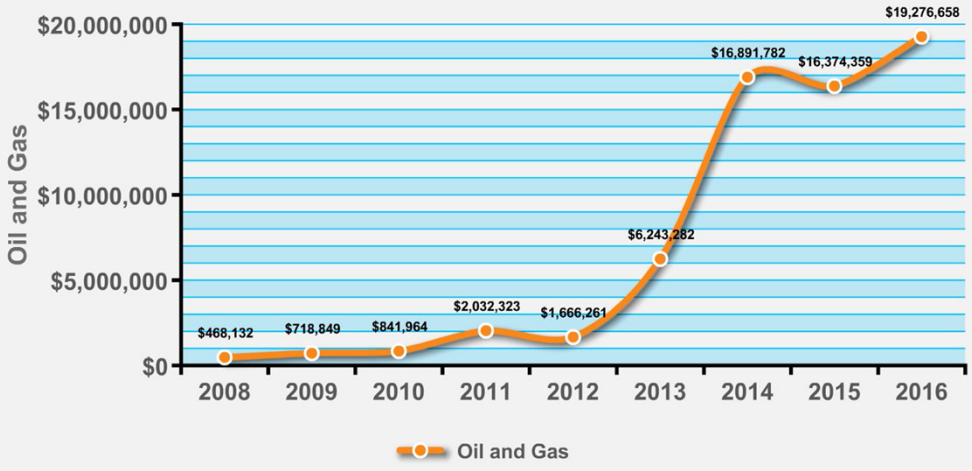
GPT Revenue Overview

- Receive $375,000 per fiscal year for each percentage point of mining related employment (excluding first 2 percentage points)
- Receive Oil and Gas Production based on 9% of the 1% GPT **(Gross Production Tax)**
- 9% GPT Breakdown – Williston (60% of 9%), Minot (10%of 9%), and Dickinson (30% of 9%)

GPT Uses

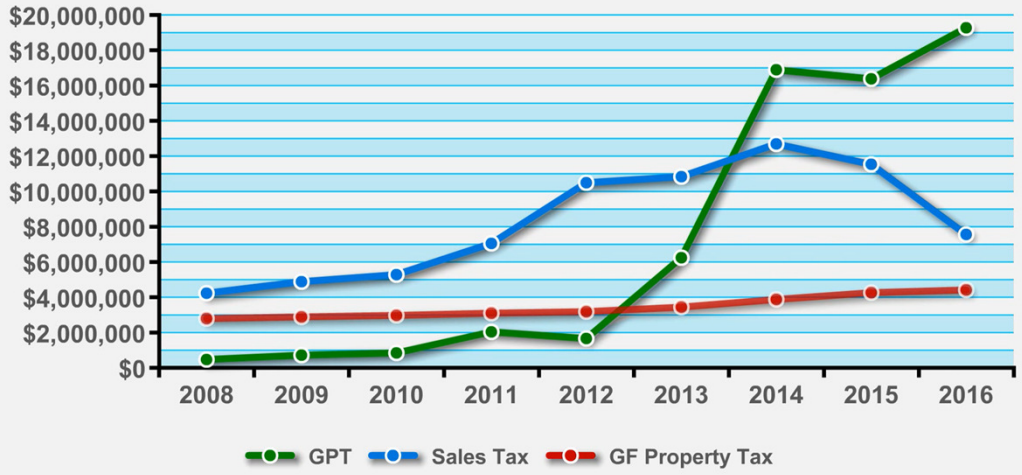
- Debt Reduction
- Subsidize Operating Gap
- New Infrastructure/Capital Projects

GPT Revenue 2008-2016



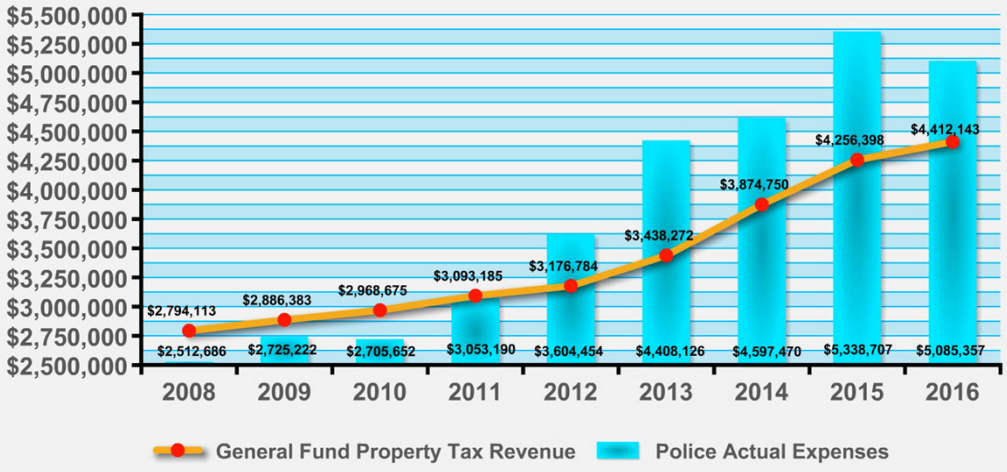
Source: ND Office of the State Treasurer

GPT, Sales Tax, & Property Tax Revenue



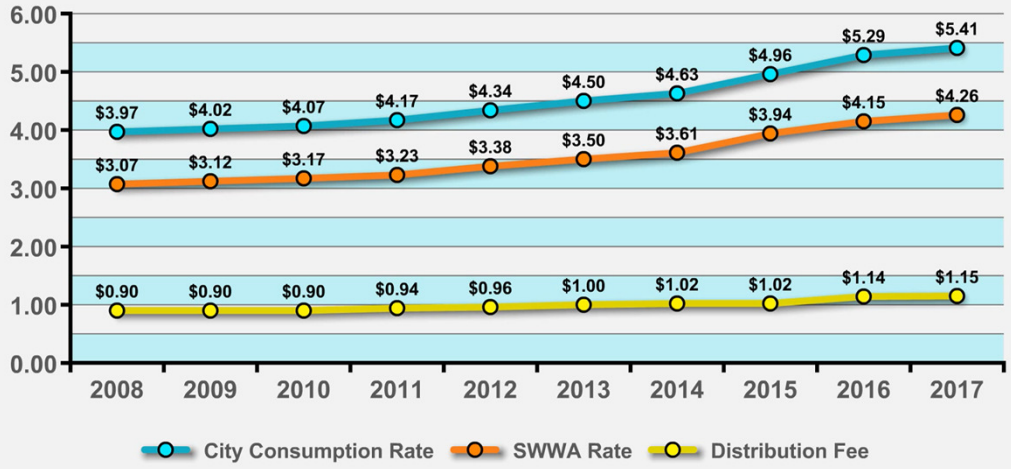
Source: ND Office of the State Treasurer & City of Dickinson Finance Records

