

2013 SENATE NATURAL RESOURCES

SB 2219

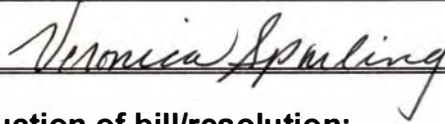
2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2219
January 31, 2013
18078

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

Attached testimony

Chairman Lyson opened the hearing on SB 2219.

Senator Wardner, District 37 in Dickinson, introduced the bill.

Senator Krebsbach, District 40, spoke in favor of the bill. Federal funding is running out and we need to continue the successful programs that have been started.

(03:30 to 11:20) Ann Pollert, Executive Director of the ND Community Action Partnership, presented written testimony #1.

(12:00) Senator Triplett asked what the history of the federal funding has been. Ms. Pollert said in 2000 1.6 million, in 2002 4.5 million, in 2005 2.5 million. The lowest was in 2012 - it was zero.

There was discussion about the federal funding. It has been very changeable which makes it hard for Community Action to set a budget. They did receive 25 million of the stimulus money and that lasted them from April of 2009 to March of 2012.

There was discussion about people who have been on fuel assistance. After a weatherization has been done, their fuel assistance gets decreased.

Senator Laffen asked three questions: What is the money used for?
Why don't homeowners do this on their own? It would pay for itself in short order.
Why wouldn't we do this as a revolving loan?

Ms. Pollert said the homeowners cannot afford to do it on their own. Community Action is looking into starting a revolving loan program. The 8 million pays for staffing; some goes to the department of commerce for administering the program; some goes to materials, crew salaries, gas, etc.

John Meyer, weatherization coordinator for the Minot Community Action Partnership, submitted written testimony #2.

(20:15 to 24:10) There was discussion about the cost benefit analysis and how long the payback is on these projects. There was also discussion about the merits of a revolving loan program.

(24:20) Janelle Carlson, a recipient of the program, presented written testimony #3. See attached.

Brandon Sheldon, a coordinator of the weatherization program of Fargo Community Action Partnership, handed the committee copies of testimony from Anna, another recipient of the program. See attachment #4.

Opposition:

Chairman Lyson closed the hearing on SB 2219.

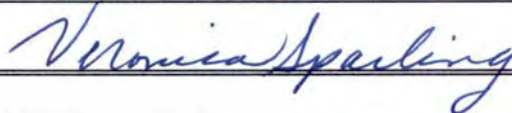
2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2219
February 13, 2013
18854

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

No attachments

All committee members were present.

Chairman Lyson opened the discussion on SB 2219. This bill has an appropriation and has to get out of committee today.

Senator Triplett: Do Pass

Senator Murphy: Second

Senator Laffen stated that he is a big proponent of energy conservation, but he feels this could be better dealt with by having a revolving loan program. The money could serve more people if it were done that way. (Ends at 03:40)

Senator Lyson felt this bill should have been heard in Human Services Committee. He also gave a history of the program. (Ends at 04:19)

Senator Hogue questioned the wisdom of the state taking over programs that started as federal programs. All the bills of one sort should stay in the same committee. It should be a sustaining fund and we should be careful not to commit to an 8 million dollar per biennium expense.

Senator Triplett felt the appropriations committee can reduce the amount if they see fit. She feels a revolving loan program would be cumbersome for such "small fixes". Each client has such a small amount given to them that the cost of the administration would use up too much of the money. She also feels that energy efficiency has improved greatly and as some of the poorly built homes are brought up to a higher standard, there will be less need for this as time goes on. She feels the program will decline over the next 10 or 20 years.

She also feels the people who are helped by this program are people who are in dire need. They do not have any disposable income. (Ends at 09:15)

Senator Lyson feels the program is going too far when they are installing new windows and doors and the person doesn't do anything to help. He said he will vote for it and he will send it on to appropriations.

Senator Murphy values self-reliance, but he expressed to the committee that poverty is real. He feels that for the clientele this would serve, the revolving loan program does not work.

Roll Call Vote: Do Pass and ReRefer to Appropriations 6, 1, 0

Carrier: Senator Murphy

Date: 2-13-13
Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2219**

Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Triplet Seconded By Murphy

Senators	Yes	No	Senators	Yes	No
Senator Lyson	✓		Senator Triplet	✓	
Senator Burckhard	✓		Senator Murphy	✓	
Senator Hogue	✓				
Senator Laffen		✓			
Senator Unruh	✓				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Murphy

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2219: Natural Resources Committee (Sen. Lyson, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2219 was rereferred to the Appropriations Committee.

2013 SENATE APPROPRIATIONS

SB 2219

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2219
02-19-2013
Job # 19144

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for ND energy conservation program with Department of Commerce

Minutes:

See attached testimony

Chairman Holmberg: called the committee to order on Tuesday, February 19, 2013 at 8:00 am in regards to SB 2219. Roll call was taken. All committee members were present. Tammy R. Dolan from OMB and Brady Larson from Legislative Council were there.

Senator Wardner: From District 37 in Dickinson introduced the bill as the main sponsor. This bill appropriates \$8 million for energy conservation programs which are commonly called weatherization. There is a federal program that does this; however the monies are being cut back. It is a program that reaps dividends for low income people. If they can save money in their heating bills and makes it more efficient. This helps them do more of those types of projects. There are people here that do this and they will talk about how it works and who they help.

Senator Burckhard: From District 5 in Minot in support of the bill. This is a one-time investment in a home that saves money in energy. I personally know a family that has benefited from this program greatly. These people need help. They are the working poor. They do not have the money left over to invest in energy conservation and we help them and they in turn put those dollars back into the community. As is witnessed today, North Dakota can very cold. Imagine if you don't have heat and a house that is not insulated very well. We need to invest in their housing stock. These community action folks have been doing this for over 35 years and they know what works. Please help them to fund this program.

Senator Murphy, District 20: Testified in support of this bill.

Senator Lyson: From District 1 in Williston. Testified in support of the bill. I just say ditto to the last people talking.

Ann Pollert, Executive Director of the ND Community Action Partnership: Testified in favor of SB 2219 and provided Testimony attached # 1.

(11.45) Vice Chairman Grindberg: That was a nice presentation. Help me follow the money. You mentioned \$5000 per home and 500 homes?

Ann Pollert: \$6000 per home is what we would invest for our crews to go in and do the work and we would do 500 to 600 homes per year. It would be about 1100 over the biennium.

Vice Chairman Grindberg: That would be about \$6 million.

Ann Pollert: Some dollars will go to the Department of Commerce for administration of the program.

Vice Chairman Grindberg: Your organization will receive some operating dollars from this as well for services?

Ann Pollert: No. The \$6000 covers our operating expenses for our crews and technicians.

Vice Chairman Grindberg: So, you find a list of 7 things that need to be done and one of them might be new windows and insulation, that cost is covered by what?

Ann Pollert: That \$6000. That covers everything we need to do in a home. Materials and costs are based on that estimate. We have the materials and crew to determine what the best for each home is.

Paul Govik, North Dakota Department of Commerce: I did not prepare any comments but I can answer questions.

Vice Chairman Grindberg: Of the \$8 million, it sound like the majority of that is going to individuals in their homes. Using the rough math, about \$6 million would be under those projections, where is the other \$2 million?

Paul Govik: We would work on the parameters of the program in conjunction with the weatherization crews and the community action agencies and we would minimize the amount of dollars that would go to commerce because we are not interested in funding our agency through this. We can handle most of that on our own. That shouldn't be an issue. We would minimize any of the admin costs associated with this.

Senator Warner: Is there a linkage between LiHEAP application and your weatherization program, in other words do you present the information every time there is a LiHEAP application?

Ann Pollert: Absolutely. Have you looked at the LiHEAP application lately? Community actions name is right on that application. We want to weatherized these homes and make sure that federal dollars are not going out the window. We get some of those LiHEAP dollars. We want to make sure those homes are efficient. Other states should be doing that. We need to be good stewards of those federal dollars. Why not do weatherization on their home and keep that heat inside the home.

Senator Warner: Is there a condition of receiving LiHEAP dollars? Some people would say they don't want the mess or the people in their house.

Ann Pollert: It is not a condition of receiving LiHEAP dollars at this point now.

Senator Warner: I have another question having to do with rental units where the owner of the property might be above the guidelines but the renters are below, is this only for owner-owned single family dwellings or is this used in apartments where the owner is wealthier than the guidelines but the tenants are not?

Ann Pollert: Yes, rental properties are eligible for weatherization services and there is a deposit that the owner would have to pay for weatherization services.

Senator Gary Lee: Aside from the \$8 million state money, what are your federal dollars that come to the program?

Ann Pollert: \$8 million would basically keep us over keel over the next two years, federal dollars like I mentioned in 2012 we received no Department of Energy dollars. Department of Energy is still under that continuing resolution so we won't find out about our 2013 dollars until that continuing resolution expires in March. We received no LiHEAP dollars in 2009 and 2010, but typically the total for allocation for the program has ranged anywhere from \$3 million up to \$6 million.

Senator Gary Lee: That includes the left over fuel assistance?

Ann Pollert: Yes and the Department of Energy dollars. DOE has typically been around \$2 million. The LiHEAP has been anywhere from \$2 million to \$3 million in 2012.

Senator Gary Lee: So you could have an \$11 million budget and you are spending six on renovation?

Ann Pollert: I don't know that is what I am saying. If we have more federal dollars we will simply do more homes. We could maximize those dollars.

Vice Chairman Bowman: This program has been in existence for a long time; I served on one of the boards when it first came out. Has there been an inventory of all the houses that would qualify for this program and have they then done some type of research to find out how many dollars that would save by this investment so that when we are making a sound investment like this? Knowing how many homes are left that qualify and what would be the overall benefit.

Ann Pollert: There hasn't been. That is great insight. We know there are 14,000 homes on fuel assistance in North Dakota last year. We know that those houses are eligible but we also know that we have weatherized some of those homes. The second part of your question, The Department of Energy hasn't done a good job of figuring out the cost of savings per home. I know the national number, but we know in North Dakota because of our winters it is more. That is one of the things we would do with this state allocation, is

that Department of Commerce would do a study. We would know exactly what we are saving in North Dakota per home.

John Myer, Energy Conservation Coordinator, Minot Region: Testified in favor of the bill and provided testimony attached # 2.

(23:24) Janelle Carlson: Testified in favor of the bill and provided testimony attached # 3.

Testimony # 4 from Anna in support of SB 2219. (no oral testimony)

Chairman Holmberg: Closed the public hearing on SB 2219.

(26:19) Senator Krebsbach: Moved a Do Pass.

Senator Erbele: Seconded.

A Roll Call Vote Was Taken: Yea: 13 Nay: 0 Absent: 0.

Senator Murphy: Will carry the bill.

Date: 2-19-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2219

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By _____ Seconded By _____

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment NR

If the vote is on an amendment, briefly indicate intent: Murphy

REPORT OF STANDING COMMITTEE

SB 2219: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2219 was placed on the
Eleventh order on the calendar.

2013 HOUSE APPROPRIATIONS

SB 2219

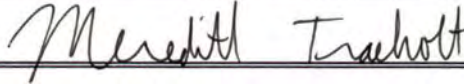
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2219
3/12/13
Job 19749

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer called the committee back to order and opened the hearing on SB 2219.

Senator Rich Wardner, District 37: This is the weatherization bill. Introduced the bill. This bill continues to give, it's not a one-time thing, because every year that heating bill comes in at a much lower cost, plus you are saving energy.

02:15

Senator Karen Krebsbach, District 40: I am here in support of the bill. This program has been in existence for about 35 years. It has been instrumental in assisting low and moderate income households in conservation works for their homes. It was documented that for every dollar invested in energy conservation, there is a return of \$2.51 in economic benefit. It's a hardship this time of the year for people to meet those heating bills. This is a program that has been well proven and is working really well. This has largely been federally funded in the past, but as we know, there have been cutbacks. We need to continue this program to continue helping the citizens that need it.

Chairman Delzer: Has state money been put in this before?

Senator Krebsbach: I don't know, but the other people here can answer that.

Rep. Nelson: The money that is being requested from the state, is that to hold even the shortfall in federal funding, or is there an enhancement?

