

Minutes of the
EMPOWER NORTH DAKOTA COMMISSION

November 15th, 2012
ND Job Service
1601 E. Century Avenue
Bismarck, ND 58503

Members present:

Al Anderson, Ron Day, Terry Goerger, Ron Ness, Mark Nisbet, Mike Rud, Randy Schneider, Andrea Stomberg, David Straley, Sandi Tabor

Ex Officio Members present:

Dave Schmitz

Others present:

Justin Dever, ND Department of Commerce
Mike Fladeland, ND Department of Commerce
Sherri Frieze, ND Department of Commerce
Karlene Fine, ND Industrial Commission
Deana Wiese, ND Ethanol Council
Mike Anderson, ND Housing Finance Agency
Todd Sando, ND Water Commission
Doug Goehring, ND Agriculture Department
Al Christianson, GRE
Shane Goettle, Odney Advertising
Ken Hellevang, NDSU Extension

Discussion continued with the EmPower ND Recommendations with possible legislation.

Appendix C

1st bullet – County Commissioners, EmPower Commission and the Information Exchange Committee should be part of the review process in the study being conducted by the Upper Great Plains Transportation Institute. (UGPTI)

4th bullet – An independent study would be conducted to forecast population growth in the energy sector. This study would help communities for planning of future growth.

6th bullet – Discussion ensued about not pursuing a FTE & funding at this time. It was mentioned to have more industry and congressional delegation involvement on regulation proposals. The category on the spreadsheet describing the 19 policy recommendations was changed from a 2 to a 3.

CALL TO ORDER/WELCOME

Chairman Anderson called the meeting to order at 9:00 a.m. and welcomed Commission members and guests.

APPROVAL OF MINUTES

A motion was made by Schneider and seconded by Day to approve the Minutes of August 16th & October 4th, 2012.

Motion carried unanimously.

Legislative Updates

Commission bills & other bill drafts

Justin Dever discussed the four recommended EmPower ND bills that have been approved by the Energy Development & Transmission (ED&T) committee. **Appendix A**

Dever then discussed other ED&T committee recommended bills. **Appendix B**

Guest Speaker

Todd Sando, State Water Commission

Todd Sando of the State Water Commission spoke on the funding needs throughout the state that will be addressed this legislative session.

Water supply is in need across the state and the State Water Commission is working with the U.S. Army Corps of Engineers for access to use water from Lake Sakakawea.

Sando mentioned a metering pilot project that is in place in western ND and potential legislation may follow this.

The State Water Commission is in the middle of an audit. The audit report will be available to the Legislators and will disclose appropriation, metering and monitoring of water.

Guest Speaker

Mike Anderson, ND Housing Finance Agency

Mike Anderson of the ND Housing Finance Agency spoke about the 2012 North Dakota Statewide Housing Needs Assessment Summary.

This Assessment Summary covers six categories projecting through the next 15 years.

The biggest share of growth is expected to happen in the housing market and the baby boomer population is also expected to grow by 50,000 by the year 2025. [Appendix D](#)

Guest Speaker

Agriculture Commissioner, Doug Goehring, ND Agriculture Department

Commissioner Goehring spoke on the Mediation Services that are offered through the Agriculture Dept. The service is a voluntary, confidential process guiding the parties involved through examination and discussion of the issues. Participants involved can be agricultural producers, energy developers and landowners.

Response to this process has been very positive. There is additional information at the [State Agriculture Department website](#)

Other Legislative issues

It was mentioned that the EmPower Commission needs to watch the Governor's Workforce budget closely this session for appropriation support for workforce training at the colleges.

FUTURE MEETINGS

It was discussed to set up the next EmPower ND meetings during Legislative session for Thursdays or when legislative bills may need discussion. The Public Service Commission held the past EmPower ND meetings and may be a possible location again.

Future Speaker

Mike Fladeland mentioned that Jim Martin, EPA Region 8 Administrator, would be a possible speaker for a future meeting. Coordination with the ND Petroleum Council will help pinpoint the best available date for him to appear.

ADJOURNMENT

Meeting was adjourned unanimously at 12:15 p.m.