General Fund Property Tax Revenue



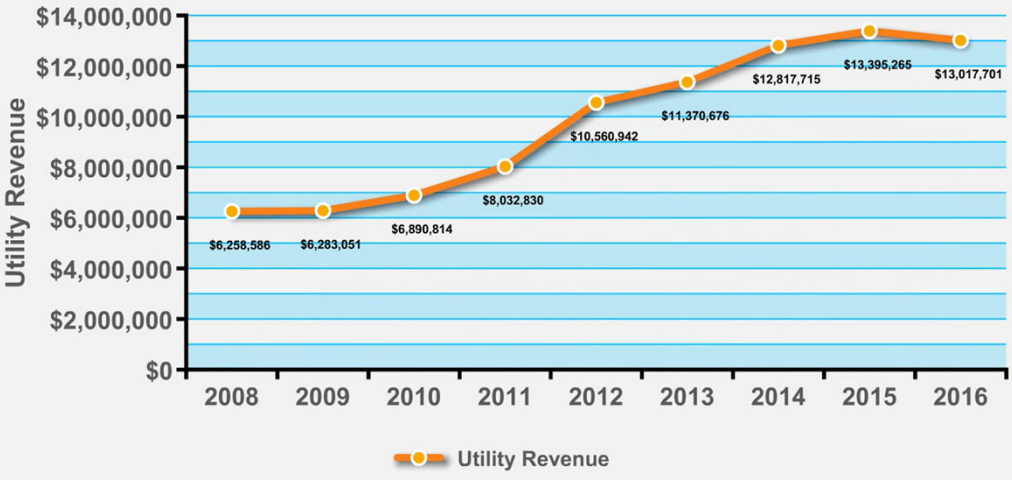
Source: City of Dickinson Finance Records

Water Consumption Rates 2008-2017



Source: SWWA 2016 annual report, City of Dickinson Finance Records

Enterprise Utility Billing Revenue 2008-2016



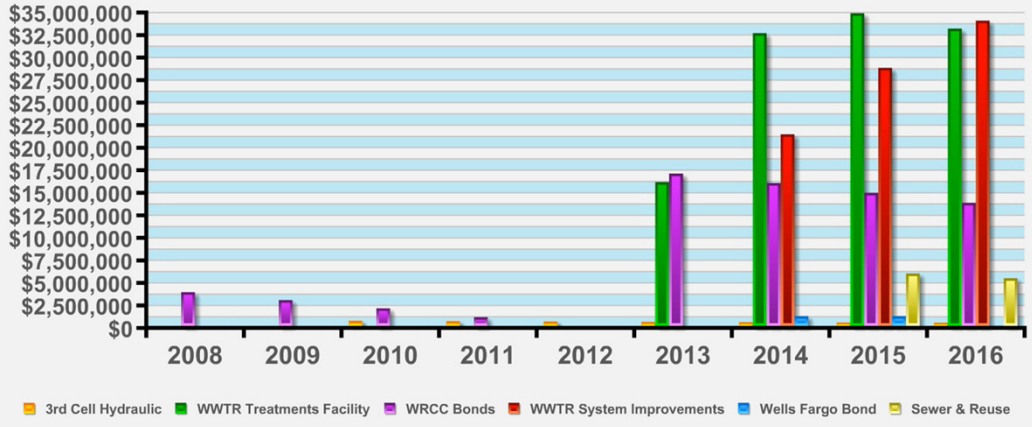
Source: City of Dickinson Finance Records

Debt Summary

- Over $90M total debt
  - SRF Debt: $75,270,171
  - WRCC Debt: $17,084,660
- Approximately $5.3M dedicated from Oil Impact each year to pay for SRF Loans
- Roughly $2M debt for equipment and vehicle leases
- Industrial Debt: Over $5M still owed to refinery for overbuild costs on sewer and reuse water lines including 6% annual interest return

Indebtedness

Principal Owed



Source: City of Dickinson Finance Records

Assessing

Joe Hirschfeld

-Assessor

TESTIMONY

Joe Hirschfeld
Assessor, City of Dickinson
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Mr. Chairman and Committee members, thank you for the opportunity to present my data to you. The Assessing Department is responsible for the valuation of all properties within the City of Dickinson, and in doing so, we review a large amount of data from many sources.

The data I have compiled is harvested at the local level, from local Auditor and Recorder offices as well as Assessing and Tax Director Departments. In doing so, we hope to have minimized the number of "hands" that have touched the data and limited the number of handling mistakes.

The City of Dickinson during my Tenure (2011) has had a policy of "zero sum Mills", essentially adopting a budget that results in no change in property tax to individual properties (excluding any changes to the property). A growing budget was allowed by adding new taxable value to the City through annexation and the construction of new structures. The percentage of Mills allocated to the City of Dickinson has decreased from approximately 28% at the beginning of the Millenium to 18% currently, as property values increased, in an effort to maintain level property taxes.

Based upon "working" population counts provided to me by the City Assessors' of their own jurisdictions, Dickinson has the highest taxable value per capita at $5700. This is over $700 higher than the next closest communities of Williston, Minot, Bismarck, and approximately $1700 per capita higher than within Fargo's School District #1 area. My data shows the low indicator, Wahpeton, at $2,084 taxable value per capita with the 12 city average coming in at $4256 per capita.

Dickinson's per capita taxable value is directly related to the significant growth it has undergone over the past 6-7 years. The total City of Dickinson valuation has increased 300% from $1 Billion in 2011 to $3 Billion in 2015. This is a function of not only increasing new value brought from new annexations and new construction, but also from rapid appreciation of property values due to scarcity. Dickinson property value, through new construction and annexation, continued to rise beyond the years associated with the increase in Energy Exploration. This is primarily due to completion of started projects lagging a year behind for property tax reasons.