Senator Krebsbach: I think it is just to continue what is being needed. The experts can help you on that.

Chairman Delzer: Further testimony in favor of SB 2219?

04:40

Ann Pollert, Executive Director, ND Community Action Partnership: See Attachment 1. At minute 08:25 referenced additional provided information, see Attachment 2, then returned to Attachment 1 page 3.

10:45

Chairman Delzer: What's the qualifying level for LIHEAP?

Ann Pollert: 65% of median income.

Chairman Delzer: Your median income sheet (in Attachment 2) has \$34,450 for a single person in almost all counties, with the exception of the big ones.

Ann Pollert: That came from HUD, so those are the exact same guidelines.

Chairman Delzer: How many other states are doing a state-funded program?

Ann Pollert: I would have to guess, but I would say about 24.

Chairman Delzer: And how much money do you have coming from the feds for the next two years?

Ann Pollert: In 2013, because it is stuck in continuing resolution, we estimate we will receive 1/3 of our 2011 allocation, which was just under \$2M.

Chairman Delzer: Was that ARRA funds on top of that?

Ann Pollert: We did get ARRA funds in 2011, but that was the regular allocation, not the ARRA funds. The ARRA funds were \$25M, which ran from April 2009 to March 2012. None of that is left. It all got used.

Chairman Delzer: Can you furnish us a list of where those funds got used?

Ann Pollert: Absolutely.

Rep. Wieland: We talked earlier about how this might be worked into a loan program, instead of a grant or a gift. This program is not new, as was pointed out; we had it in county government in the 80s and 90s and tried to put it into a loan program, but the majority of the people couldn't quite see that. Why can't there be a mortgage without interest that is not due, no payments on the property, only needs to be paid back to your agency upon death or sale of the property? Then it can be used over and over again, instead of coming back and continually asking for an additional appropriation.

Ann Pollert: This came up on the Senate side, too, and although it's a great concept, these people can't afford to pay back a loan. You're saying this is basically a lien on the property. Community Action does not have the administration or attorneys or anything to be putting liens on property and to be holding those and trying to collect money when there is a sale or transfer of ownership. We don't have the capacity to do that. Frankly, I think that would

be very intimidating to clients, for them to put a lien on the property. I don't think people would participate in the program, unfortunately.

15:00

Rep. Pollert: I thought there was a schedule for what LIHEAP had received, and it was around \$7M in a two-year period, and this bill is \$8M. Also at the bottom (of the bill) it says this is one-time funding; is that true?

Ann Pollert: I have all the numbers from past years of funding; in 2011 we received just over \$4M in LIHEAP; in 2012, just over \$3M in LIHEAP. We get those dollars at the end.

Chairman Delzer: That's what you received for weatherization? We'd also like to see how much they spend on heating.

Ann Pollert: I can get that to you. Regarding one-time funding, we don't know what's going on with the Department of Energy for sure. Prior to the current Secretary of Energy, energy conservation was a real priority. The current secretary is not going for a second term so they are in that transition now. We don't know what will happen with those federal funds, so that's why we are here today, to maintain and stabilize this program. I won't promise that I won't be back in two years, but right now, we're asking for one-time funding to maintain this great program and see what happens.

Chairman Delzer: We'd like to have information for 10 years back, and see what you've done and what the federal funding has been. What the funding has been, and what you have done with the money.

Ann Pollert: I have most of that here today.

Rep. Skarphol: What is the utilization of this \$8M? How was the \$25M in ARRA funds utilized? What are the ratios?

Ann Pollert: 20% goes to health and safety, things that must be done to the home to keep it safe, things like furnace, water heater, anything emitting carbon dioxide, etc. Those aren't in our \$6000 number; we can't necessarily measure it, because it was non-efficient or non-existing before.

Rep. Skarphol: Is that a requirement of every project, that 20% go to health and safety? Or is that a goal of the utilization of the total \$8M?

Ann Pollert: It's more of what has been done before. But if we don't use all that money for health and safety, we will use it to work on homes. 10% will go to admin; 2% goes to state admin, and 8% goes to Community Action admin. The other 70% goes into the homes, that's the 500-600 homes we will be doing the work on throughout the state, which we call production. That's weatherization. That's cellulose insulation, weather stripping, caulking, weatherizing those homes.

Rep. Skarphol: And how did you use the ARRA funds, by comparison?

Ann Pollert: I would have to look to the Department of Commerce to answer that question, but I believe that 10% and 20% is pretty standard when we are putting our budgets together.

20:40

Rep. Nelson: How do you administer the program for energy conservation when many of your clients are renters rather than owners?

Ann Pollert: Both are eligible for the program. A lot of our clients own, and we do do a lot of elderly homes.

Rep. Nelson: How does a renter access the money to get the home weatherized, and is there an offset with rent, because the owner is the recipient of the weatherization?

Ann Pollert: The owner is required to pay a deposit when it is on a rented property and not an individual-owned property.

Chairman Delzer: Who do you use? Do you have the same crews, or go out and hire?

Ann Pollert: We have our crews. That's part of what's so critical about getting through the next two years. They are so specifically highly trained. We can't lose those people. On average, we have 60-65 weatherization staff, statewide, that cover all eight regions.

Rep. Skarphol: If a renter is eligible, whose median income do you base the eligibility on?

Ann Pollert: The renter's. You may be thinking, what if they move? But generally, the next family that moves in more than likely is going to be a low-income family, too.

Rep. Skarphol: I'm thinking you could have an owner who is far above the median income who could pay for this him or herself.

Ann Pollert: We wish they would invest in their housing stock that way.

Rep. Kempenich: Is that workforce part of the administration cost? Or production?

Ann Pollert: Those individual salaries are in the production, the \$6000 average.

Chairman Delzer: Part of the 70%.

Rep. Nelson: The source of funding for this program is coming from the general fund; why is it not coming from the resource trust fund? When that was set up, energy conservation was a part of that program. I don't think any dollars have ever been spent out of that account for energy conservation?

Ann Pollert: We've talked about that funding forever, and we know that it exists. We don't care where the money comes from. When we put the bill together, that was the guidance.

Rep. Guggisberg: How do you find the people that need this?

Ann Pollert: We work closely with LIHEAP, because we don't want those fuel assistance dollars going out the window. Our name is on the LIHEAP application, and they are told when they apply for fuel assistance that they are going to be referred to us. Community Action does a variety of services, but a lot of our clients are in low or moderate income, so a lot come through our doors for another program or another resource. We don't do a lot of outreach because we have extensive waiting lists; anyone eligible for fuel assistance is eligible for weatherization services.

Rep. Guggisberg: What is your average payback? If you spend \$6000 on a project, how long does it take to pay that back?

Ann Pollert: I'll leave that for John Meyer, our weatherization coordinator.

Rep. Wieland: You don't do windows?

Ann Pollert: We will do windows if that's the major area of heat loss. But a lot of times, windows aren't the best payback for us. A lot of time weather stripping, insulation gives us better return on our dollars than a window would. We do the best measures we can that will give the client the best payback. We aren't going out to do cosmetic work.

Rep. Boe: Going back to the renter, you mentioned you require a deposit from the owner; what does that represent and what happens to that money?

Kathy Johnson, Weatherization Coordinator for Red River Valley Community Action, Grand Forks: The money goes directly back into the program. Each agency charges the homeowner. It is anywhere from \$150 to 50% of the production material costs.

Chairman Delzer: Is that just for owners of rental property, or for every property?

Johnson: It is just for rentals.

Chairman Delzer: You don't charge anything for owned property?

Johnson: We do not.

Chairman Delzer: There are a number of programs for high efficiency furnaces etc. How many of those do you work with, and how?

Ann Pollert: There are programs out there that will give you energy rebates for measures you do yourself. The people we're serving at Community Action aren't people that are going to invest in a new furnace or windows, these are people living in poverty.

Chairman Delzer: Your numbers are pretty high. When you start talking \$34,000 for a single person, that's pretty high (income). I understand you probably deal with people making much less than the upper limit. We would like to see the level you do most of your work at.

Ann Pollert: Yes, that would be the absolute top end. When we used the ARRA funds, we used 200% of federal poverty; this is lower than 200%.

Chairman Delzer: But the ARRA money was meant to get work out there.

Ann Pollert: I assure you, the ARRA dollars that came to ND were spent very wisely, we did many homes.

Chairman Delzer: How many of the ARRA dollars increased the number of staff you have, and is that what you are trying to keep?

Ann Pollert: Unfortunately, all of those staff have already been let go, I assure you. At peak, our weatherization staff statewide was about 110, so we're a little above half of that now. That's what we're here to do, maintain the staff we have.

Chairman Delzer: Further questions by the committee? Thank you. Further testimony?

31:35

John Meyer, Energy Conservation Coordinator for Community Action, Minot: See Attachment 3.

36:35

Rep. Skarphol: Do you substantiate the savings on improvements you do?

Meyer: They are all based on different ones. We also have a client education program, to make teach them about smart thermostat settings. There are a lot of variables that we can't tangibly keep track of when we talk about usage throughout the year.

Rep. Skarphol: How much of an exit analysis do you do after each project? How much feedback do you get and for how long, to substantiate what you have done provides the savings you have projected?

Meyer: As long as that person is on fuel assistance, we have that information. He then showed infrared poster before-and-after comparison and continued testimony.

38:58

Chairman Delzer: Are you doing any work for individuals that want to pay?

Meyer: We have a few agencies throughout the state that have a for-profit side. It's in its infancy, we have explored it. It's hard to do right now because the vehicles, etc., that we have, we have to rent them back from whatever program they were purchased from, so there isn't a lot of money there to be made.

Rep. Pollert: The dollars your crew gets comes out of the 70%?

Meyer: Yes, that is strictly on the production side. A house has to function. You cannot make a house too tight, either, that's another place where health and safety funds come in.

If you make a house too tight, you're going to create mold. A cracked heat exchanger on a furnace can be replaced with health and safety money, rather than production.

Chairman Delzer: Do you have a home age requirement?

Meyer: We don't put a limit on it, but as an estimator, if I come up to a home that was built in 2007, I won't waste my time or send my crew out.

Rep. Holman: You mentioned you do a lot of stick houses; we also have a lot of poorly efficient mobile homes. Do you work with them at all?

Meyer: Yes, I would say 30-40% of our houses are mobile homes. We take care of them.

Chairman Delzer: How many FEMA trailers did you do?

Meyer: We didn't do any of them, but Community Action of Minot was called by several news companies in town to go and do energy audits on FEMA homes, because people were complaining about their fuel and electric costs.

Rep. Nelson: Usually you come into a home already being lived in. Given Minot's situation over the last two years, there are a number of homes being rebuilt. Are you able to work with some of the clients that qualify for weatherization programs as they are rebuilding?

Meyer: Once that home is livable, we will go do weatherization on that home if they qualify. It cannot be deemed 'under construction.'

Rep. Pollert: Is it possible you could have a house or rental unit that could have a furnace put in, insulation, and an air exchanger?

Meyer: Yes, that could possibly be done.

Rep. Pollert: For \$6000 on average?

Meyer: That's on the high end, I would say. If we come into a home, we want to insulate it and make it tight. To put an HRV in, you're looking at \$1500, but that home is very tight now. This is not only heat savings, it keeps cooling costs lower, too, it's energy savings.

Rep. Bellew: You keep saying payback; when do the state taxpayers get their money back?

Meyer: I can't answer that question. I look at it as, whether it is state or federal dollars that go into fuel assistance money, the usage will still be here. If we can cut that usage, nationwide, potentially it could cut dollars that way.

Rep. Guggisberg: Do you have numbers for an average on that entire \$6000? Is it a 10 year payback, 12 years?

Meyer: The way the work order program we use works, it gives us measure by measure. We could do an analysis on there by getting their fuel costs from day one when we left it to five years later, and do a comparison that way.

Rep. Skarphol: If there are savings as you indicate, I would assume the number of people served through LIHEAP would change somehow, either declined or you're serving more clients. There should be some trend that what you are doing is showing results.

Chairman Delzer: I think that is something we could get on LIHEAP from DHS's quarterly report.

Rep. Wieland: If you go in and do some work on a home, and they are the homeowner, is there a length of time that they have to retain ownership of the home before they can sell it?

