

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

PUBLIC SAFETY AND TRANSPORTATION COMMITTEE

Tuesday and Wednesday, April 20-21, 2010

Days Inn

Dickinson, North Dakota

Buckskin Café

Killdeer, North Dakota

Senator David O'Connell, Chairman, called the meeting to order at 7:45 a.m. (MDT) on Tuesday, April 20, 2010, at the Days Inn, Dickinson.

Members present: Senators David O'Connell, Dwight Cook, Gary A. Lee, George Nodland; Representatives Edmund Gruchalla, Bob Hunskor, Jerry Kelsh, James Kerzman, William E. Kretschmar, Bob Martinson, Michael R. Nathe, Todd Porter, Gerry Uglem, Don Vigesaa

Members absent: Senators Elroy N. Lindaas, Richard Marcellais; Representatives Matthew M. Klein, Arlo Schmidt, Elwood Thorpe, Robin Weisz

Others present: Jim W. Smith, Legislative Council, Bismarck

Mike Schatz, State Representative, New England
Francis J. Wald, State Representative, Dickinson
Representative Shirley Meyer and Senator Rich Wardner, members of the Legislative Management, were also in attendance.

See [Appendix A](#) for additional persons present.

It was moved by Senator Cook, seconded by Senator Nodland, and carried on a voice vote that the minutes of the March 17, 2010, meeting be approved as distributed.

Chairman O'Connell announced that the next committee meeting will be Wednesday, June 2, 2010, in Bottineau.

STUDY OF HIGHWAY CONSTRUCTION FUNDING

The committee conducted a tour of an oil drilling rig near Dunn Center. Committee members toured various areas of the oil drilling rig site, including the drilling operator control area and material storage areas. The committee also toured areas of the drilling rig site used for analyzing the drilling operations. While traveling to the oil drilling rig site, the committee members viewed the impact to roadways caused by energy development.

The committee traveled to the Buckskin Café in Killdeer to receive information regarding energy development and the impact to local infrastructure. Mr. Terry Kovacevich, Operations Manager, Marathon Oil Corporation, Dickinson, presented information on the development activities of the Bakken Formation. He said the rock in the Bakken Formation is not porous or permeable and needs to be fractured to

produce oil. He said fracturing is done by injecting sand and water under high pressure into the rock.

In response to a question from Representative Nathe, Mr. Kovacevich said approximately 1 million to 3 million gallons of water are used to fracture stimulate a Bakken Formation oil well. He said the amount of water used in the process varies by well.

In response to a question from Senator Cook, Mr. Kovacevich said oil companies may lease land to construct and maintain access roads to oil-producing equipment.

The committee recessed for lunch at 11:45 a.m. and reconvened at 12:30 p.m.

Mr. Dan J. Dolechek, Mayor, City of Killdeer, provided comments regarding the impact of energy development on the city. He said revenue received from oil and gas production taxes and bulk water sales is vital to the city. He said energy development activity has benefited local businesses, but increased vehicle traffic presents safety concerns.

Mr. Cliff Ferebee, Dunn County Commissioner, Halliday, provided comments regarding the impact of energy development activity. He said increased oilfield traffic has resulted in additional maintenance costs for area roadways. He said the county has received complaints from citizens residing along gravel roads regarding the dust generated by oilfield traffic.

In response to a question from Representative Kerzman, Mr. Ferebee said the county is researching various methods of reducing the amount of dust generated by traffic on gravel roads.

Ms. Dawn Marquardt, Auditor, City of Killdeer, provided comments regarding the impact of energy development on the city. She said the City of Killdeer has a lack of available housing for oilfield workers. She said it would be beneficial if the state would provide financial assistance for costs of developing new housing projects in the city.

In response to a question from Representative Meyer, Ms. Marquardt said the availability of water is a concern for the city and the oil industry. She said the City of Killdeer is nearing its maximum allowable amount of water that it may draw from the Killdeer aquifer.

Mr. Reinhard Hauck, Auditor, Dunn County, Manning, provided comments regarding the impact of

energy development on county infrastructure. He said the county maintains 876 miles of roads and 220 bridges and has a property tax of 10 mills for road maintenance. He said approximately two-thirds of the county is currently affected by energy development. He said the Dunn County Courthouse has recently been expanded to accommodate the increasing number of records needed to be stored relating to energy development.

In response to a question from Representative Meyer, Mr. Hauck said the county and political subdivisions in the county requested \$4.2 million of energy development impact grants from the state in 2009 but received total grant funding of only \$475,000.

Mr. Gary A. Wilz, Superintendent, Killdeer Public Schools, Killdeer, presented information regarding the impact of energy development on the school district ([Appendix B](#)). He said energy development has resulted in increased maintenance costs for school vehicles. He said increased traffic resulting from energy development has created a safety concern for students riding schoolbuses.