Although Dickinson values increased 458% since 2008, there is a significant difference between the large increase of 336% to residential value and the commerical property valuation which increased a startling 735% in the past 10 years. The large increases to commerical valuation was due to many multi-million dollar properties being constructed, including major international oil companies, to very large apartment complexes to national retailers, without a

large population base to spread a per capita value across. These increases do not include exempt properties such as the new hospital or Sanford Clinic, which also relied upon the expanding infrastructure.

Most of us have seen the data comparing local taxes between jurisdictions on a $125,000 house and a $125,000 commerical building. In my opinion, we miss the comparison as the house that sells for $125,000 in Dickinson may not be the same house that sells for $125,000 in Valley City. Working again with local assessing officials, a hypothetical 1950's ranch/rambler style house, being a similar and typical property throughout North Dakota was "valued" in each jurisdiction. Although actual True and Full value ranged from the low of $93,000 in Valley City to $183,000 in Dickinson, the property tax generated on this house was relatively similar across all jurisdictions, with Dickinson's property tax estimate being near the median of the sample at roughly $1500 (includes the 5% early payment and 12% State reduction).

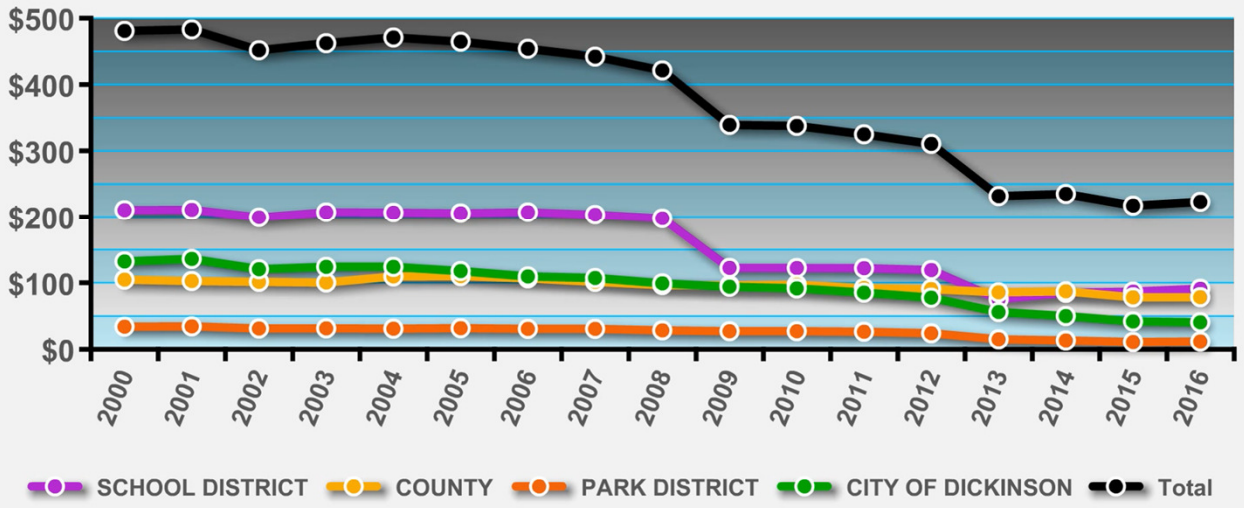
Another indicator of the strength of a City's Real Estate market is the amount of distressed properties it has. Without reading too much into the total number of foreclosures, the local Real Estate market is moving in differing directions between jurisdictions located east of the Bakken, as compared to those most affected by the decline in the oil industry in the west. Foreclosures in both Dickinson and Williston are trending higher showing the stress recognized in the market, while cities outside of the Bakken have a decreasing number of foreclosures annually, reflective of a stronger appreciating market which is able to absorb those distressed properties. Minot has remained relatively stable in this indicator.

In closing, I would like to stress that the local Dickinson market underwent unprecedented short term growth, causing a longterm growth plan to be inacted. With no/minimal new annexations and limited new construction currently, there is little new growth being added to Dickinson to help offset newly established infrastructure. There is also a lack of population to spread the costs of this new infrastructure across, especially if specific properties within any given market segment undergo significant decreases in value.

The City of Dickinson has responsibly grown the needs of the City through the new growth that has occurred, while maintaining stability of property taxes to existing citizens. This has had the added benefit of assisting the market in maintaing relatively stable market values through the downturn in the energy industry and short term increases in unemployment. My request is that you please consider this information when drafting legislation, or giving recommenations out of committee.

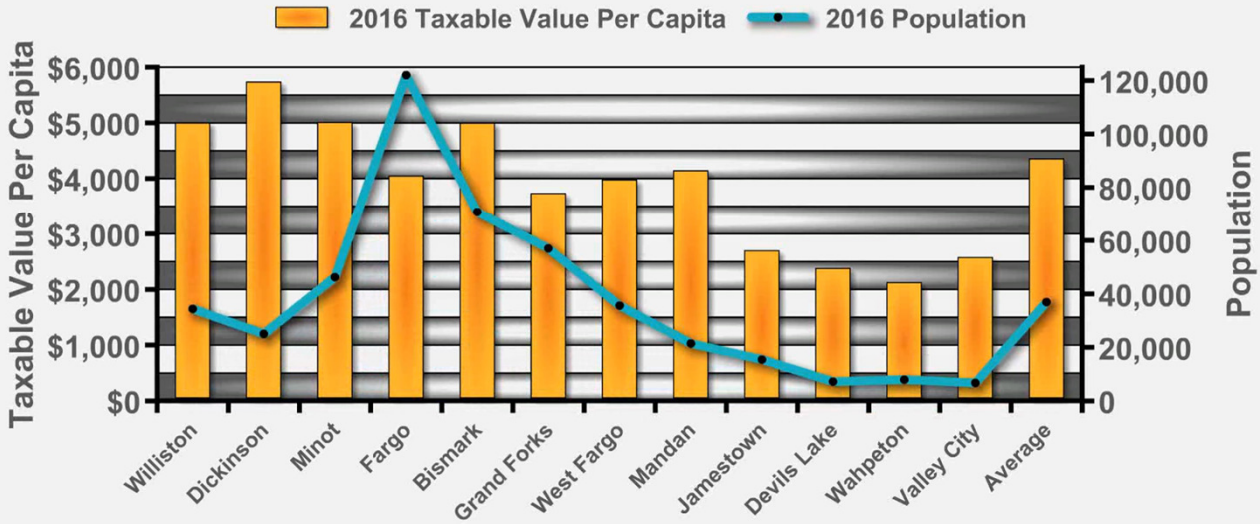
Thank you for the opportunity to present this information to you.