Meyer: We don't require anything of that nature, but we don't do undue enhancement, either. We don't pretty the house up so they can put a 'for sale' sign up and potentially make more money selling the home.

Rep. Wieland: But you may have put in a new furnace, or some other work, spent up to \$6000, which does enhance the value of that property over what it was prior.

Meyer: With that \$6000, there are labor costs as well, it's not all material.

Chairman Delzer: It does, but it's overall value to the home. It's worth more now. Further questions by the committee? Thank you. Further testimony?

48:25

Janelle Carlson, Recipient of Energy Conservation Services: See Attachment 4. Concluded prepared testimony minute 54:05. I know you had a question about a loan program, and I think that's a valid point. I thought about how that would have worked in my situation. I'm responsible, I'm educated, I don't think people should always be just given things. But if someone had come to me at that time in my life when I applied for this, I wouldn't have done it. The situation was too overwhelming, and I would have said no.

Chairman Delzer: Are you still in the same house? Were you receiving LIHEAP?

Carlson: I am. I only applied for LIHEAP the one year.

Chairman Delzer: Questions by the committee? Thank you. Further testimony on 2219?

55:40

Kim Christianson, Secretary/Treasurer, ND Alliance for Renewable Energy Board: See Attachment 5. Minute 57:20 For some information on the resources trust fund, it was voted on back in 1990, and was to be used for water projects and energy conservation and renewable energy. Counting this biennium, that fund will have received approximately \$1.2B, since 1994; no dollars have ever been used for energy purposes from that fund. We're pleased that this biennium it looks like that might change. Resumed testimony.

Chairman Delzer: Questions by the committee? Thank you. Further testimony?

Paul Govig, ND Department of Commerce: I did not prepare any testimony, but I would be happy to answer any questions you might have.

Chairman Delzer: We may have some when we start working on the bill; if we do, we will get ahold of you.

Govig: I would just echo the comments that the weatherization crews and the Community Action agencies are vital partners of the ND Department of Commerce. They do an excellent job. We very much appreciate working with them.

Chairman Delzer: Thank you. Testimony in opposition to 2219? Any further testimony? Seeing none, we'll close the hearing on SB 2219 and take this up at a later date.

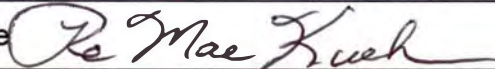
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2219
4/5/13
Job # 20935

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program.

Minutes:

Amendment #.01005 attached

Chairman Delzer called the committee to order and a quorum was declared. Scheduling was discussed. We'll start with SB 2219. This would put \$8 million out for a state sponsored weatherization program like what the federal government has.

Rep. Wieland: Passed out amendment .01005. He went over the amendment. This takes it from a grant program to a loan program. The loan would be made to an individual who would be eligible for the amount not to exceed \$6,000. Homeowners or renters must be at 150% of federal poverty guidelines. It will be run through the Bank of North Dakota. It is a no interest loan. It does not require payments with one exception for an individual who owns the home. After the work is done, they can live in the house without payment. When they pass away or sell the property, then that loan must be repaid to the Bank of North Dakota. If a renter is eligible, the landlord must make 10 equal annual payments starting with the anniversary of when the work is completed. The repayment is without interest. The bank may take as a service fee ½ of 1% of the principal balance.

06:25

Rep. Monson: If the renter is low income, can the renter enter into this agreement to get the loan and then it falls upon the owner?

Rep. Wieland: The landlord will have to be involved and consent.

Rep. Dosch: Was BND on board with this, with the rate and the fee structure?

Rep. Wieland: I can't answer that question.

Rep. Dosch: It definitely impacts their earnings.

Chairman Delzer: Why do you say that? Do you think the 0.5% is not enough to cover their cost of handling?

Rep. Dosch: It's the cost of money out there. When rates start going up to 4-5% and they have these loans at 1% means they are losing with a negative interest margin.

Chairman Delzer: The only money in here would be the \$1 million that we put in from general fund money.

Rep. Nelson: I'm unaware that BND is paying that. Every time we see an earnings report on bank deposits it is .1. A 1/2% still allows them to cover their costs.

Chairman Delzer: The only thing the bank has to do is process it. The question is whether the 0.5% covers their processing cost.

Rep. Monson: Did someone say something about federal funds still available? One million dollars isn't going to go very far. Is it a first come first serve?

Chairman Delzer: There is still federal money flowing through this, the question is how much and how much of it will shift from weatherization to a push for green energy. The original testimony showed there was money available.

Rep. Wieland: Moved amendment #.01005

Rep. Skarphol: Seconded the motion

Voice Vote taken. Motion carries.

Rep. Wieland: Moved Do Pass as amended.

Rep. Skarphol: Seconded the motion.

Chairman Delzer: Even though we reduced this I cannot support it. We are replacing federal funds with a state program. This is not where we should be going.

Rep. Kempenich: It gives them time to transition their business model that they are using these funds for.

A Roll Call vote was taken: Yes 16, No 5, Absent 1.

Do Pass as amended carries.

Representative Wieland will carry the bill.

4/5/13
LW
82

PROPOSED AMENDMENTS TO SENATE BILL NO. 2219

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to an energy conservation revolving loan program; to provide a continuing appropriation; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is created and enacted as follows:

Energy conservation revolving loan program - Continuing appropriation.

1. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose of making loans to low-income and moderate-income homeowners or to homeowners with low-income or moderate-income renters for the installation or implementation of energy conservation measures in homes determined by the department of commerce, in consultation with local agencies, to be eligible for energy conservation alterations or measures.
2. The energy conservation revolving loan fund consists of all moneys transferred into the fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund. The moneys in the fund are appropriated on a continuing basis for disbursement under the requirements of this chapter.

Loan guidelines adopted by department of commerce - Loan application.

The department of commerce shall develop policies and guidelines for granting loans under this chapter. The guidelines must establish income eligibility criteria for homeowners or renters of homeowners at equal to or less than one hundred fifty percent of the federal poverty guidelines. The guidelines must provide that a loan granted under this chapter to an eligible homeowner may not exceed six thousand dollars. An application for a loan under this chapter must be made to the department. If the department approves the application of a qualified applicant, the department shall forward the application to the Bank of North Dakota for further review.

Loan terms and conditions.

The Bank of North Dakota may make a no-interest loan to an eligible applicant in consideration of the homeowner contracting with the Bank and granting the Bank a mortgage or other security interest to secure the loan. The contract with the homeowner must provide that the loan must be repaid in full within ninety days of the sale of the property or the death of the homeowner. The contract with a homeowner renting the property to an eligible low-income or moderate-income renter must also provide that the loan must be repaid in ten equal annual payments. The Bank shall allow the homeowner the option of repaying the loan earlier. The Bank may take any

2013

action necessary to negotiate a loan under this chapter and to preserve security under this chapter, including any right of redemption. The Bank may deduct annually, as a service fee for administering the loan fund, one-half of one percent of the principal balance of the outstanding loans from the energy conservation revolving loan fund and may recover from the fund any amounts actually expended by the Bank for legal fees to effect a redemption.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the energy conservation revolving loan fund as provided under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds two new sections:

- To replace a North Dakota state energy conservation program administered by the Department of Commerce with an energy conservation revolving loan program administered by the Bank of North Dakota. This amendment provides \$1 million in funding from the general fund.
- To establish the criteria for an energy conservation revolving loan program.

Date: 4/5/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2219

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number .01005

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Wieland Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

voice vote carries

Date: 4/5/13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2219

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Wieland Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Rep. Streyle		X
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew		X	Rep. Wieland	X	
Rep. Brandenburg		X			
Rep. Dosch		X			
Rep. Grande	X		Rep. Boe		
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 16 No 5

Absent 1

Floor Assignment Rep. Wieland

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2219: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). SB 2219 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to an energy conservation revolving loan program; to provide a continuing appropriation; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is created and enacted as follows:

Energy conservation revolving loan program - Continuing appropriation.

1. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose of making loans to low-income and moderate-income homeowners or to homeowners with low-income or moderate-income renters for the installation or implementation of energy conservation measures in homes determined by the department of commerce, in consultation with local agencies, to be eligible for energy conservation alterations or measures.
2. The energy conservation revolving loan fund consists of all moneys transferred into the fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund. The moneys in the fund are appropriated on a continuing basis for disbursement under the requirements of this chapter.

Loan guidelines adopted by department of commerce - Loan application.

The department of commerce shall develop policies and guidelines for granting loans under this chapter. The guidelines must establish income eligibility criteria for homeowners or renters of homeowners at equal to or less than one hundred fifty percent of the federal poverty guidelines. The guidelines must provide that a loan granted under this chapter to an eligible homeowner may not exceed six thousand dollars. An application for a loan under this chapter must be made to the department. If the department approves the application of a qualified applicant, the department shall forward the application to the Bank of North Dakota for further review.

Loan terms and conditions.

The Bank of North Dakota may make a no-interest loan to an eligible applicant in consideration of the homeowner contracting with the Bank and granting the Bank a mortgage or other security interest to secure the loan. The contract with the homeowner must provide that the loan must be repaid in full within ninety days of the sale of the property or the death of the homeowner. The contract with a homeowner renting the property to an eligible low-income or moderate-income renter must also provide that the loan must be repaid in ten equal annual payments. The Bank shall allow the homeowner the option of repaying the loan earlier. The Bank may take any action necessary to negotiate a loan under this chapter and to preserve security under this chapter, including any right of redemption. The Bank may deduct annually, as a service fee for administering the loan fund, one-half of one percent of the principal balance of the outstanding loans from the energy

conservation revolving loan fund and may recover from the fund any amounts actually expended by the Bank for legal fees to effect a redemption.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the energy conservation revolving loan fund as provided under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds two new sections:

- To replace a North Dakota state energy conservation program administered by the Department of Commerce with an energy conservation revolving loan program administered by the Bank of North Dakota. This amendment provides \$1 million in funding from the general fund.
- To establish the criteria for an energy conservation revolving loan program.

2013 CONFERENCE COMMITTEE

SB 2219

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2219
April 17, 2013
Job Number 21196

Conference Committee

Veronica Sparling

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

No attachments

Chairman Burckhard opened the conference committee meeting for SB 2219. Roll was taken and all members were present: Senators Krebsbach and Murphy, and Representatives Wieland, Bellew, and Holman.

Representative Wieland said the House changed this bill from a grant program to a loan program. As a loan program, the money can be returned to the state and can then be used to help more people. He explained the homeowner who qualifies at 150% of federal poverty level could receive a loan. There would be no payments and no interest, but the loan would be repaid either when the home owner sells the home or the home owner passes away. If the qualified individual is a renter, the landlord must participate and agree to repay the loan with 10 annual payments with 0% interest starting with the first anniversary of the loan. They put \$1M into the bill and the Bank of ND is working on some amendments.

Senator Krebsbach expressed concern about the reduction from \$8M to \$1M. She felt that would change the scope of the project quite drastically. She was also concerned that the administration of the program would be a burden.

Representative Wieland said there would be some payment to the Bank of ND to cover administration costs. That will be in the amendment. Because it is a loan program, there will be money coming back in. He said it is unfortunate that the federal government didn't treat it as a loan program. If they had done so, the federal funding wouldn't be running out. Also, the homes of the people who benefit from this program get passed along to heirs and the heirs have done nothing to really get the benefit of this. It would be nice to get a return on that money. The program could be extended without having to infuse new dollars.

Senator Krebsbach understands that this program has existed for 30 to 35 years. It has done a tremendous amount of good in ND by assisting very low-income people. She feels putting the requirement of a loan on the money will defeat some of the purpose of the program. If they would sell or dispose of the property within a certain length of time, then

they could ask for repayment of the loan amount. She would like to know approximately how long people retain their homes after the work is done.

There was discussion about what happens if there is a loss on the home when it sells.
(Ends at 10:50)

Representative Holman mentioned that one of the issues that will need to be resolved is the amount being changed from \$8M to \$1M.

Representative Bellew mentioned that when the work is done, the homes are more energy efficient.