Al Anderson Date
Chairman

Sherri Frieze Date
Recording Secretary

2013 Energy-related Legislation

EmPower North Dakota Recommended Bills

Renewable Energy Development Fund & Value-Added Opportunities Study (13.0152.01000)

This bill would allocate 5% of the amount credited to the Resources Trust Fund, up to \$3 million per biennium, to the Renewable Energy Development Fund. An additional \$300,000 in general funds would be appropriated to the Department of Commerce for the purpose of conducting a study to evaluate value-added market opportunities related to renewable energy resources.

Employment Data Appropriation (13.0157.01000)

This bill would appropriate \$100,000 to Job Service North Dakota for the purpose of upgrading collection and use of employment data to identify transportation employees and other employees who should be included for statistical purposes in oil-related and gas-related employment.

Oil and Gas Research Fund & Value-Added Opportunities Study (13.0158.02000)

This bill would increase the Oil and Gas Research Fund from the current \$4 million to \$10 million per biennium. \$5 million of this increase would be used for opportunities related to value-added processing of oil and gas. An additional \$300,000 in general funds would be appropriated to the Department of Commerce for the purpose of conducting a study to evaluate value-added market opportunities related to oil and gas.

Housing Incentive Fund and Tax Credit (13.0159.03000)

This bill would extend the sunset for the Housing Incentive Fund until June 30, 2015 and would make the following changes to the program:

- Allow a private entity participating in this program to reserve a proportional share of available units based on its financial participation.
- Allow the Housing Finance Agency to set specific program guidelines instead of in statute.
- Allow the tax credit to apply to the financial institutions tax.
- Increase the biennial limit of the tax credit to \$20 million from the current \$15 million. It is anticipated that the Governor will recommend an additional \$30 million in direct funding so that the total amount available for the 2013-2015 biennium may be \$50 million.

Other Energy Development & Transmission Committee Recommended Bills

Coal Combustion Residues (13.0020.01000)

This bill would have the Legislative Assembly deem that the present use and disposal of fly ash is acceptable and does not need to be regulated as a hazardous waste.

North Dakota Pipeline Authority Refineries Bonding (13.0136.01000)

This bill would allow the ND Pipeline Authority to issue bonds for refineries in addition to other pipeline facilities.

Oil Extraction Tax Exemption for Refineries (13.0137.01000)

This bill would exempt oil that is sold to and refined by a refinery located in this state from the oil extraction tax.

Other Interim Bills of Potential Interest

Extraordinary Road Use Fees (13.0036.02000)

This bill would provide that any extraordinary road use fees are to be deposited in the general fund of the jurisdiction having authority over the road on which the violation occurred.

Study of Issues Related to Development of Group Housing and Crew Camps (13.3011.01000)

This resolution would have the Legislative Management study issues related to development of group housing and crew camps, including infrastructure demands, health and safety requirements, regulation, and enforcement of regulatory violations.

Allocation of Funds from the Resources Trust Fund by the State Water Commission (13.0189.01000)

This bill would have the State Water Commission develop policies to maximize long-term funding for water development and water management through the resources trust fund. They are to allocate funds from the resources trust fund in the form of loans if an entity is determined to have the ability to repay the funds allocated.