Mill Levy



Mill Levy Source: Stark County Auditor's Office

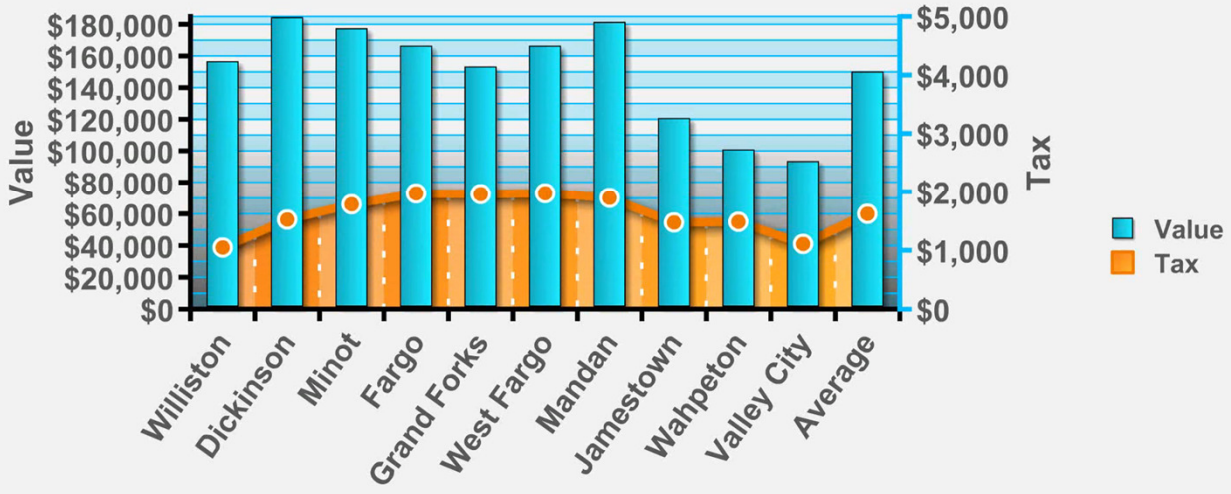
2016 Taxable Value Per Capita



Taxable Value Per Capita Source: Poll of ND Associations of Assessing Officials (NDAAO) Members