Senator Murphy expressed that he feels there is a difference in perception of who needs this program. He is not in favor of throwing a roadblock in the way of people selling their homes down the road and having this encumbrance. He is in favor of the Senate version. He understands what poverty is. He is not worried about how this is going to get paid back or how the State of ND gets its money back on this. He stated: We get our money back by employing over 60 full-time employees with this program. We get our money back by having those impoverished people save an average of \$437 per year on their heating costs. We get our money back by keeping these people in their homes when we have a housing crunch in many parts of the state. We get our money back by letting these people live in their homes and being part of the work force which is sorely needed in many parts of the state. We get our money back in many ways, but we also get the benefit of knowing that we helped those who needed help which is the way he was raised.

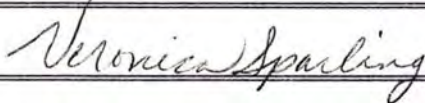
Chairman Burckhard recessed the hearing until the next meeting.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2219
April 18, 2013
Job Number 21271

Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

No attachments

Chairman Burckhard opened the conference committee meeting for SB 2219. Roll was taken and all members were present: Senators Krebsbach and Murphy, and Representatives Wieland, Bellew, and Holman.

Bob Humann, Chief Lending Officer with the Bank of ND, was asked to come to the microphone.

Chairman Burckhard asked what kind of homes receive these funds. Do these homes have a lot of equity in them when they are sold?

Mr. Humann said he had not even heard of this program until this session. He has tried to learn about it since he learned that the Bank of ND was named to administer the program. He said in many instances there would be very little equity in these homes when they are sold. Many are in smaller communities that are of lower value to begin with. They are in need of insulation or caulking to keep the heating or the cooling bills down. In many of the situations there may be an FSA or a USDA mortgage on them. He spoke about the rebuilders loans in the Minot and the Bismarck/Mandan areas. (04:00 to 04:21) Even after refurbishing, there is very little equity in the homes because many times they have first and second mortgages on them. Then they added a third mortgage. Many of the people are under water when it comes to the equity on their homes.

Chairman Burckhard: When you say 1500, is that the number of loans you have as a result of the 2011 flooding?

Mr. Humann: Yes, that was the number of rebuilder loans that we funded with the first go around of the \$50M of rebuilders funds. That was the \$41M that we funded.

Senator Krebsbach: I understand that most of these rebuilders loans are not handled through the Bank of ND. They are handled through the local landers.

Mr. Humann: Yes

Senator Krebsbach: So that would be a change. You would be directly responsible for handling the loans if this program were to go through?

Mr. Humann: That is correct. Resource-wise, for the bank to be taking mortgages on loans up to \$6000, we are not overly crazy about that. It is a lot of paperwork. There are a lot of disclosures that have now come down the pike with the Dodd-Frank Act. There ends up being an efficiency level. There has to be certain dollar amount to be worth it to do all the paperwork. From a taxpayer standpoint, it doesn't make sense to take a mortgage on a \$6000 loan.

Representative Wieland expressed that he didn't mind having Mr. Humann speak because the Bank of ND was not on the original bill and consequently Mr. Humann had no opportunity to testify before. But he would object to turning this into a hearing.

Senator Krebsbach stated she agrees that this should not be a hearing, but there are people present that can share information that will help the legislators make the best decisions. She noted that since July 1, 2009 there have been 4293 homes worked on. That includes 1432 for the elderly, 1013 for the disabled, 1244 for Native Americans, and 3076 children. She asked for clarification on the children.

Ann Pollert, Executive Director of the ND Community Action Partnership, said that was the number of children living in the households that received weatherization services.

Chairman Burckhard stated last time they met it was a loan program versus a grant program. It was a \$1M loan program versus an \$8M grant program. There would be liens on the sale of the house and possibly not much equity.

Senator Murphy expressed that in the interest of the people in need, he hoped the committee could do something substantial to keep the 8 regional centers going. He appealed to the House side to have dialogue to keep this going.

Representative Wieland said this was a federal government program. The federal government starts programs and then pulls out. He wonders how many programs will get dumped on us. How many of these programs will we pick up? If we take over a program, we should make it sustainable. If there is no equity upon the sale of a home, then that portion would not be repaid. But there could be substantial equity in some. If the Bank of ND objects, then maybe there is another funding mechanism we can consider.

Representative Holman mentioned that because the recipients are already receiving other government services, by cutting their cost of living they may increase their disposable income and change their situation. Ultimately the state may be saving money.

Senator Burckhard asked Ann Pollert to speak about the switch from federal money to other funding sources.

Ann Pollert said the federal dollars came from the Department of Energy and from LIHEAP which is left-over fuel assistance dollars. The money from the Department of Energy

(DOE): the high was \$4.5M in 2008, the low was \$1.6M in 2000. They didn't get any DOE moneys in 2012. In 2013 they are likely to get 1/3 of the 2011 allocation which is just under \$2M. The LIHEAP (fuel assistance) dollars: the high is \$4.1M in 2011, in 2009 and 2010 they didn't get any LIHEAP dollars. The average is around \$2M. For the fuel assistance dollars they always get what is leftover so they get it after the cold season is over.

Representative Wieland said after hearing those numbers, he wondered where the \$8M comes from.

Ms. Pollert said \$8M would basically, depending on what they get from LIHEAP, give them the program that they have now.

Senator Burckhard asked if there is any money for their program in the new federal budget for 2014?

Ms. Pollert said it is estimated that DOE is at \$68M for the nation. With that, North Dakota's allocation might be around \$700,000. The amount from fuel assistance is unknown.

Senator Murphy stated that, from what Ms. Pollert said, the funding is inconsistent and they are seeking an effort to stabilize the program. He referred to the examples he had given yesterday of how we do get a return on this. He sees a lot of pay back and he sees consumer dollars entering the economy that otherwise wouldn't. He said it averaged about \$437/year. He feels it is a good jobs program. It keeps those people around. He would like to see what could be done to stabilize it.

Senator Burckhard asked if there were any objections to a Saturday meeting. Meeting is recessed.

(Ends at 19:15)

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2219
April 22, 2013
21378

Conference Committee

Veronica Spurling

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

No attachment

Chairman Burckhard reconvened the conference committee on SB 2219.

Senator Krebsbach made a motion to reduce the funding on the bill to \$6M and to take \$4M out of the general fund and to take \$2M out of the Resources Trust Fund.

Senator Murphy: Second

There was some discussion about the amount of money that is currently in the Resources Trust Fund and in the General Fund. (02:00 to 03:50)

Representative Wieland stated he would resist the motion. He just does not want it to be a grant program and he doesn't believe they should be taking over a federal government program.

Senator Krebsbach stated this is virtually a ND program. It has been designed and run for the people of ND. Making it a loan program would impede a lot of the work that should be done and how it would be done. The Bank of ND does not want to administer it. Even if the agency would establish a loan program, it would cost more than it would be worth. Many of the people will not be able to repay.

Chairman Burckhard agreed that it would be a large burden for the Bank of ND to administer these small loans.

Representative Holman stated he does support this compromise. Any bank would hesitate to do loans of this type. The management would eat up the cost. The average length of time for someone to stay in the house is 10 years. The state would save money by cutting these people's cost of living.

Roll Call Vote: Yes, 4; No, 2 (Wieland and Bellew). Motion Failed.

Representative Holman asked if there was something that could be compromised on so the discussion could move forward.

Representative Wieland said he still wants it to be a loan program. They could change the way it is administered by making it a lien against the property rather than a mortgage. Where ever landlords are involved, they would pay for the materials but not for the labor. He feels it needs to be sustainable so we can balance our budget.

Senator Krebsbach asked who would be the lien holder.

Representative Wieland said it could be done through the State of ND, through the Department of Commerce.

Senator Murphy feels we do get a return from this program. He mentioned that the purpose of the Resources Trust Fund is dual: water and energy conservation.

There was discussion about how the Resources Trust Fund is funded. (11:40 to 13:04)

Representative Bellew mentioned that he is concerned because it is \$8m this biennium, but how much will it be next biennium? We start these things and never get out of them.

There was discussion about the merits of funding this program to stabilize their operating base. They also discussed the possibility of a payday loan concept or a lien against the property and whether the return that would be realized would be worth it.

Senator Burckhard reminded the committee that this helps to resolve some of the workforce issues in the state and also the affordable housing issues. We need these people to stay here.

Senator Krebsbach mentioned that the people who work for this program do pay taxes back to the state on their income and on their purchases. She feels placing a lien on a home would be futile because they would be way down the line of lienholders. Other loans would take priority.

Representative Wieland agreed that it might be further down the line. If there is no equity, nothing can be repaid; but if we don't give it a try, then nothing will be repaid.

Representative Holman stated the original percent that went into the Resources Trust Fund was 10%, but in 2011 it became 20% of the oil extraction tax. The executive budget form this session does include 1% going into renewable energy development and the energy conservation grant fund.

Representative Bellew made a motion that the House recede from its amendments.

Representative Wieland seconded the motion.

Senator Murphy asked if the intention was to go back to the floor and kill the bill.

Senator Krebsbach asked for assurance that that was not the intent.

Representative Bellew said they couldn't guarantee anything.

Senator Krebsbach asked whether Representative Bellew would be encouraging it to be killed.

Representative Bellew said he may be.

Senator Krebsbach said she could not support that.

Senator Murphy asked if they could meet somewhere in the middle.

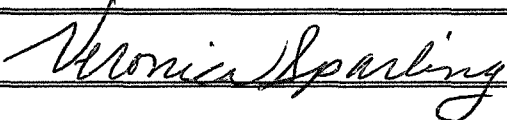
Roll Call Vote: Yes, 2; No, 4 ((Burckhard, Krebsbach, Murphy, Holman). Motion Failed.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2219 Conference Committee
April 23, 2013
Job Number 21449

Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

attachments

Chairman Burckhard reconvened the conference committee meeting for SB 2219. Roll was taken and all members were present: Senators Krebsbach and Murphy, and Representatives Wieland, Bellew, and Holman.

Representative Bellew asked the Department of Human Services to give them an estimation of how many LIHEAP dollars they anticipate they will get in the next biennium. The executive budget was based on a federal grant of approximately \$21M per year, which is \$42M per biennium. That money goes mainly for heating homes but also it says the Department of Human Services contracts with the Department of Commerce to provide these services. Up to 15% of the federal LIHEAP dollars may be used for weatherization assistance to qualifying households. He believes based on that information that there are funds available for this program. To qualify, a recipient must be at or below 60% of the state median income which, for a family of three, is \$37,385.

Senator Krebsbach asked if someone from the Dept. of Commerce would be allowed to verify this information.

Representative Wieland conceded to the request as long as it was brief.

Justin Dever with the ND Dept. of Commerce said the LIHEAP dollars are available for weatherization only if there are left-over dollars.

Senator Krebsbach stated that it sounds like LIHEAP dollars are a very uncertain thing.

Representative Holman presented amendment #13.0697.01007. See attachment #1. (04:25 to 05:36)

Representative Holman made a motion to adopt amendment #13.0697.01007.

Senator Krebsbach seconded the motion.

There was discussion about the amendment. The committee decided this amendment was based on the original version of the bill. The amendment addressed the concern about the grant money being passed on to someone who was not deserving. (05:46 to 07:45)

There was also discussion about the wording "meet identified requirements" and about reasons recipients could possibly be required to repay the money. (07:50 to 12:00)

Roll Call Vote: Yes: 4 No: 2 (Wieland and Bellew) Motion Failed.

Representative Wieland said he did not support the amendment because it would take them back to the original version which has an \$8M grant program that he does not support.

Representative Holman asked Representative Wieland if the amount were reduced to \$5M or \$6M, would he consider it.

Representative Wieland said if it went to a \$1M loan program he would be in favor of it.

Representative Wieland made a motion that the Senate accede to the House amendments.

Representative Bellew seconded the motion.

Roll Call Vote: Yes: 2 No: 4 Motion Failed.

Representative Wieland made a motion to dissolve the conference committee.

Representative Bellew seconded the motion.

Roll Call Vote: Yes: 4 No: 2 (Murphy and Holman) Motion Prevailed.

(The recording ends at 18:00.)

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2219
April 25, 2013
Job Number 21520

Conference Committee

Veronica Spaulding

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

No attachments

Chairman Burckhard reconvened the conference committee meeting for SB 2219. The same conferees were appointed to serve on the committee as before they discharged the committee. Roll was taken and all members were present: Senators Krebsbach and Murphy, and Representatives Wieland, Bellew, and Holman.