Other EmPower ND Recommendations with Possible Legislation

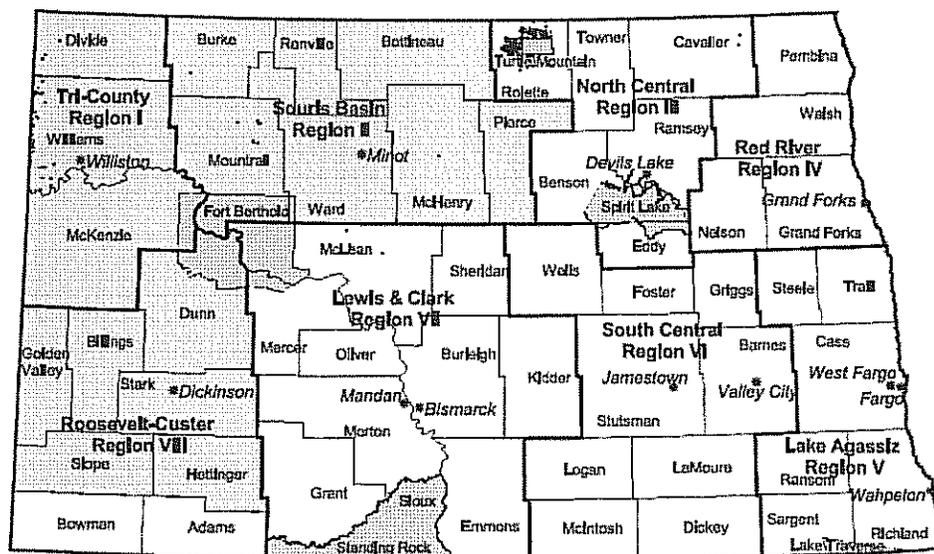
- Develop a new formula to provide adequate funding for local government investment in construction of infrastructure necessary to address significant funding shortfalls for roads, wastewater treatment facilities, water supply facilities, and other needs normally funded by local government entities. (Support Governor's Legislation)
- Provide oil impact grant funds for regional or local community development and infrastructure planning in the Bakken area. (Support Governor's Legislation)
- Study existing water systems throughout the state and take action to provide expansion of capacity to meet growing community and commercial needs. (Possible Legislation to Direct & Fund Study)
- Maintain a comprehensive long-range forecast for energy production and supply across all sectors, specifically looking at needed infrastructure to support growth. (Keep up-to-date information using model developed by KLJ)
- Increase efforts to educate North Dakota's youth, as early as grades 4-5, about North Dakota's natural resources by developing curriculum to encourage interest in energy careers. (Possible legislation for curriculum changes to ND Studies in 4th grade)
- Use the EmPower North Dakota Commission to better understand the economic impact of federal regulatory proposals on North Dakota. (Possibly pursue FTE & funding)
 - Comment on proposed federal regulations with significant potential impact on the state's economy and engage the North Dakota Congressional delegation to actively challenge the implementation of final regulations posing a threat to North Dakota's economy.
- Recognize the additional burdens new energy developments are placing on state regulatory agencies and provide adequate funding and staffing levels for North Dakota Department of Health, North Dakota Department of Mineral Resources, North Dakota Public Service Commission, and the North Dakota State Water Commission to ensure that each will be able to properly manage their respective programs. (Support agency requests for additional resources)

Bills to work toward, actions needed.

2012 North Dakota Statewide Housing Needs Assessment Summary

- Projected Population Change** The state's population is expected to grow by 25 percent from 2010 to 2025, reaching an estimated 841,820 people. The largest growth will be in the oil-impacted areas where 10 counties are expected to grow by more than 50%. Planning Regions I and VIII will grow by 137% and 59% respectively. Counties with the largest cities are also projected to see robust growth.
- Projected Housing Demand** Housing demand is projected to increase by 30 percent or by 83,429 households from 2010-2025. Housing demand in Planning Region I and VIII will increase 167% (21,172 units) and 69% (10,935). The rest of the state shows increased demand, but the pace of growth is expected to be much slower.
- Shifting Age Distribution** Residents ages 65 and older are projected to increase by 52% (50,583) while the cohort they are aging out of (45 to 64) will expand by only 5% statewide (7,972). Residents ages 25 to 44, considered the primary child bearing age, is projected to increase by 42% (69,279).
- Changing Household Composition** Household composition will continue to shift away from married couples with children to married couples without children and non-family households, the latter becoming the more predominate household form in the state. In 2010, 39% of all households were non-family households, 80% of which were persons living alone. One-third of these were elderly. With this trend continuing, we need to be cognizant of the increased demand for housing that fits their need.
- Affordable Housing** Households at or below 80 percent of Median Family Income (MFI) are projected to increase by 45,526 or 55% of total household growth. Currently 16 percent of owner-occupied units and 35 percent of renter-occupied units are affordable for extremely low income households (30 percent of MFI or below). Twenty-nine percent of owner-occupied units and 75 percent of renter-occupied units are affordable for very low income households (31-50 percent of MFI)*.
- Special Populations** A July 2011 survey of homeless individuals found that there were 1,773 homeless people in the state, 54 percent of who were unsheltered. Currently senior households are cost-burdened in 22% of owner-occupied cases and 49% in renter-occupied cases.