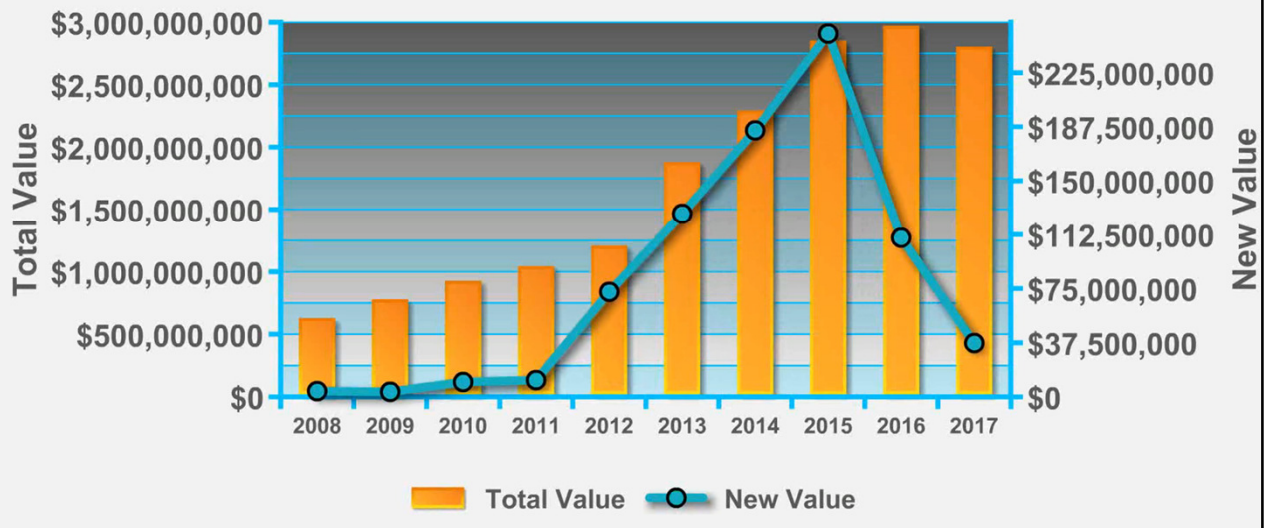
2017 Valuation & Tax

Based on Typical 1950's Ranch/Rambler Style House

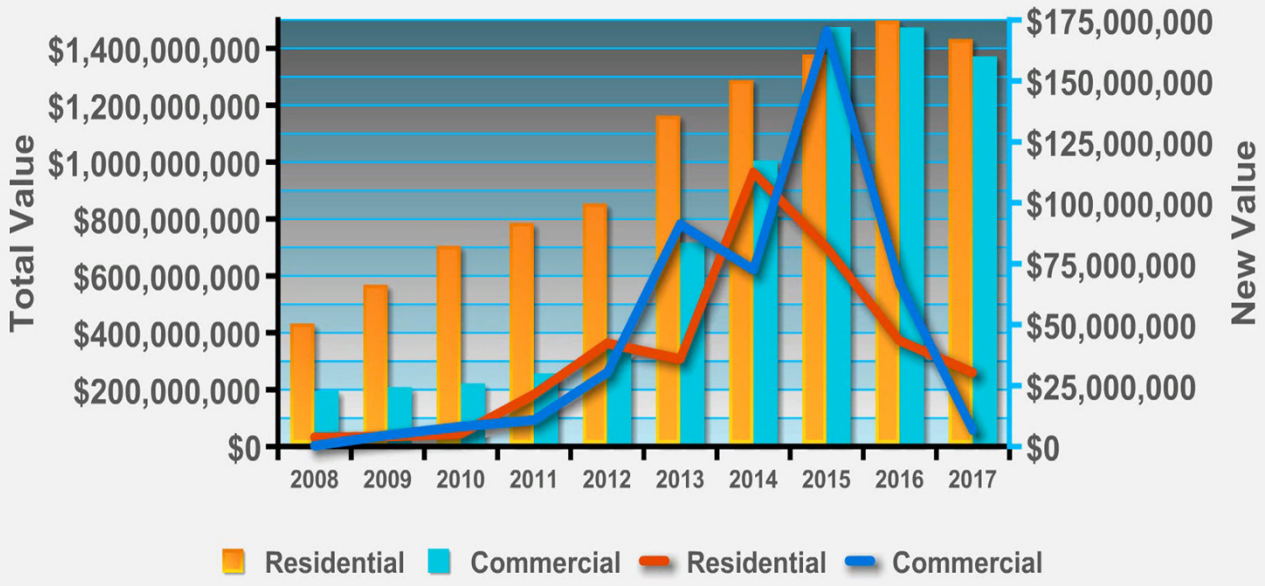


2017 Valuation Source: Poll of ND Associations of Assessing Officials (NDAAO) Members

City of Dickinson Valuation

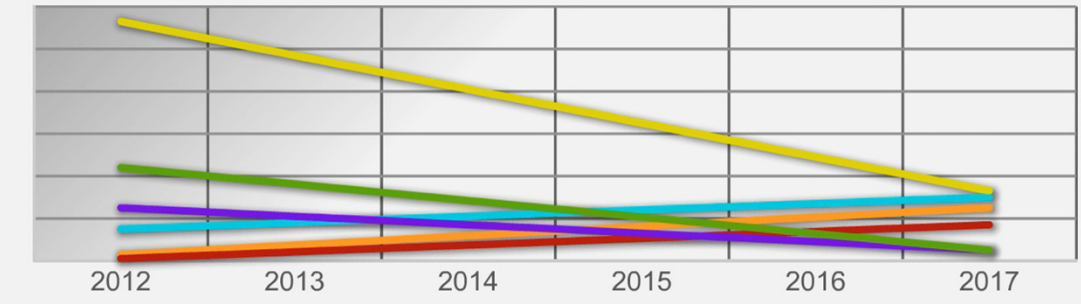


Dickinson Valuation Source: Dickinson Assessor Records



Dickinson Valuation Breakdown Source: Dickinson Assessor Records

Foreclosures



Williston Dickinson Minot Cass County Grand Forks Bismarck

	Williston	Dickinson	Minot	Cass County	Grand Forks	Bismarck
2012	3	1	15	113	25	44
2013	1	2	32	67	22	25
2014	6	2	23	59	14	8
2015	4	2	32	40	12	12
2016	10	9	26	53	13	13
2017	25	17	30	33	5	5

Foreclosure Source: County Recorders

Information Technology

Aaron Meyer
-IT Manager

TESTIMONY

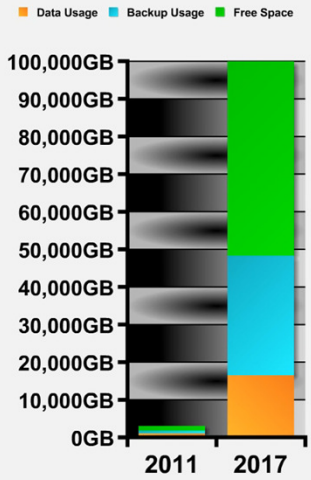
Aaron Meyer
Information Technology Manager, City of Dickinson
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

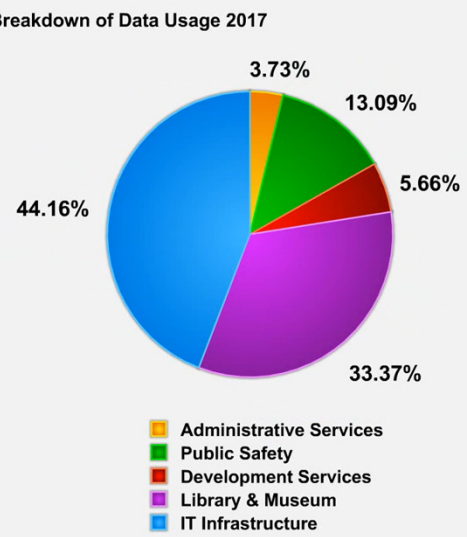
Narrative:

Mr. Chairman and Committee members, thank you for the opportunity to present the information technology data to you. I serve as the Information Technology Manager and will be giving you brief overview of how we have leveraged technology during the last six years of oil activity. During the rise of oil activity, the City of Dickinson experienced exponential growth in all departments including that of Information Technology (IT). The charts and graphs included represent the overall data growth experienced by the City of Dickinson through their use of technology during the last six years of oil activity. The first chart represents the City of Dickinson's data structure as it existed both in 2011 and as it exists today. In 2011, the City of Dickinson had approximately 500GB worth of data, 500GB in backups and 1000GB in free space for future expansion. After leveraging technology to increase our efficiencies during the period of increased oil activity, we utilize approximately 16,000 GB (16TB) of data, 30,000 GB (30TB) in backups, and reserve approximately 54,000 GB (54TB) in free space for expansion of data over the next 5 years. The chart in the middle represents the breakdown of the 16TB of data in order to establish the purpose of this data. Notice that the largest portion of this data is IT infrastructure, which includes the Exchange (Email) server, the security controllers for the doors and cameras, the Active Directory Servers (Logins, Security, and Policies), all virtual servers that host software for each department (Vanguard, GP, Fleet Maintenance, Ebilling, HVAC systems, etc..), the profile server (stores user profiles), the network controller (controls how each building connects to the network), shared data drives (not S or H drives), and the SQL server, which hosts databases that are used by almost all departments. The other driving factors of this rapid data expansion include the museum digitization project, the implementation of a GIS Server with LIDAR and Ortho imaging, the digitization of CIP project data, the increase in financial data and activity, and the implementation of Police in car and body cam video evidence. In order to deal with this rapid growth, the Information Technology Department focuses on ways to make the city more efficient and more cost effective for the long term growth of the City in order to do this they utilize automated backups, deduplication of data, virtualization of their servers, custom software and desktops, and automated processes.