Senator Krebsbach asked that the Senate members compromise by reducing the \$8M to \$4M with the lien to be filed, and when the property is sold they repay the loan as much as possible upon sale if they sell the house within a five year period. This would be a grant with a lien attached. She made a motion to that effect.

Representative Holman seconded the motion.

Representative Holman mentioned that the lienholder should be specified.

There was some discussion about who would hold the lien, the Department of Commerce or the Community Action Program. (03:40 to 06:40)

Roll Call Vote: 4, 2 (Wieland and Bellew) Motion Failed

Representative Bellew made a motion that the House recede from its amendments.

Representative Wieland seconded the motion.

Senator Krebsbach asked if the bill might be more presentable to the House if the amount were reduced to \$4M.

Representative Bellew said he did not know.

Senator Krebsbach mentioned if the bill were taken to the House at \$8m it would probably be killed. She asked if that was what the House was counting on.

Representative Bellew said they were counting on that.

Representative Wieland said if this is a really good program, the senators should not be afraid of it being taken before the House for a vote.

Roll Call Vote: 2, 4 Motion Failed.

Representative Wieland made a motion that they continue at the \$1M level, set up as a lien with the Department of Commerce, including husband and wife on the lien. If they remain in the house for 15 years they do not have to pay it back. The landlord portion would stay at 10 equal payments. The liens would be for the amount spent.

Representative Bellew seconded the motion.

There was discussion about the motion. There would be no payments and no interest added to the lien. It would not require a mortgage or an appraisal. The language about husband and wife is just to assure that in the event of the death of the husband or wife the surviving spouse would not be required to sell. There was a request to change the amount to \$1.5M or \$2M. (12:12 to 17:40)

Senator Krebsbach asked if the 15 years could be changed to 10 years.

Representative Wieland said he might consider reducing it to 10 years if he hears that the \$1M is adequate.

There was more discussion \$1.5M? 12 years?

Representative Wieland said, regardless of the amount, this is a new program as far as the state is concerned. Also he needs to be able to sell this to the House. **He conceded to change his motion from 15 years to 10 years if they would stay at \$1M.**

Roll Call Vote: 4, 2 (Krebsbach and Bellew) Motion Prevails.

Chairman Burckhard recessed the meeting.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2219 Conference Committee
April 26, 2013
Job Number 21529

Conference Committee

Monica Spelling

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

attachment

Chairman Burckhard reconvened the conference committee meeting for SB 2219. Roll was taken and the following members were also present: Senators Krebsbach and Murphy, and Representatives Wieland and Bellew. Representative Holman was not in attendance. The meeting was originally scheduled for 3:30 this afternoon, so he may not have been aware of the schedule change.

The committee needed time to read the amendments.

Senator Krebsbach mentioned she would like the proponents of the bill to be present to comment on these amendments. She was concerned with the workability of it.

Senator Murphy asked how this could be a loan program and a grant program at the same time.

Representative Wieland said it is a loan until the 10 year time frame is up and then it becomes a grant. There would be no interest charged and no payments. For a landlord it would be 10 equal payments. He raised a question about the possibility that it is unconstitutional to do grants to individuals. Grants must go to agencies, not to people. They want it to start out as a loan so no one will question it.

Senator Krebsbach said there is a caveat in our constitution whereby you cannot give money to individuals. However, there is an exception for the poor. She understands that the people who would be utilizing this program would be considered poor. She feels they need an Attorney General's opinion on that.

Senator Murphy asked for clarification on subsection 3 on page 2 of attachment #1. There was a discussion of this subsection. If a tenant is the eligible person, a landlord cannot have the work done and then, once the work is completed, evict that tenant within the year.

The point was made that both the tenant and the landlord would have to sign the agreement with the Community Action Program. (06:00 to 09:20)

Chairman Burckhard recessed the meeting.

(Audio ends at 09:20.)

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2219
April 26, 2013 pm
Job Number 21561

Conference Committee

Veronica Spaulding

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of commerce for a North Dakota state energy conservation program

Minutes:

attachment

Chairman Burckhard reconvened the conference committee meeting for SB 2219. Roll was taken and the following members were also present: Senators Krebsbach and Murphy, and Representatives Wieland, Bellew and Holman.

The committee reviewed the provisions of the amendment. See attachment #1.

Senator Krebsbach made a motion to adopt amendment 13.0697.01008.

Senator Murphy seconded the motion.

Roll Call Vote: 6, 0 Motion prevailed.

Representative Holman made a motion that the House recede from the House amendments and amend as follows.

Senator Krebsbach seconded the motion.

The committee clarified that if this motion passes, the bill will go back to the Senate and then to the House.

Roll Call Vote: 6, 0 Motion carried.

**Senate Carrier: Murphy
House Carrier: Wieland**



Handwritten signature and date: 4-26-13
1 of 2

PROPOSED AMENDMENTS TO SENATE BILL NO. 2219

That the House recede from its amendments as printed on pages 1210 and 1211 of the Senate Journal and pages 1270 and 1271 of the House Journal and that Senate Bill No. 2219 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to an energy conservation program; to provide a continuing appropriation; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is created and enacted as follows:

Energy conservation program - Revolving fund - Continuing appropriation.

1. A revolving fund must be maintained in the Bank of North Dakota for the purpose of making no-interest loans to low-income and moderate-income homeowners or to homeowners with low-income or moderate-income renters for the installation or implementation of energy conservation measures in homes determined by the department of commerce, in consultation with local agencies, to be eligible for energy conservation alterations or measures.
2. The energy conservation revolving fund consists of all moneys transferred into the fund, interest upon moneys in the fund, and loan repayments made on loans granted under this chapter. The moneys in the fund are appropriated on a continuing basis for disbursement under the requirements of this chapter.

Loan guidelines adopted by department of commerce - Loan application.

1. The department of commerce shall develop policies and guidelines for granting loans under this chapter. The guidelines must:
 - a. Establish income eligibility criteria for homeowners or renters of homeowners at equal to or less than one hundred fifty percent of the federal poverty guidelines;
 - b. Provide that a loan under this chapter to an eligible homeowner may not exceed six thousand dollars; and
 - c. Establish contractual conditions, subject to the requirements of this chapter, regarding the forgiveness of a loan granted under this chapter.
2. An application for a grant under this chapter must be made to the department.

Security interest - Forgiveness of loans.

1. The department of commerce may grant a loan to an eligible applicant in consideration of the homeowner contracting with the department and granting a security interest to secure the loan.

2. In the case of a loan to a homeowner-occupied home, the contract with the homeowner must provide that the loan must be repaid in full within ninety days of the sale of the property or upon the sale or transfer of the property upon the death of the homeowner if there is no surviving spouse. If the homeowner or surviving spouse continues to live in the home beyond ten years after the execution of the contract for the loan, the department shall forgive the repayment of the loan.

3. A contract with a homeowner renting the property to an eligible low-income or moderate-income renter must provide that if the eligible renter is evicted without sufficient cause within twelve months after the execution of the contract, the homeowner must repay the loan within one year. Otherwise, the contract must provide that a loan to a homeowner renting the property must be repaid in ten equal annual payments with the first payment due twelve months from the date of execution of the contract.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the energy conservation revolving fund as provided under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. This funding is considered a one-time funding item."

Renumber accordingly

Date 4-22-13

Roll Call Vote # 1

**2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Krebsbach Seconded by: Murphy

Senators	4-17	4-18	4-22	Yes	No	Representatives	4-17	4-18	4-22	Yes	No
<i>Burckhard</i>	✓	✓	✓	✓		<i>Wieland</i>	✓	✓	✓		✓
<i>Krebsbach</i>	✓	✓	✓	✓		<i>Bellw</i>	✓	✓	✓		✓
<i>Murphy</i>	✓	✓	✓	✓		<i>Holman</i>	✓	✓	✓	✓	
Total Senate Vote				3	0	Total Rep. Vote				1	2

Vote Count Yes: 4 No: 2 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Date 4-22-13

Roll Call Vote # 2

**2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Bellew Seconded by: Wieland

Senators	4-17	4-18	4-22	Yes	No	Representatives	4-17	4-18	4-22	Yes	No
<i>Burckhard</i>	✓	✓	✓		✓	<i>Wieland</i>	✓	✓	✓	✓	
<i>Krebsbach</i>	✓	✓	✓		✓	<i>Bellew</i>	✓	✓	✓	✓	
<i>Murphy</i>	✓	✓	✓		✓	<i>Holman</i>	✓	✓	✓		✓
Total Senate Vote				0	3	Total Rep. Vote				2	1

Vote Count Yes: 2 No: 4 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Date 4-23-13

Roll Call Vote # 1

**2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

.01007

Motion Made by: Holman Seconded by: Krebsbach

Senators	<u>4/23</u>	Yes	No	Representatives	<u>4/23</u>	Yes	No
<u>Burckhard</u>	✓	✓		<u>Wieland</u>	✓		✓
<u>Krebsbach</u>	✓	✓		<u>Bellew</u>	✓		✓
<u>Murphy</u>	✓	✓		<u>Holman</u>	✓	✓	
Total Senate Vote		3	0	Total Rep. Vote		1	2

Vote Count Yes: 4 No: 2 Absent: _____

Senate Carrier _____ House Carrier _____

LC Number 13.0697 . 01007 of amendment

LC Number _____ of engrossment

failed

Date 4-23-13

Roll Call Vote # 2

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Weiland Seconded by: Bellew

Senators				Yes	No	Representatives				Yes	No
<u>Burckhard</u>					✓	<u>Weiland</u>				✓	
<u>Kaebstach</u>					✓	<u>Bellew</u>				✓	
<u>Murphy</u>					✓	<u>Holman</u>					✓
Total Senate Vote						Total Rep. Vote					
				0	3					2	1

Vote Count Yes: 2 No: 4 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

motion fails

Date 4-23-13

Roll Call Vote # 3

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows

Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Wieland Seconded by: Bellew

Senators				Representatives			
		Yes	No			Yes	No
<u>Burckhard</u>		✓		<u>Wieland</u>		✓	
<u>Krebsbach</u>		✓		<u>Bellew</u>		✓	
<u>Murphy</u>			✓	<u>Holman</u>			✓
Total Senate Vote						Total Rep. Vote	
				2	1		
						2	1

Vote Count Yes: 4 No: 2 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Motion prevails

Date 4-25-13

Roll Call Vote # 1

**2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Krebsbach Seconded by: Holman

Senators	<u>4</u> / <u>25</u>	Yes	No	Representatives	<u>4</u> / <u>25</u>	Yes	No
<u>Burckhard</u>	✓	✓		<u>Wieland</u>	✓		✓
<u>Krebsbach</u>	✓	✓		<u>Bellew</u>	✓		✓
<u>Murphy</u>	✓	✓		<u>Holman</u>	✓	✓	
Total Senate Vote				Total Rep. Vote			

Vote Count Yes: 4 No: 2 Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

motion failed

*8M to 4M
with lien if disposed - repay*

Date 4-25-13

Roll Call Vote # 2

**2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Bellew Seconded by: Wieland

Senators	<u>4</u> / <u>25</u>	Yes	No	Representatives	<u>4</u> / <u>25</u>	Yes	No
<u>Burckhard</u>			✓	<u>Wieland</u>		✓	
<u>Krebsbach</u>			✓	<u>Bellew</u>		✓	
<u>Murphy</u>			✓	<u>Holman</u>			✓
Total Senate Vote				Total Rep. Vote			

Vote Count Yes: 2 No: 4 Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Motion failed

Date 4-25-13

Roll Call Vote # 3

**2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Wieland Seconded by: Bellew

Senators	<u>4</u> / <u>25</u>	Yes	No	Representatives	<u>4</u> / <u>25</u>	Yes	No
<u>Burckhard</u>		✓		<u>Wieland</u>		✓	
<u>Krebsbach</u>			✓	<u>Bellew</u>			✓
<u>Murphy</u>		✓		<u>Holman</u>		✓	
Total Senate Vote				Total Rep. Vote			

Vote Count Yes: 4 No: 2 Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Motion prevailed