Next Steps The Agency convened key housing stakeholders to review the Assessment findings and develop appropriate recommendations for action to be considered by the Agency's Advisory Board and Industrial Commission.



*The commonly-accepted standard for housing affordability is housing costs that are no more than 30 percent of a household's gross income.

The full 2012 North Dakota Statewide Housing Needs Assessment, including Housing Forecast, Detailed Tables, Survey Report and SHARP website link, may be found online at www.ndhfa.org.

TABLE 1. TOTAL POPULATION, 2000 to 2025

Area	2000	2010	Change: 2000 to 2010	Projections			Change: 2010 to 2025
				2015	2020	2025	
North Dakota	642,200	672,591	4.7%	750,023	606,541	641,530	25.2%
Region I	27,761	30,626	11.0%	50,529	65,936	73,164	137.3%
Region II	88,089	89,967	2.1%	114,709	121,425	121,443	35.0%
Region III	43,165	40,672	-5.8%	41,434	42,264	42,016	5.6%
Region IV	90,798	88,519	-2.5%	90,525	92,600	95,125	7.5%
Region V	162,127	155,481	-4.1%	198,323	207,254	215,769	18.0%
Region VI	61,454	56,363	-8.3%	56,513	57,349	58,222	2.3%
Region VII	130,415	141,855	8.5%	151,162	160,350	169,693	19.5%
Region VIII	33,365	35,626	7.4%	48,515	58,135	62,058	59.5%

TABLE 2. POPULATION BY AGE, 2010 and 2025

Area	Less Than 25 Years of Age			Ages 25 to 44			Ages 45 to 64			65 Years and Older		
	2010	2025	Change: 2010 to 2025	2010	2025	Change: 2010 to 2025	2010	2025	Change: 2010 to 2025	2010	2025	Change: 2010 to 2025
North Dakota	230,891	272,289	17.9%	165,747	235,030	41.8%	175,478	189,449	4.2%	97,477	143,093	51.9%
Region I	9,619	15,911	61.0%	7,357	24,995	227.1%	8,972	22,637	155.2%	4,791	10,651	122.5%
Region II	31,237	29,071	-23.1%	22,378	26,415	62.7%	22,835	27,232	19.3%	13,519	18,725	38.5%
Region III	14,529	15,561	7.1%	8,555	9,840	15.3%	11,105	9,249	-18.7%	6,463	8,346	28.7%
Region IV	33,607	35,541	5.1%	20,966	27,118	29.2%	22,229	15,202	-31.6%	11,467	17,264	50.3%
Region V	65,433	77,939	13.9%	51,329	59,249	15.4%	44,968	45,522	1.2%	20,747	36,899	73.9%
Region VI	16,117	18,545	3.3%	11,503	14,029	21.9%	18,638	13,320	-29.1%	12,107	14,256	17.8%
Region VII	44,667	54,047	20.5%	35,015	48,410	32.6%	40,882	37,211	-8.5%	21,320	32,305	51.5%
Region VIII	12,077	17,670	46.3%	8,917	17,869	107.4%	11,169	16,095	44.1%	7,033	16,424	48.2%

TABLE 4. TOTAL OCCUPIED HOUSING UNITS, 2000 to 2025

Area	2000	2010	Change: 2000 to 2010	Projections			Change: 2010 to 2025
				2015	2020	2025	
North Dakota	257,152	278,842	7.6%	315,830	342,923	360,071	39.2%
Region I	11,251	12,672	12.8%	21,867	30,603	33,844	167.1%
Region II	35,151	36,587	4.1%	47,473	50,735	50,681	38.2%
Region III	18,240	15,574	-14.6%	18,251	16,656	17,000	9.2%
Region IV	35,627	36,007	1.1%	37,949	38,654	39,979	11.0%
Region V	66,600	77,788	16.8%	84,859	89,531	95,115	22.3%
Region VI	25,425	24,408	-4.0%	24,577	24,914	25,373	4.0%
Region VII	51,476	57,714	12.1%	62,549	67,069	71,362	23.6%
Region VIII	18,391	15,862	-13.8%	20,675	24,981	26,317	65.9%