In response to a question from Senator Cook, Mr. Wilz said the Killdeer School District recently received \$1.6 million of funding from mineral leases from land under the control of the United States Army Corps of Engineers.

Ms. Vicky Steiner, Executive Director, North Dakota Association of Oil and Gas Producing Counties, Dickinson, presented information regarding energy development and the related impact to counties ([Appendix C](#)). She said there are approximately \$27 million of requests made per year for energy impact funding for infrastructure projects, but only \$4 million is available. She said a report will be completed in late 2010 regarding the total financial impact of energy development on political subdivisions.

The committee continued the tour of the impact of energy development on area infrastructure. The committee viewed roadways north and west of Killdeer that had damage caused by oilfield activity.

The committee recessed at 4:00 p.m. and reconvened at 8:00 a.m. (MDT) on Wednesday, April 21, 2010, in the Medora Room, Days Inn, Dickinson.

Mr. Ron Ness, President, North Dakota Petroleum Council, presented information regarding energy development in North Dakota ([Appendix D](#)). He said the development of energy in the western part of the state has generated many challenges, including workforce shortages, water availability concerns, and the impact to infrastructure. He suggested a special energy development impact fund be created to assist political subdivisions with infrastructure projects.

In response to a question from Senator Cook, Mr. Ness said the proposed energy development impact fund would receive \$100 million of funding from oil and gas tax collections.

In response to a question from Senator Nodland, Mr. Ness said the energy development impact fund would be in addition to existing grants provided by the Land Department's Energy Development Impact Office.

Senator Nodland said increased funding for rural emergency services may be needed. He said energy development activities have increased the need for emergency services, including services unique to the oilfield.

Mr. Al Heiser, Road Superintendent, Stark County, Dickinson, provided comments regarding the impact of energy development on roadways. He said there has been increased traffic in the county due to oilfield activities. He said there are many infrastructure needs in the county that are cost-prohibitive to remedy at this time.

In response to a question from Senator O'Connell, Mr. Heiser said blending certain types of gravel can reduce the amount of dust generated by vehicles traveling on gravel roadways.

In response to a question from Representative Nathe, Mr. Heiser said Stark County uses a blend of gravel that includes a high amount of clay. He said the county has been using blended gravel for approximately three years.

In response to a question from Senator Lee, Mr. Heiser said concerns exist with the number of overweight vehicles operating on area roadways. He said there is currently a shortage of enforcement activities to ensure that overweight vehicles have the proper permits.

In response to a question from Senator Nodland, Mr. Larry Gangl, Dickinson District Engineer, Department of Transportation, said several safety concerns exist on roadways in Stark and Dunn Counties. He said the Department of Transportation is conducting a study to determine if lower speed limits are needed for specific roadways. He said options are also being reviewed for adding vehicle turn lanes at certain intersections.

In response to a question from Senator O'Connell, Mr. Gangl said the Department of Transportation reviewed the location of schoolbus stops along certain roadways in the Killdeer area. He said the schoolbus stops have adequate approach visibility, and warning signs are not needed. However, he said, safety could be improved by constructing turnouts at schoolbus stops which would allow the buses to be off the roadway when children are boarding or leaving the bus.

Mr. Shawn Kessel, City Administrator, City of Dickinson, presented information regarding roadway infrastructure in Dickinson ([Appendix E](#)). He said energy and business development has affected the city through increased traffic and accelerated deterioration of infrastructure. He said snow removal costs for the winter of 2008-09 were \$161,800, and snow removal costs for the winter of 2009-10 were \$132,200.

The Legislative Council staff presented a memorandum entitled [Jurisdictional Issues With Overweight Vehicle Permits](#). He said an applicant moving an overweight vehicle across multiple jurisdictions must generally apply for and receive an overweight vehicle permit from each jurisdiction. However, some permits allow for multijurisdictional use such as an agreement between oil-producing counties to allow an applicant to use a single permit to operate an overweight vehicle through participating counties.

The Legislative Council staff presented a bill draft [\[10048.0100\]](#) relating to the deposit of fees related to the violation of a county overweight vehicle ordinance in counties under home rule jurisdiction. The bill draft states that violating a permit issued by a home rule county under North Dakota Century Code Chapter 39-12 is considered a violation of state law. Therefore, the fee for a violation of a home rule county ordinance under Chapter 39-12 would be submitted to the state rather than kept by the county.

Mr. Terry Traynor, Assistant Director of Policy and Programs, North Dakota Association of Counties, expressed concern with precluding home rule counties from keeping fees associated with the violation of a county overweight vehicle ordinance. He said it would be preferable to allow counties to keep the fees in the same manner as they keep fees related to traffic violations.

Representative Kelsh said additional funding may be needed to allow counties to improve enforcement of overweight vehicle ordinances.

Senator Cook suggested the committee receive information regarding the enforcement of overweight vehicle ordinances in Minnesota.