Overview: The responsibility to maintain technology much like the responsibility to maintain the entire infrastructure built/acquired during the increase of oil will remain throughout the future of the City of Dickinson. The increase in oil activity was a major driving factor in the expansion of data and technology utilized by the City of Dickinson as departments leveraged technology in an attempt to keep pace with the growing needs of the City of Dickinson. To meet these needs, the IT department utilized advances in technology as well as custom designed software in order to increase the City's efficiency while maintaining a level of fiscal responsibility. By utilizing Solid State Technology, custom-built desktops, upgrading the network, designing custom software, and automating processes, the Information Technology Department estimates that it saves the City of Dickinson $96,900 per year through hardware and staffing efficiency gains and the reduction of several software contracts. It is the goal of the City Information Technology department to further increase these savings throughout the future of the City of Dickinson.

City of Dickinson – Electronic Data Growth Since 2011





Efficiency Changes:

- Automation of Backups
- Deduplication of Data
- Virtualization of Servers
- Custom Built Desktops
- Custom Software
- Technology to Supplement Staffing
- Automated Processes

Driving Factors:

- Museum Digitization Project
- GIS Services
- CIP Project Data
- Financial & Permitting Data
- Police Evidence Data
- IT Infrastructure (Exchange, Security, Domain, Etc.)

Source: City of Dickinson IT Department

City Overview

Shawn Kessel
-City Administrator

TESTIMONY

Shawn Kessel
City Administrator, city of Dickinson
INTERIM ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE
Dickinson, ND October 30 and 31, 2017

Mr. Chairman and Members of the Committee, thank you for the opportunity to present to you today. My role for you today is to emphasize a few of the earlier points made and to present a few additional points of consideration.

I was born in Dickinson but not raised here. I returned in January of 2009 and Mother Nature said hello by greeting me with a F3 tornado within six months. The city recovered quite well from that tornado because our residents do not settle for mediocrity. They began to clean up their property and then helped their neighbor when they were done with their own. That is the type of community Dickinson is – proud with a big streak of North Dakota nice!

When I bought my house the realtor told me I was lucky because the prices have just started to rise because of oil impacts and I was still early. Dickinson and western ND is intimately familiar with volatility. It has affected us in the past more than once. We have learned some very hard lessons from those previous instances of volatility. Engineer Kubas started you off yesterday with one of those lessons. The use of special assessments in western ND can get you the community into big trouble. The resulting financial stress affected this community for 20 years. Our lessons learned: do not use special assessments to fund new infrastructure and share the expense with partners (Developer, State of ND, etc.). It led to the philosophy we used throughout this last and most robust period of growth – we want to grow well, instead of fast. In order to grow well you need a great deal of information regarding best practices in other communities, we needed to understand the desires of our residents and we needed to define a path forward. We engaged a partner and created the comprehensive plan. This document not only helped to identify the population we needed to build out to but it also identified all of the infrastructure needs we were going to have to create to meet the needs of that population. (Population Slide).

When third parties talk about "fast growing" places they usually use 2% a year as the definitional base to define fast growing. On this slide, you will see a comparison of population changes by percentage for selected cities in ND. Fargo is often used as an example of a fast growing city in ND so the trend line you see represents Fargo's population change from 2008 to 2016 based on US Census data. You will notice how consistent the trend line is. A bump in 2010 but consistent generally. During this same period, you will notice the volatility experienced by the currently defined oil hub cities of Dickinson, Williston and Minot. Dickinson's growth was equivalent to or far outpaced Fargo in every year on the chart except for the last. Our growth was almost 10% in 2010 and in 2014 that is 5 times as fast as a traditionally defined

fast growing city. That is utterly amazing and that is why we were the 2nd fastest growing Micropolitan in the NATION on two different occasions; only behind Williston who was first.
My last point on this slide though is the last data point. Look what happened in 2016. Each oil hub city experienced a decline in population. This is the very definition of volatility. Every time we implement a policy, we have to have an exit strategy or be acutely aware of the long-term implication of the strategy implemented. We seek stability in every area we can achieve it because the environment in which we operate is anything but. That is one of the main reasons we need a consistent in-lieu of revenue stream that we can count on and makes plans with.

The median age of our residents has dropped considerably since 2008 and currently stands at 33.9. (*Demographics slide) This is due primarily to three factors:
1. *Immigration* I wish I could accurately quantify for you the number of new residents we have in Dickinson from other countries because it is significant. We have always had some immigration to Dickinson because of the manufacturing sector in the community and the presence of Dickinson State University. Overall, I can say that Dickinson benefitted from immigration but there are challenges associated with a large influx of people into a community who have limited or no English speaking skills and come from places whose cultural norms are far different from those in Dickinson, ND.
2. *In-migration* A few years ago I could definitely tell you that we had people from over 40 of the 50 states in the USA because the police chief told me we issued citations to them (Hawaii was included but not New Hampshire). Even though these new residents came from the US there are still many cultural differences experienced when moving to North Dakota, not the least of which is acclimating to our winter weather.
3. *Outmigration* The rising cost of living (primarily housing) in Dickinson forced many people on fixed incomes to either move away or move in with relatives. Others took advantage of the rising housing values and sold their homes only to move closer to other family or other places outside of Dickinson and many times outside of Dickinson.

All of these demographic realities affected Dickinson's population. We talked about population gain a little bit ago and I showed you a slide showing a dip in the oil hub cities population in 2016 based on US Census figures. (Live Births slide) I believe future data will prove that dip to be an anomaly or outlier and not part of an ongoing trend. I point to data you heard during Superintendent Sullivan's remarks about incoming class sizes. The school system has done a nice job of tracking live births and applying a formula that predicts incoming class sizes based on the data and other data points. Live births in Dickinson grew steadily from 2008 to 2014 with a large increase in 2015 and another small increase in 2016. I believe this data point is proof that people who have chosen to live in Dickinson are also making the choice to stay in Dickinson. We have been making quality of life investments in the community for well over a decade and it appears those investments are paying off.