*set up as
1 M, Bill in Dept of Commerce
husband & wife
less the 10...*

Date 4-26-13

Roll Call Vote # 1

**2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

13.0697,01008

Motion Made by: Krebsbach Seconded by: Murphy

Senators	⁴ / ₂₆	⁴ / _{PM}	Yes	No	Representatives	⁴ / ₂₆	⁴ / _{PM}	Yes	No
<u>Burckhard</u>	✓	✓	✓		<u>Wieland</u>	✓	✓	✓	
<u>Krebsbach</u>	✓	✓	✓		<u>Bellaw</u>	✓	✓	✓	
<u>Murphy</u>	✓	✓	✓		<u>Holman</u>		✓	✓	
Total Senate Vote					Total Rep. Vote				

Vote Count Yes: 6 No: 0 Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

motion carried

Date 4-26-13

Roll Call Vote # 2

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2219 as (re) engrossed

Senate Natural Resources Committee

- Action Taken
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Holman Seconded by: Krebsbach

Senators	Yes	No	Representatives	$\frac{4}{24}$	Yes	No
<u>Burckhard</u>	✓		<u>Wieland</u>		✓	
<u>Krebsbach</u>	✓		<u>Bellow</u>		✓	
<u>Murphy</u>	✓		<u>Holman</u>		✓	
Total Senate Vote			Total Rep. Vote			

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Murphy House Carrier Wieland

LC Number _____ of amendment

LC Number _____ of engrossment

REPORT OF CONFERENCE COMMITTEE

SB 2219: Your conference committee (Sens. Burckhard, Krebsbach, Murphy and Reps. Wieland, Bellew, Holman), having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

REPORT OF CONFERENCE COMMITTEE

SB 2219: Your conference committee (Sens. Burckhard, Krebsbach, Murphy and Reps. Wieland, Bellew, Holman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1210-1211, adopt amendments as follows, and place SB 2219 on the Seventh order:

That the House recede from its amendments as printed on pages 1210 and 1211 of the Senate Journal and pages 1270 and 1271 of the House Journal and that Senate Bill No. 2219 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to an energy conservation program; to provide a continuing appropriation; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is created and enacted as follows:

Energy conservation program - Revolving fund - Continuing appropriation.

1. A revolving fund must be maintained in the Bank of North Dakota for the purpose of making no-interest loans to low-income and moderate-income homeowners or to homeowners with low-income or moderate-income renters for the installation or implementation of energy conservation measures in homes determined by the department of commerce, in consultation with local agencies, to be eligible for energy conservation alterations or measures.
2. The energy conservation revolving fund consists of all moneys transferred into the fund, interest upon moneys in the fund, and loan repayments made on loans granted under this chapter. The moneys in the fund are appropriated on a continuing basis for disbursement under the requirements of this chapter.

Loan guidelines adopted by department of commerce - Loan application.

1. The department of commerce shall develop policies and guidelines for granting loans under this chapter. The guidelines must:
 - a. Establish income eligibility criteria for homeowners or renters of homeowners at equal to or less than one hundred fifty percent of the federal poverty guidelines;
 - b. Provide that a loan under this chapter to an eligible homeowner may not exceed six thousand dollars; and
 - c. Establish contractual conditions, subject to the requirements of this chapter, regarding the forgiveness of a loan granted under this chapter.
2. An application for a grant under this chapter must be made to the department.

Security interest - Forgiveness of loans.

1. The department of commerce may grant a loan to an eligible applicant in consideration of the homeowner contracting with the department and granting a security interest to secure the loan.

2. In the case of a loan to a homeowner-occupied home, the contract with the homeowner must provide that the loan must be repaid in full within ninety days of the sale of the property or upon the sale or transfer of the property upon the death of the homeowner if there is no surviving spouse. If the homeowner or surviving spouse continues to live in the home beyond ten years after the execution of the contract for the loan, the department shall forgive the repayment of the loan.
3. A contract with a homeowner renting the property to an eligible low-income or moderate-income renter must provide that if the eligible renter is evicted without sufficient cause within twelve months after the execution of the contract, the homeowner must repay the loan within one year. Otherwise, the contract must provide that a loan to a homeowner renting the property must be repaid in ten equal annual payments with the first payment due twelve months from the date of execution of the contract.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the energy conservation revolving fund as provided under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. This funding is considered a one-time funding item."

Renumber accordingly

SB 2219 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

SB 2219

HL 1

North Dakota State Energy Conservation Program

Senate Bill 2219

Submitted by Ann Pollert, ND Community Action Partnership- Executive Director

Chairman Lyson and committee members of Natural Resources, thank you for the opportunity to discuss and present Senate Bill 2219. For the record my name is Ann Pollert and I am the Executive Director of the ND Community Action Partnership representing the seven ND Community Action Agencies.

North Dakota Community Action agencies are private non-profit organizations throughout ND. These agencies serve all 53 counties. The agencies provide essential services to low-and moderate-income individuals. Energy conservation is a preeminent example of programing done by Community Action to allow people to reside in their homes safely and affordably.

I speak in favor of SB 2219. If enacted, this bill would create the North Dakota State Energy Conservation Program – a program that will conserve our state’s energy resources and also create healthy, warm, well-insulated homes for low-and moderate- income North Dakotans.

Community Action is proud of our sponsorship on this bill in that it reflects both bi-partisan and bi-cameral support for a program designed by North Dakotans and for North Dakotans. Senators Wardner, Schneider and Krebsbach along with House members Sanford, Williams and Kempenich have all shown leadership and vision for our state by endorsing this legislation. We all know North Dakota is a world leader in energy production and these members are helping to ensure that we are also a leader in energy conservation.

The North Dakota State Energy Conservation Program would consist of a comprehensive series of energy efficiency measures based on individual analysis of homes. A whole-house approach based on a proven nine-step energy audit would maximize energy and dollar savings for our state and our citizens. We know what works, we know what works for ND homes; some of our coordinators and crew members have been doing this since the program began in 1976. We aren't asking for a program to go out and make people's homes look better with windows and doors; we are asking you to help us develop a program that puts insulation in walls so that the ND wind doesn't blow the heat right out the other side. We are knowledgeable and have learned best techniques in the field. We know that replacing a window doesn't give us near the payback that a few bags of cellulose insulation gives us. We can effectively make these homes more energy efficient.

As I mentioned, the Weatherization program has existed in ND for over 35 years. The funding level for this program has been an up and down cycle; it has had a lot of instability over the years. We receive Federal Department of Energy money as well as Low- Income Home Energy Assistance Program (LiHEAP) dollars that are excess from ND's fuel assistance allocation. We are here today requesting state funding, this will enable us to better leverage the Department of Energy and Low- Income Home Energy Assistance Program (LiHEAP) dollars and overall give the program sustainability as well as the ability to plan. It is impossible to plan and forecast when you have no idea how much money you may or may not be getting the next year. A more stable program will allow us to maintain our crews; these individuals have received impeccable training and are highly skilled.

The ND Community Action Weatherization program received no Department of Energy dollars in 2012, and in 2013 it is likely that we will get less than 1/3 of our 2011 allocation. Again it is very difficult to plan when there is such a fluctuation in funding. As mentioned, the Weatherization program also gets some of the Low- Income Home Energy Assistance Program (LiHEAP) dollars that are left over at the state level; these are of great benefit but again fluctuate based on the kind of winter we had and what may be available. It is expected we will continue to get some dwindling Department of Energy monies as well as some Low- Income Home Energy Assistance Program (LiHEAP) monies; we will continue to use these dollars as they are available, but State dollars we would sustain and maintain this program.

There is no doubt energy conservation is the right thing to do; the time is now and this is the right program to do it. The state gets approximately 20 million dollars a year in fuel assistance; wouldn't it make sense to apply long term energy efficient measures to these homes and fix the major areas of heat loss rather than just let the warm air leak out? We know fuel assistance is a needed and well utilized program, but we could be better stewards of those dollars if more of the homes receiving fuel assistance received materials to improve their energy efficiency. If homes are not weatherized money continues to be thrown out the window whether it is the federal money or the money of hard working low- and moderate- income North Dakotans. Federally they have put fuel assistance ahead of Weatherization. Personally I think this is a backwards view point, we can make ND a leader and be a model for the nation.

17,000 homes

This program is aimed at low-and moderate- income households who do not have the financial ability to hire energy conservation work done on their homes. This program will serve

household's at or below 80% of county median income. The work would be performed by reliable, well-training weatherization technicians who are employed by the state's seven community action agencies. These technicians have many years of experience and training; they utilize the most advanced methods and equipment in the field.

Community Action has a strong partnership and great working relationship with the ND Department of Commerce. The funds that come down federally to Community Action agencies are run through the ND Department of Commerce. With this program the ND Department of Commerce will write the contract, put together the guidelines, provide training on new measures, provide technical assistance, oversee the money and monitor how it is being spent to ensure the dollars are being utilized effectively and efficiently.

The necessary biennial appropriation of the program is \$8 million. We would recommend that this funding be directed to the Department of Commerce which in turn would proportionately fund the seven Community Action agencies to perform the field work. The money will be distributed equally to each of the eight Community Action regions and if needed, would be reallocated based on regional needs. We will spend an average of \$6000 per home; it is estimated that about 500-600 homes will be completed each year through this funding. Additional homes will be completed with any federal or state dollars that are received. Economically and socially, low-income programs offer significant non-energy benefits that go beyond reducing customer energy bills. Reality is within the first year, this funding has the potential to put approximately \$250,000 back into the pocketbooks of ND residents that will in turn be spent in our ND communities. Think of this after 10 years, unbelievable potential.

With state funding the program would be better able to fit the needs of ND people. It would be a program designed for ND homes and a ND climate. We can decrease bills and keep homes affordable for ND families to live in. This program would have sustainability and would be an investment to improve ND housing stock.

In closing, on behalf of Community Action I am proud to support SB 2219, and hope that you look favorably upon the request. I have been out to these homes with the crews; I have crawled under mobile homes and seen the lack of insulation in walls and in attics. I have witnessed the work they do and understand the impact it has relating to energy savings on these homes. I have also seen the faces of the clients, they are appreciative and they are thankful!

Thank you for this opportunity to share with you, this completes my testimony, and I would gladly answer any questions.



Invest. Save. Grow.

ND Energy Conservation

North Dakota Community Action Partnership is a private non-profit organization representing North Dakota's seven Community Action Agencies. The seven agencies provide essential services to all 53 counties. Energy conservation is a preeminent example of programming done by Community Action to allow people to reside in their homes safely and affordably.

Community Action Agencies are governed by local boards of directors whose members represent diverse segments of the community—low-income, private, and public sectors.

About the Program

- A program designed by North Dakotans for the citizens of our state that will bring energy efficient measures to low and moderate income households; saving our energy developed in state and saving and creating disposable income for these families. That income can be used for other life-needs such as medicine, food and housing costs.
- All work will be performed by well trained crews employed by the state's seven community action agencies. Oversight, monitoring and auditing will be carried out by the Division of Community Services within the Department of Commerce. All program funds will be operated through DCS.
- A Biennial budget of \$8 million will provide service to all eight regions/all 53 counties. Approximately 1100 homes will receive services through this Bill.
- By reducing heat loss and curbing outside air infiltration, we will save energy throughout the state. Heating and cooling bills will be reduced and disposable income will rise.
- Clients will qualify by meeting county median income guidelines of 80%. (See attachment for each county).
- Each home will receive an individual energy analysis and a whole-house approach based on a proven nine-step assessment will be implemented to maximize energy and dollar savings.
- Energy production in North Dakota is thus balanced with energy conservation, creating a reservoir of resources for both the state and its residents.