Representative Vigesaa suggested the committee receive information regarding the amount of funding generated from the enforcement of overweight vehicle laws.

Representative Porter suggested the committee receive information regarding the collection of fines and fees, including the disposition of the funds, and review related constitutional and statutory provisions.

Representative Porter suggested the Legislative Council staff prepare a bill draft to appropriate \$100 million from the permanent oil tax trust fund to an oil impact fund for political subdivisions affected by energy development activities.

STUDY OF EMERGENCY MEDICAL SERVICES FUNDING

Ms. Kerry Krikava, McKenzie County Ambulance Service, Watford City, provided comments regarding challenges faced by rural ambulance services, including the impact of energy development. She said the increased traffic resulting from energy development has resulted in an increase in the number of motor vehicle accidents. She said the condition of area roadways has resulted in additional costs for ambulance maintenance and repairs.

Ms. Denise Brew, Killdeer Area Ambulance Service, Manning, provided comments regarding rural emergency medical services. She said the number of 911 calls has been increasing due to energy development activities. She said increased traffic and poor road conditions have delayed the response time of ambulance services.

Mr. Troy Nies, Killdeer Area Ambulance Service, Killdeer, provided comments regarding emergency calls received by the ambulance service. He said the ambulance service responded to 33 oilfield-related calls in 2009. He said an increasing number of calls involve the effects of drugs or alcohol. He said the safety of emergency workers is a concern due to an increasing number of assaults on emergency workers.

In response to a question from Senator O'Connell, Mr. Nies said ambulance maintenance costs have increased due to the poor condition of roadways.

In response to a question from Representative Vigesaa, Mr. Nies said the recruitment of volunteers for rural ambulance services is affected by the amount of training needed and the danger faced by ambulance personnel.

In response to a question from Senator Nodland, Mr. Nies said the Killdeer Area Ambulance Service has a four-mill property tax levy to support its operations.

Senator Nodland said local counties may need to provide increased support for ambulance services.

Representative Uglem suggested the Legislative Council staff prepare a bill draft to implement a statewide emergency medical services funding plan based on primary services funding areas and to provide the primary services areas with funding from a \$12 million appropriation from the insurance tax distribution fund.

In response to a question from Senator Nodland, Mr. Lynn Hartman, Dickinson Ambulance Service, Dickinson, said the Dickinson Ambulance Service generates the majority of its revenue from patient fees and charges.

Representative Porter said most ambulance services charge a fee for services provided. He expressed concern that Medicare reimbursement rates for ambulance services do not provide for the actual cost of providing medical services.

Representative Uglem said it is important to provide support to local ambulance services in order to maintain existing services.

In response to a question from Senator Nodland, Representative Porter said a statewide emergency medical services funding program based on service areas would not require a reduction in the number of existing ambulance services.

In response to a question from Senator Cook, Representative Uglem said establishing a statewide emergency medical services funding program would maintain existing services and may improve ambulance staffing levels and response times.

Representative Porter said the State Department of Health collects data from ambulance services that

can be used to evaluate the effectiveness of funding provided.

In response to a question from Senator O'Connell, Mr. Ken Tupa, North Dakota Emergency Medical Services Association, said emergency medical services providers support a statewide emergency medical services funding program.

Mr. Tom Nehring, Director, Division of Emergency Medical Services and Trauma, State Department of Health, provided comments regarding emergency medical services. He said funding from property taxes for emergency medical services varies significantly between counties in the state. He said a consultant was recently hired to study rural emergency medical services in state pursuant to provisions of 2009 Senate Bill No. 2004.

STUDY OF 911 SERVICES AND INFRASTRUCTURE

Mr. Brent Pringle, 911 Coordinator, Stark and Dunn Counties, Dickinson, presented information regarding 911 services ([Appendix F](#)). He said a challenge facing rural 911 systems is implementing new 911 dispatching technology and maintaining existing equipment.

In response to a question from Representative Porter, Mr. Pringle said most emergency service providers in Stark County have radios that are federal Project 25-compliant. He said the project is being used to equip emergency responders with radios that are interoperable among emergency service providers.

In response to a question from Representative Porter, Mr. Pringle said the Stark County 911 center has received few 911 calls from callers using Voice over Internet Protocol services.

Representative Meyer expressed concern that 911 service fees charged to nonresident employees are not being distributed to local 911 entities. She said the fees are being distributed to emergency communications centers in the worker's home area.

The committee conducted a tour of the Stark County and City of Dickinson public safety answering point. Committee members viewed the technology used by dispatchers to receive calls and dispatch emergency services.

It was moved by Representative Vigesaa, seconded by Representative Uglem, and carried on a voice vote that the meeting be adjourned subject to the call of the chair.

No further business appearing, Chairman O'Connell adjourned the meeting at 12:15 p.m.

Brady A. Larson
Fiscal Analyst

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:6