TABLE 11. NUMBER OF HOUSEHOLDS BY INCOME LEVELS AS A PERCENT OF THE MEDIAN FAMILY INCOME (MFI), 2010 and 2025

Area	Extremely Low: 0-30% MFI (Less than \$20,000 in 2010)			Very Low: 31-50% MFI (\$20,000 to \$29,999 in 2010)			Low Income: 51-80% MFI (\$30,000 to \$49,999 in 2010)			Moderate: 81-118% MFI (\$50,000 to \$74,999 in 2010)			Upper: Above 119% MFI (\$75,000 or more in 2010)			Tax Credit: 61 to 69% MFI (430,000 to \$59,999 in 2010)		
	2010	2025	% Change	2010	2025	% Change	2010	2025	% Change	2010	2025	% Change	2010	2025	% Change	2010	2025	% Change
	North Dakota	55,430	72,599	31.1%	33,078	43,540	31.8%	57,925	75,736	30.7%	55,059	71,764	30.3%	75,104	98,226	28.2%	30,680	40,547
Region I	2,022	5,173	145.5%	1,275	3,327	163.9%	2,627	8,942	184.3%	2,639	7,306	177.0%	4,050	11,093	173.9%	1,351	3,551	165.1%
Region II	6,590	9,050	37.3%	4,816	6,540	35.9%	7,655	10,924	37.3%	7,625	11,003	40.6%	9,431	13,056	38.9%	4,263	5,845	37.5%
Region III	4,438	5,326	20.0%	2,059	2,366	13.9%	3,222	3,472	7.4%	2,591	2,932	1.8%	2,064	2,920	-1.2%	1,680	1,928	7.4%
Region IV	7,976	9,239	15.6%	4,445	5,244	18.0%	7,019	8,767	15.3%	8,578	7,379	-7.3%	9,058	9,322	2.7%	3,544	4,470	18.3%
Region V	15,359	19,269	25.5%	8,954	11,293	26.1%	18,386	20,320	24.0%	15,133	18,314	21.0%	21,926	25,918	18.9%	5,972	11,344	24.2%
Region VI	5,549	5,994	8.0%	3,673	3,297	-7.3%	5,443	5,893	4.2%	4,925	5,006	1.6%	5,369	5,295	-1.4%	2,930	3,086	5.3%
Region VII	9,881	13,120	31.5%	6,654	8,727	30.4%	11,427	14,178	24.1%	11,453	14,035	22.8%	18,159	21,299	17.3%	9,092	7,583	-24.5%
Region VIII	3,462	5,525	59.0%	1,752	2,769	57.0%	3,226	5,420	68.0%	3,226	5,717	71.6%	4,117	7,362	79.3%	1,578	2,939	89.2%

Population and Household Changes in Five-Year Increments

Projected Population and Housing Demand Change

Between 2010 and 2015, the state's population is expected to grow by 11.5% or 77,432 people. Housing demand in North Dakota is projected to increase by 14.2% or by 39,188 households from 2010-2015. Following is the regional breakdown showing both the numeric and percentage changes:

	Population		Households	
	Numeric Change	Percent Change	Numeric Change	Percent Change
Region I	19,700	63.9%	9,295	73.4%
Region II	24,742	27.5%	10,886	29.8%
Region III	762	1.9%	677	4.3%
Region IV	1,987	2.2%	1,942	5.4%
Region V	10,841	5.8%	6,291	8.1%
Region VI	450	0.8%	169	0.7%
Region VII	9,328	6.6%	5,135	8.9%
Region VIII	9,622	24.7%	4,793	30.2%

The state's four Native American Indian Reservations will grow 2.6% in population or by 602 people. The number of households will grow 1.8% or by 120 households.