Nothing probably tells our story of volatility better than Building Permit issuance (Building Permits slide) over 2008 to 2017 period. We have broken down our building permits for new structures only into four categories; Commercial (i.e. Businesses), Public (i.e. PSC, PW Building, Schools), Single Family (i.e. single family and duplexes) and Multi-family (i.e. triplexes and above). As you can see from the data, our construction peaked in the 2011-2014 time frame. During the peak, we only had a few of staff members

to issue, review, and inspect all of these new properties. Due to the tight labor market, it was virtually impossible to hire. How do you get the job done? How do you respond to the market? A market that was issuing as many permits as the city of Reno, Nevada at the time. Reno is a community of 245,000 people. We collaborated with Grand Forks, ND. After some negotiations, we issued a Memorandum of Understanding where their building staff would conduct building reviews on our behalf and we would pay them for the work. It allowed them to hire an additional staff member and it allowed us relieve some of the pressure from our staff. It also forced us to update our expectations from builders who now had to submit their building plans electronically. When the market became manageable, we extinguished the MOU and Grand Forks had well-trained staff member and we met our needs. An elegant solution with a wonderful exit strategy.

I mentioned unemployment briefly when talking about building permits (Unemployment slide). During the busiest period for city services 2011 to 2014, we had our lowest unemployment rate – average of 1.5%. Most experts believe that full employment is around 2.5% to 3%; the condition in which virtually all who are able and willing to work are employed. In other words, our labor pool was maximized and local firms were hiring people who had not been employed either because they did not want to work or could not. This condition causes rising wage inflation first, which most would say is a positive, but it also means that cost of living increases because the local grocery store is now paying someone to bring carts back into the store $15 an hour instead of $9 an hour, which means the gallon of milk you used to pay $3 for is now $5. It also means that if you can hire someone your training costs are higher since they have not been in the labor market for some time or they are changing fields so they take longer to train. You are training people longer when your existing staff is strained by the extra service requirements. As a solution, at least a partial one, we invested in technology and equipment to allow the staff to become more effective and efficient. We also implemented skill-based pay. This program paid staff that required a skill set that that was desired in the oil field (i.e. CDL, security skills) an extra per hour bonus that was not part of base pay. The thought was we could scale back the skill based pay once the wage market settled. Always need an exit strategy.

I was interviewed by a radio station in California because they were anticipating oil impacts and wanted to know what we did to prepare, my response was plan, plan and plan some more. Your tendency when confronted with such dramatic change is to get hyper focused on now, solving today's problem. One of my main roles was to continue to lift people's eyes up so they could see farther down the road and see the value of planning. The creation of the comprehensive plan took a great deal of work to complete at a time when there was precious little time to give but the direction and information it provided galvanized the staff (Commission goal slide). We recently completed a commission retreat as part of the 2018 budget process and the city commission adopted three goals that they would like to see accomplished in two to five years. A committee made up of local "experts", elected officials and staff will develop an implementable plan to achieve the city commission's goals. After a review of over three dozen goals, they adopted these three:

1. Pass a Sales Tax in Support of Public Safety,
2. Invest in Strategies to make the Downtown Vibrant, and
3. Expand Sidewalks and Shared Use Paths in the community.

As you can see, the city commission, which has several new members, continues to focus on quality of life issues. As you heard from Shawn Gaddie's presentation and as you have heard from Governor Burgum – cities need to differentiate themselves and provide quality of life options to become or remain relevant. While attending the ICMA conference in San Antonio last week I heard Dr. Richard Florida emphasize this point. His research suggests that millennials are choosing a place to live and then finding a job. We need to give them a reason to choose Dickinson, North Dakota.

I have a list of reasons to choose Dickinson, ND on the next slide but before I get there, I want to share a story with you. While riding in an Uber to the San Antonio airport I was talking to the driver. Once he found out where I was from, he said he has a friend who works in the oil fields of North Dakota. He said he works here for about five months of the year and then goes back to San Antonio. He has been doing this for about three years now and started because he made such good money in ND. However, his friend is re-evaluating his work strategy because; even though he is making more money in ND, he is not getting ahead financially. He said, "Sure he makes more but he isn't taking home more and he hates the cold weather so I don't think he's going back next year."

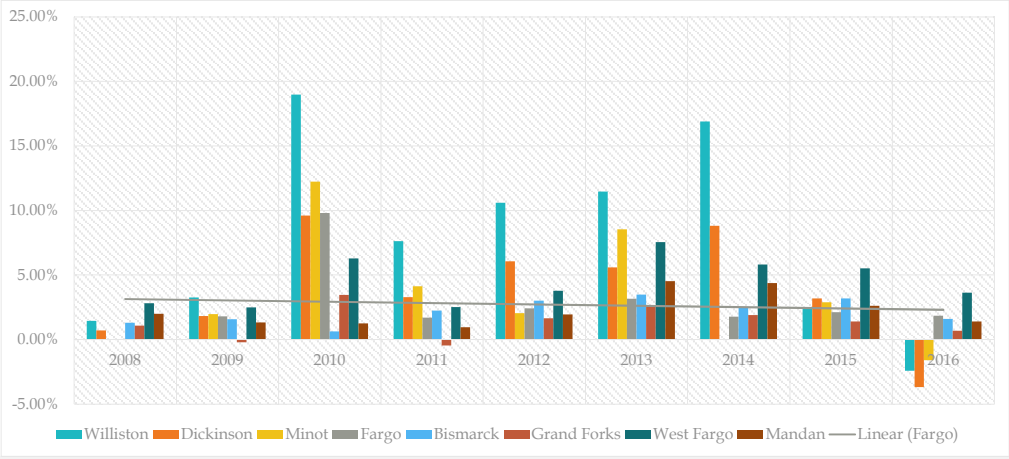
We have to overcome the "cold" with quality of life. As I said earlier, our focus has and continues to be on quality of life. This focus has resulted in some nice comments and awards provided to us (What people are saying slide) and I would like to close with those awards.

I hope our presentations today prove that Dickinson has been a good investment and will continue to be a great investment in the future. We could not accomplish the things we have without the continued strong support of the State of ND. The needs are here; please continue investing in Dickinson, ND.