LaMoure County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 56800									
Logan County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 57400									
McHenry County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 58500									
McIntosh County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 51800									
McKenzie County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 56300									
McLean County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 63500									
Mercer County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 70500									
Mountrail County, ND	80% Median County	39500	45150	50800	56400	60950	65450	69950	74450
FY 2012 MFI: 56700									
Nelson County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 55000									
Oliver County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 70700									
Pembina County, ND	80% Median County	39500	45150	50800	56400	60950	65450	69950	74450
FY 2012 MFI: 62300									
Pierce County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
FY 2012 MFI: 56500									
Ramsey County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 58400									
Ransom County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
FY 2012 MFI: 61300									
Renville County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
FY 2012 MFI: 60100									
Richland County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 65700									
Rolette County, ND	80% Median County	36800	42050	47300	52550	56800	61000	65200	69400
FY 2012 MFI: 44300									
Sargent County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 61300									
Sheridan County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
FY 2012 MFI: 43700									
Sioux County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950

FY 2012 MFI: 33600										
Slope County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	
FY 2012 MFI: 57200										
Stark County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	
FY 2012 MFI: 63300										
Steele County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 64600										
Stutsman County, ND	80% Median County	36200	41400	46550	51700	55850	60000	64150	68250	
FY 2012 MFI: 62300										
Towner County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 51700										
Traill County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	
FY 2012 MFI: 63100										
Walsh County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 58900										
Ward County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 61300										
Wells County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 52800										
Williams County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	
FY 2012 MFI: 69500										
	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	

North Dakota Energy Conservation Program

North Dakota Community Action Association

Region I (Williston/Dickinson), Region II (Minot), Region III (Devils Lake), Region IV (Grand Forks), Region V (Fargo), Region VI (Jamestown), Region VII (Bismarck), Region VIII (Dickinson/Williston)

North Dakota's seven Community Action Agencies have been providing energy conservation services to the citizens of our state since 1976 in partnership with the Department of Commerce-Division of Community Services. Since 2001, employing over 60 full time staff, many with 10-25 years experience, the Community Action Energy Conservation program has installed energy conservation measures to 9400 homes at a proven annual savings of \$437 per home per year. These are dollars that can provide more disposable income to the household, assist those on a fixed income such as our elderly or disabled, or may be that driving force that takes them out of poverty to a point of self sufficiency. It has also been noted lowering household energy costs could potentially allow the homeowner to retain ownership of the home which in turn keeps the workforce in place in that community.

Our proposal introduces a comprehensive series of energy efficient measures based on sophisticated analyses of individual homes. These analyses take the whole-house approach, maximizing energy and dollar savings. With this approach, Community Action Agencies assure that a state funded energy conservation program, spearheaded by the best and most knowledgeable Energy conservation employees will spawn a new industry providing home energy efficiency to low to moderate income households through North Dakota. Our State Energy Conservation program addresses the whole-house approach and makes a program tailor-made by North Dakotans for North Dakota.

What is SIR?

The energy audit selects measures based upon a **Savings to Investment Ratio (SIR)** – in order for a measure to qualify it must save at least as much energy-cost as the measure costs to purchase and install. If a measure will not save enough energy-cost over its lifetime to pay for itself, it will not qualify for installation. This calculation insures that the most cost-effective measures are installed and prevents some measures from being considered.

Here are sample numbers with the current or proposed SIR for the Energy Conservation Program.

Attic Insulation

savings

Savings/year: \$100

Lifetime: 25 years

Investment: \$400

1

SIR = Lifetime Savings/Investment

1.5

SIR = $25 \times 100/400$

SIR = 6.25

Replacement Window

Savings/yr: \$5/window

Lifetime: 25 years

Investment \$200/window

SIR = Lifetime Savings/Investment

SIR = $25 \times 5/200$

SIR = .62

SIR = lifetime (yrs) x 1 yr

cost

This was based on SIR less than

is ineligible, 1-1.49 optional ,

and above is mandatory

Minot Daily News

MINOT, NORTH DAKOTA

WEDNESDAY DECEMBER 21, 2011

75c

Trailers pass energy tests

Independent energy audits give FEMA homes high marks

By JILL SCHRAMM
Staff Writer
jschramm@minotdailynews.com

Energy audits of two randomly selected temporary housing units this week showed the units are about as energy efficient as they can be.

A coalition of utility companies, non-profit entities and public officials obtained the auditing services of Community Action Partnership to find out if the Federal Emergency Management Agency's housing units are built to handle a frigid North Dakota winter.

After performing inspections on the smaller 12-foot by 32-foot unit Monday and a larger, three-bedroom unit Tuesday, energy auditors with Community Action reported the answer is yes. Both inspected units were on private sites.

Some residents of the temporary units in Minot have reported their units to be cold or the floors to be extremely cold. However, Community Action found no issues with the two homes inspected. Using a blower door to depressurize and determine the tightness of the home and an infrared camera to detect leaks, the crew discovered no significant problems.

The homes actually were tighter than is standard, which was better than what Community Action expected to find, said John Meyer, energy conservation coordinator.

"They seem to be very well constructed, not drafty, not leaky," he said. "The insulation that we found so far is compatible with Climate Zone 1, which is what North Dakota is."

The federal Housing and Urban Development Department prohibits its using FEMA homes designed for warmer climates in a Zone 1, he said. Jerusha Schlessl, resident

of one of the inspected homes, said her family has been comfortable with the thermostat set at 69 degrees. She and her husband, Chris, share the home with their four young children.

One of the doors to the outside has a bit of a draft, but the unit's sheltered location eliminates much of the concern on cold, windy days, Jerusha Schlessl said.

Meyer said increasing the tightness of either of the inspected units isn't recommended. If a home is too tight, there can be air quality and mold issues.

Based on the audits, Community Action recommended residents leave exhaust fans running at least 20 minutes after showering and when cooking to minimize moisture buildup.

Other recommendations for residents of temporary units are to try to limit the number of times doors are opened and closed to keep heat inside. Residents should consider quilted or lined window treatments or window film to add insulating value and address any drafty areas around windows.

Residents should never use an unvented propane or kerosene heater, which can lead to a dangerous build-up of carbon monoxide inside the home. For safety reasons, they also should avoid using electric space heaters.

Xcel Energy, Montana-Dakota Utilities Co. and Verendrye Electric Cooperative also suggest that residents ensure that carbon monoxide and smoke detectors are installed and working. Any holiday lights should be unplugged before residents leave the house or go to sleep.

Homeowners whose houses are under restoration should set their thermostats at a reasonable temperature, insulate and then air seal the area that will be heated, as long as the home has dried.



Bill Dunn with Community Action Partnership, standing in front of a door with a blower fan, sets up to conduct a test to check for tightness of a FEMA home in southeast Minot Tuesday.

Utility companies recommend that if a house is being heated to prevent the foundation from frost heaving, homeowners should insulate the basement with insulation and only heat the basement level.

Through Dec. 31, rebates are available for high-efficiency natural gas and propane furnaces.

Meyer said people may find their electric bills are high because the FEMA temporary units rely heavily on electricity not just for heat but for all appliances. If people using electric heats, lights and power tools in the houses they are rebuilding, those costs also are rolled into that electric bill, he said.

Local utilities are offering flexible payment plans to customers who are experiencing difficulty paying. To contact the utilities to discuss energy bills or make payment arrangements, customers can call Xcel Energy at 1-800-895-4999, Montana-Dakota Utilities Co. at 1-800-638-3278 or Verendrye Electric Cooperative at 1-800-472-2141.

For more information on safety and efficiently heating your home this winter, contact the Ward County Extension office at 857-6450.



Bill Swartwout with Community Action Partnership holds an infrared camera to check for air leaks in a FEMA home as resident Jerusha Schlessl and son Austin watch in the background.

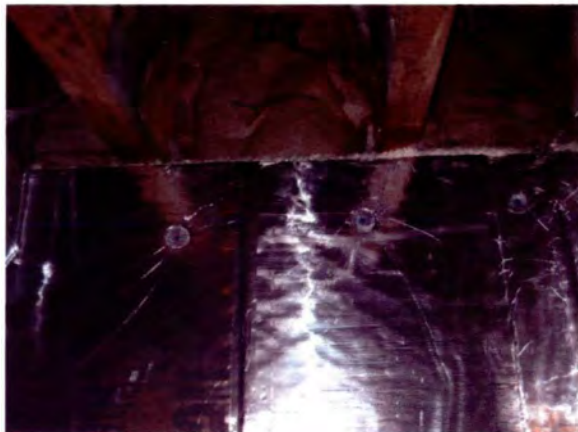
Minot Community Action performed two air infiltration tests on two FEMA homes (two bedroom, and three bedroom) during the winter of the 2011 flood. Blower door diagnostics were performed to test the structures tightness and an infrared camera was used to check for air leaks on both of these homes.

A complete air infiltration test consisting of pressure diagnostics and health and safety tests are performed on homes prior to being weatherized by Community Action crews. This provides the direction the crews need to completed the weatherization process. Once the job is completed a final inspection is completed by a supervisor and throughout the year periodic monitoring by Dept. of Community Services is conducted to ensure weatherization was performed in accordance to Weatherization policy and guidelines.



**Photo's taken of the work
performed by Community
Action
Energy Conservation crews**

Interior work performed on home discussed in testimony.



North Dakota Weatherization crews take pride in the work they do.



Quality finish work on the entrance to this crawl space.



Ensuring ground is protected from lead paint chips



Installation of foundation paneling



Before and after pictures of a home's chase chimney way from basement to attic insulated using foam.



Doors and windows are installed only when necessary as per SIR requirements.





Blowing insulation into walls. Holes must be drilled into the cavity between each stud to blow insulation. Once completed plugs will fill the holes and the siding will be reinstalled to its original state.



Crews perform their work year around in all types of adverse conditions.



All agencies follow "Lead Safe" work practices on homes containing lead prior to 1978.



Minot

Community Action

Thanks For all you have
done For me

John & his men worked 10,
& hard days. my house was
nice & warm all winter.

The men that done my ho
were nice & next they
cleaned up after they we.
done

Tell everyone thanks

Bob. Brubaker

Home Heating / fuel oil usage 2007 – 2010
Larimore, ND Family.
Weatherized by Red River Valley Community Action.

10/08/07- 100 gal- 303.90
10/30/07 - 137 gal- 416.34
12/07/07 - 100 gal- 333.90
01/04/08- 200 gal- 633.80
02/01/08- 200 gal- 613.80
02/18/08- 100 gal - 321.90
03/10/08- 100 gal- 356.90
04/14/08- 100 gal- 376.90
Total -- 1037 gal -3357.44
Avg. cost/ gallon-- \$3.24

10/18/08 - 120 gal - 380.28
11/22/08- 120 gal - 284.28
12/16/08 - 150 gal - 310.35
12/27/08 - 100 gal - 191.90
01/13/09 - 100 gal - 201.90
01/30/09 - 100 gal - 186.90
02/19/09 - 100 gal - 176.90
03/12/09 - 150 gal - 250.35
04/27/09 - 50 gal-- 93.45
Total -- 990 gal - 2076.31
Avg. cost/ gallon-- \$2.05

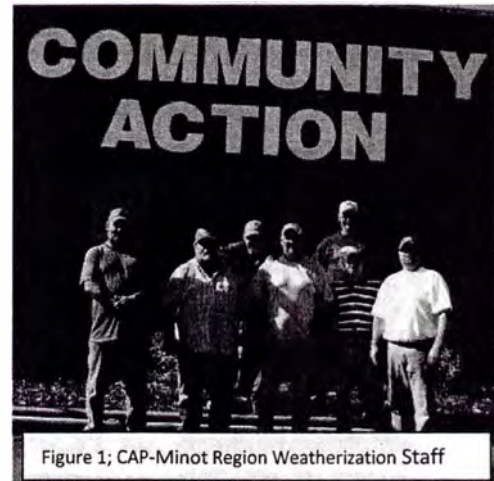
10/06/09 -- 50 gal - 112.45
10/24/09 - 100 gal - 249.90
11/28/09 - 150 gal - 374.85
12/18/09 - 100 gal - 239.90
01/18/10 - 100 gal - 261.90
02/12/10 - 100 gal - 239.90
03/19/10 -- 80 gal - 207.92
Total -- 680 gal - 1686.82
Avg. cost/ gallon-- \$2.53

Saved 35% in gallons used comparing 2007/08 to 2009/10.

Community Action Partnership- Minot Region

Background

Community Action Partnership-Minot Region administers the Weatherization Assistance Program (WAP) to seven counties and one tribal reservation in north central North Dakota. This high performing WAP agency was recommended for inclusion in ORNL's National Evaluation of WAP Case Study task for their high quality work and their attention to mobile homes in a climate with temperatures ranging from below 0 °F in the winter to up to 100 °F in the summer. CAP-Minot Region was contacted by ORNL during the summer of 2011 in efforts to coordinate a visit to the agency intended to launch this case study task. However, the request to visit came at a time when this CAP's service territory had fallen victim to the massive flooding of the Souris River Valley displacing nearly 12,000 people and creating \$1 Billion in damage.