From 2015 to 2020, the state's population growth is projected to be 7.5% or by 56,518 people. The number of households in the state is projected to increase by 8.6% or by 27,103.

	Population		Households	
	Numeric Change	Percent Change	Numeric Change	Percent Change
Region I	16,409	32.5%	8,036	36.6%
Region II	6,716	5.9%	3,262	6.9%
Region III	820	2.0%	435	2.7%
Region IV	2,294	2.5%	1,035	2.7%
Region V	10,962	5.6%	5,442	6.5%
Region VI	536	0.9%	337	1.4%
Region VII	9,164	6.1%	4,250	6.8%
Region VIII	9,617	19.8%	4,306	20.8%

The Reservations will increase in population by 2.5% or 603 people. Reservation households will grow 9% or by 616 households.

From 2020 to 2025, North Dakota's population will grow by 4.4% or by 35,279 people. The number of households in the state is projected to increase by 5% or by 17,138.

	Population		Households	
	Numeric Change	Percent Change	Numeric Change	Percent Change
Region I	6,226	9.3%	3,841	12.8%
Region II	18	0.01%	-154	-0.3%
Region III	762	1.8%	314	1.9%
Region IV	2,325	2.5%	995	2.6%
Region V	11,515	5.6%	5,584	6.2%
Region VI	873	1.5%	459	1.8%
Region VII	9,637	6.0%	4,263	6.4%
Region VIII	3,923	6.7%	1,836	7.3%

The Reservations will increase in population by 2.4% or 601 people. The number of households on the Reservations will grow 2.5% or by 185 households.

Population and Household Change in the 12 Largest Communities

From 2010 to 2015

	Population		Households	
	Numeric Change	Percent Change	Numeric Change	Percent Change
Bismarck	5,577	9.1%	3,119	11.7%
Devils Lake	5	0.1%	147	4.8%
Dickinson	5,334	30.0%	2,722	38.0%
Fargo	7,990	7.6%	4,144	8.9%
Grand Forks	1,962	3.7%	1,735	8.0%
Jamestown	565	3.7%	488	7.7%
Mandan	1,059	5.8%	640	8.8%
Minot	7,744	18.9%	4,276	25.0%
Valley City	187	2.8%	97	3.2%
Wahpeton	1	0.0%	101	3.4%
West Fargo	2,013	7.8%	1,694	17.7%
Williston	8,765	59.6%	4,406	73.4%

From 2015 to 2020

	Population		Households	
	Numeric Change	Percent Change	Numeric Change	Percent Change
Bismarck	5,707	8.5%	2,917	9.8%
Devils Lake	3	0.04%	33	1.0%
Dickinson	5,507	23.8%	2,443	24.7%
Fargo	7,955	7.0%	3,905	7.7%
Grand Forks	2,059	3.8%	918	3.9%
Jamestown	520	3.3%	210	3.1%
Mandan	958	4.9%	444	5.6%
Minot	2,506	5.2%	1,163	5.4%
Valley City	110	1.6%	88	2.9%
Wahpeton	-68	-0.9%	-11	-0.4%
West Fargo	2,063	7.4%	945	8.4%
Williston	7,275	31.0%	3,638	35.0%

From 2020 to 2025

	Population		Households	
	Numeric Change	Percent Change	Numeric Change	Percent Change
Bismarck	6,175	8.5%	2,958	9.0%
Devils Lake	-16	-0.2%	-15	-0.5%
Dickinson	2,093	7.3%	949	7.7%
Fargo	8,571	7.1%	4,165	7.6%
Grand Forks	2,122	3.7%	871	3.6%
Jamestown	712	4.3%	265	3.8%
Mandan	962	4.7%	460	5.5%
Minot	-251	-0.5%	-259	-1.1%
Valley City	112	1.6%	94	3.0%
Wahpeton	-123	-1.6%	-55	-1.8%
West Fargo	2,006	6.7%	900	7.4%
Williston	2,104	6.8%	1,492	10.6%