City Overview

Population
Demographics
Building Permits
Unemployment
Commission Goals
What People are Saying

Population by % Annual Growth



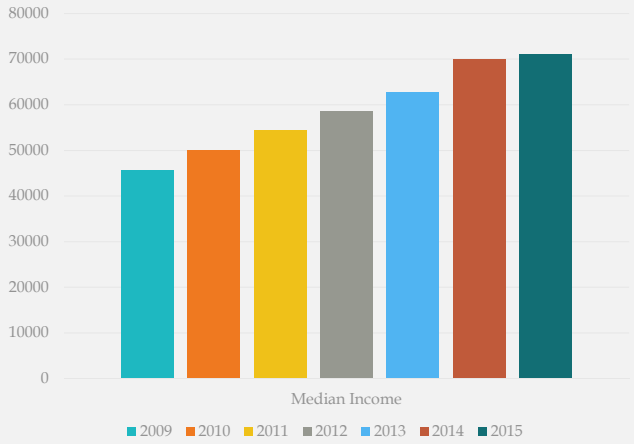
Demographics

Median Age 33.9

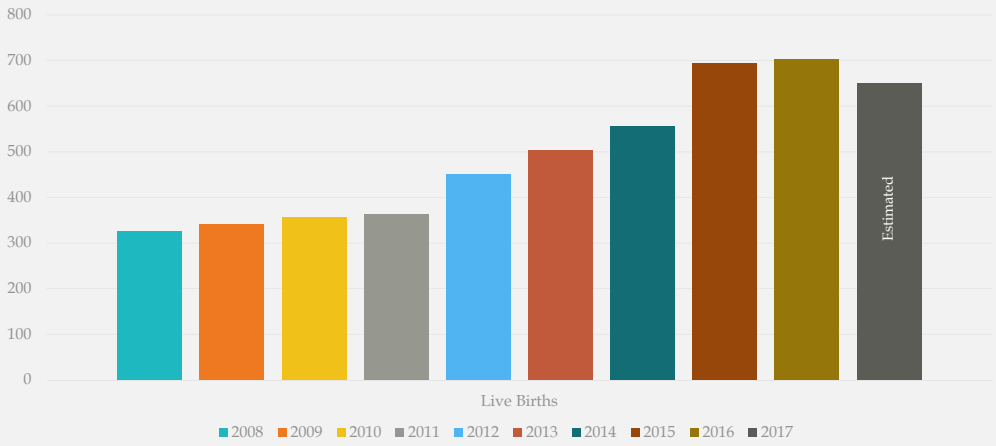
-Migration/Immigration of New people

-Out-migration of fixed Income

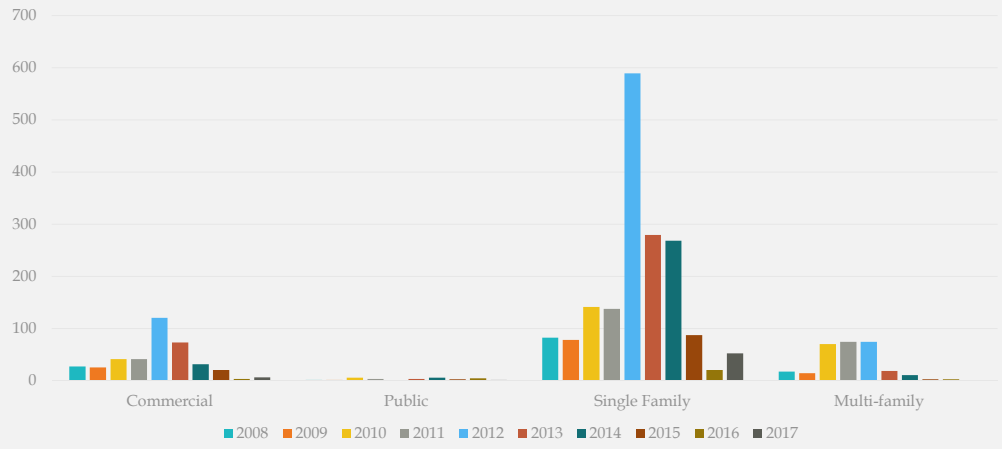
-"Nest-eggers", close to retirement who sold home at historic highs



Live Births



Building Permits



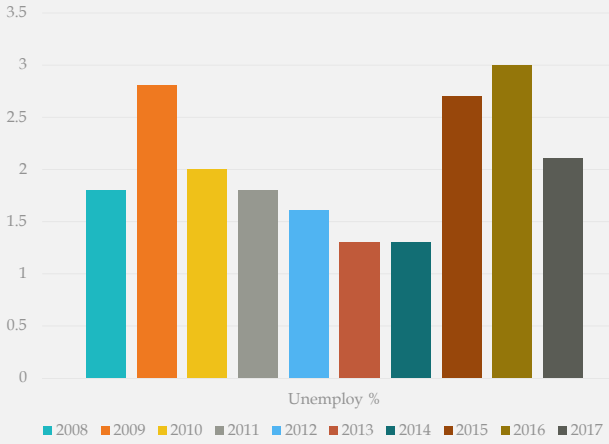
Unemployment

Average Unemployment from 2011-2014 **1.5%**

Invested in Technology and Equipment to obtain efficiency

Skilled Based Pay

*October of every year



Commission Goals

The city commission set three goals to accomplish in the next two to five years

1. Pass a Sales Tax in Support of Public Safety (Police and Fire)
2. Invest in Strategies to make the Downtown Vibrant (Downtown Square, etc.)
3. Expand Sidewalks and Shared Use Paths in the Community

What People are Saying about Dickinson

2017	#6 Best Place to Live in US	- Money Magazine
	#5 Best Place for Millennials to Buy a Home	-Realtor.com
2016	Best City in ND for Retirees	-SmartAsset
	3rd Happiest Place in ND	-Zippia.com
2015	#1 Strongest Micropolitan Economy	-Policom Corp.
	#4 Best Tasting Drinking Water	-MSN.com
2014	2nd Fastest Growing Micropolitan in US	-US Census
2013	Best Small Town in US	-Livability.com
	2nd Fastest Growing Micropolitan in US	-US Census
	City of the Year	-ND League of Cities

Summary

1. We have invested in-lieu of revenue wisely & well
2. We are different than other non-oil impacted cities.
3. Oil impacts will be here for generations

Thank you for listening and allowing us to host.

Any questions?

CITY OF DICKINSON NORTH DAKOTA