Over the course of the next year, this small CAP and its staff would personally and professionally deal with the temporary homelessness of their agency, personal and community disaster relief efforts, and a loss of the Program eligible housing stock due to the devastation of numerous mobile home parks, residences deemed structurally unsound or diagnosed with moisture issues, and the displacement of income eligible persons. Also observed was a reduction in affordable housing on account of competition for living space brought on by an influx of employees migrating to the area to support the oil fracking boom in a neighboring town. The case study visit to this agency was eventually conducted one year post flood and at the peak of the oil fracking boom during July 2012. This case study highlights the flood's impact on the agency's operation of weatherization services and the WAP eligible population. It is the story of how the people staffing the Program responded to the crisis. It is the story they chose to tell and underlines their commitment to the Program and the dedicated work performed to fulfill a mission focused on the vulnerable populations in their community in times of crisis and beyond.

Philosophy

The CAP-Minot Region staff strives to provide energy conservation services to low-income homeowners and renters in order to make their homes more energy-efficient. The program helps to increase energy efficiency and reduce heating bills by concentrating on the problems of heat loss and air infiltration.¹

Weatherization Delivery

CAP –Minot Region operates four home services programs;

- Weatherization Assistance Program
- Emergency furnace and water heater repair and replacement funded through LIHEAP
- Infrared Camera

¹ <http://www.capminotregion.org/programs/home-services>



Figure 2: Weatherization Staff and Supplies

The weatherization staff includes the director of weatherization, and 6 crew or crew foremen with a range of 10-30 years experience.

Service Territory

Weatherization services are provided to income-eligible households in Burke, Bottineau, McHenry, Mountrail, Pierce, Renville, and Ward counties. One month out of the year, they use designated tribal money for weatherization of homes on Berthold Indian Reservation.

Leveraging

CAP-Minot Region received \$0 from DOE for WAP for FY 2012.

They had a small amount of funding banked from previous years and LIHEAP funding that they planned to use to support the Program. At the time of this case study visit this WAP agency was

attempting to secure additional leveraged dollars. Minimal utility funding is available in this region and the agency began to seek out other sources. They were in the process of drafting a proposal requesting funding from the state, which saw a \$2-3 Billion surplus as a result of the shale oil industry.

Weatherization Approach

The CAP-Minot Region weatherization program operates a 4 day /10 hour week work schedule with crew members returning to the warehouse at the end of each day. Most of the crew goes out on every install.

The team includes two “estimators” or auditors. North Dakota created an audit tool; WEXOR (DOE approved). It prioritizes measures according to the highest payback (SIR). The estimator conducts the audit and passes the work scope on for the install. The estimator and the crew stated the importance of effective communication between the installers and the estimator to ensure the job is completed as the estimator intended. However, there are the occasions where the estimator might have missed something, such as a pig being fattened in the basement for a holiday feast. In this case, the estimator is contacted to explain himself. And on the chance that an estimator finds a hole in the bathroom wall large enough for a horse *outside* to lean *inside* to drink out of the bathtub, the crew and crew foreman are trained and empowered to identify and fix the problem. If there is a question of best course of action, Bruce Hagan and Cal Steiner are available for a consult at the state level.

The first task on site prior to the install of weatherization measures is to seal the vents inside. The crew sends a flashlight/mirror down the heat runs to make sure there are no holes, as fiberglass will go into heat runs if holes are present. Then the crew foreman sends crewmen (at this time there were no female crew members) out; 6 guys; 2 on the belly; 2 on the walls; and 2 on the attic. Major measures might include insulation, air sealing, and furnace replacement (from 65% efficient to 95% efficient). The program will fuel switch from oil to propane only if they can prove the payback.

During the case study visit, all crew and foremen were observed to be of great physical stature. When they were asked what they did without a small male or woman on their crew, they said they have no problem getting into tight spaces and that they win the tug of war at the state level every year.

Health and Safety

The weatherization team adheres to lead safe practice by both testing for lead and assuming there is lead; normally if it is an old farmhouse built prior to 1978, it is assumed there is lead paint and they proceed accordingly. They distribute information on the risks of lead and radon in homes, although it was reported that not very many people have been observed reading the materials.



Figure 3; Weatherization Staff Prepare for Work

Energy Education

In the past the agency had additional funds to facilitate Energy Education with the occupants. The person who had delivered the education provided information on cleaning filters, thermostat settings, and water heater temperature. Now they attempt to educate the occupant during the audit and install phases on ways they can conserve energy. They also attempt to educate them on the reasons for items on the scope of work. For example they might explain that they are not a window replacement program due to window replacements typically not meeting DOE cost effectiveness standards.

Training

Members of the weatherization staff report the trainings offered at the state level to be the most beneficial. They believe they learn more from those working within the North Dakota climate and housing stock. It is also reported that North Dakota still has a core group of people, including Cal Steiner, who have been with the Program for decades and have experience in the field and management in addition to training. Weatherization Director Meyer reports the use of training funds for On the Job Training (OJT) and finds value in mentoring in the field.

Innovativeness

This WAP agency continues the mission set by Cal Steiner to improve the energy efficiency and techniques for weatherizing the mobile home housing stock in North Dakota. Cal Steiner has over 33 years of experience working in the weatherization field in a wide range of roles from crew worker to trainer. He was a pioneer in the early movement to improve the weatherization of mobile homes and continues to conduct trainings nationally on mobile home weatherization, crew motivation, lead safe weatherization and crew development.²

When referring to Cal Steiner, Weatherization Director Meyer stated that he “never met anyone so dedicated to what they do. He brought mobile home blowing from the top. He (Cal) did a lot of research

² <http://www.betterbuildingsil.org/blo.php?personid=390>

and took a lot of chances.” However, Meyer did state that although Cal knows what to do, his guys in the field know quite a bit as well, and that it can be “fun to argue with Cal.” It was reported that Cal is not afraid to try anything and has trust in the WAP agencies and the crews to find the right solution and refrains from imposing mandates down from the state.

Site Visit

ORNL visited a mobile home residence in the rural county outside of Minot. Weatherization Director Meyer informed us he set out to convince this acquaintance of his to apply for WAP knowing the impact weatherization could have on the mobile home and its occupant. The work scope consisted of insulating the walls (by taking a strip of siding off the house); blowing insulation into the attic from the gable ends; blowing insulation into the belly; and replacing an exterior door with a new steel door. It took 2 days. The occupant, who suffers from Parkinson’s disease, drafted the following letter to be read by the ORNL Evaluation team visiting his home in his absence:



Figure 4; CAP-Minot Region Weatherized Mobile Home

“Minot Community Action,

Thanks for all you have done for me. John and his men worked long and hard days. My house was nice and warm all winter. The men that did my house were nice and neat. They cleaned up after themselves when they were done. Tell everyone thanks.”

ARRA Period

At the peak of ARRA and pre-flood, the weatherization program at the agency supported two 5-person crews, but went down to one 4-person crew with 2 foremen shortly before the end of ARRA. The WAP waiting list pre-ARRA was 2 months compared to a reasonable wait time of 2-3 weeks during ARRA. The agency remained committed to the projected 471 units planned for completion during the ARRA production period. A total of 423 units were weatherized during ARRA. This is a testament to the dedication of a crew and its leaders at both Program and agency levels dealing with the impacts of both a devastating flood and a shift in demographics. This dramatic shift in demographics was a result of both the flood, and from an influx of workers moving to Minot and the surrounding area in response to a booming oil industry. A shift in socio-economic status was also observed due to additional income from the sale of oil rights on private land. Agency staff reported that they hardly weatherize west of Minot anymore. There is “too much oil money out there now. That combined with a great wheat crop means less households are eligible for weatherization.”

Davis Bacon

Weatherization Director Meyer stated that Davis Bacon really slowed down the agency’s weatherization production. “It was hard enough to find contractors due to the flood in Minot and resulting need, most of them wanted nothing to do with Davis Bacon.”

The Flooding of the Souris “Mouse” River

The story this agency wanted to tell was evident from the moment they were first engaged. Weatherization Director John Meyer remained dedicated to sharing the agency’s impact and response to the flood, and to the importance of having a skilled and dedicated crew already at the ready. An interview with these crew and crew foremen was conducted on site at the agency warehouse and has greatly contributed to the body of this report. These members of the CAP-Minot Region weatherization team provided discussion on their delivery of WAP, suggestions for improvements, and their personal dedication to the mission of the Program.



Figure 5; The Flooding of the Souris River in Minot

The Flooding of the Souris River Flood Plain

The Souris River has 3 dams. Two are located in the US and are managed by the US Army Corps of Engineers. The other is in Canada, 55 miles north of Minot. During June 2011, all three dams were operating at record high (but stable) water levels. This was before the lake in Canada, where the first dam is located, received 9 inches of rain. The Canadians had no choice but to let the water go from the dam knowing the impact it would undoubtedly have on the lower two dams and surrounding flood plains. Lake Darling where the third dam is located eventually contained water flowing at 27,000 cubic feet/second.

When it was realized that the rushing waters of Lake Darling would be let go into the Souris River, the Mayor of Minot employed an evacuation plan. To ensure EVERYONE evacuated he went on TV and reported that, “The valley is going to be a lake.” No one argued. It was not a debatable point. CAP-Minot Region agency personnel rushed to get everything of absolute import either moved to a different location above the valley or to the upper shelves of the warehouse in hopes that it would be out of the water’s wet reach. Weatherization equipment, materials and files were moved. The agency staff prepared for a destruction that would impact both their professional and personal lives. The water was let out of Lake Darling over the course of 3 weeks. 4000 homes were damaged. 12,000 people were displaced, and several schools, parks, and a zoo were lost. The community sustained \$1 Billion in damages. There were zero human casualties.

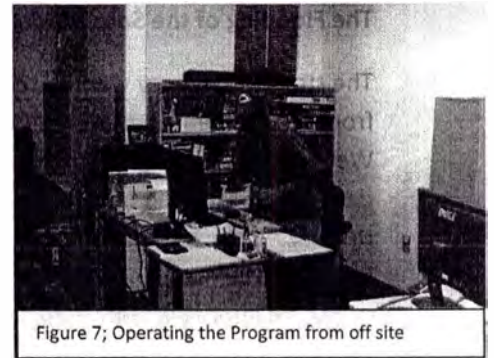


Figure 6; Weatherization Staff Preparing for the Flood

Disaster Response

The CAP-Minot Region assessed the immediate community need for emergency food assistance. For 2 months they worked out of a local middle school and then 4 months out of a bank. They communicated with clients via cell phones as their agency office had also been within the flood plain. They worked with local food pantries to collect and distribute food.

Back at the office of CAP-Minot Region, the flood placed 40 inches of water in the weatherization workshop and 7 feet of water in the downstairs of the building housing all other CAP program offices. The weatherization staff missed only 3-4 days of work after the flood and spent the next 3-4 months operating off site. One of the crew members had lost his home, and many others had close family members and friends who had lost theirs. John Meyer reported, "These guys were showing up to work and then going home to work again on their own homes or their family's homes."



After the flood it would take on average 2.5 hours to get over the only by-pass around the flood. Most of the crew had to leave at 4:30 am to get to work by 7:30 am. This lasted for nearly 5 weeks. They referred to themselves as "gypsies" roving around the outskirts of Minot weatherizing homes in a housing queue unaffected by the flood. They saw only a slight drop in production. Subcontractors continued to do work for them, but they were busy with other jobs as well.

When the water finally receded enough for staff to get into the warehouse for clean-up, the staff surveyed the damage, and immediately set to work. As a result of their dedicated efforts in preparing for the flood, they lost only \$5000 in inventory. All client files were saved.



By August, the flood waters had receded, and the community was busy repairing damage and preparing for the winter ahead. In Minot, you can get snow in October. The community had to work fast to repair and rebuild. But, Minot and its surrounding area had changed. Many people who evacuated, never returned. Only 10% of affected homes had flood insurance. Five mobile home parks which housed past, current and potential future work for this Program were completely lost. For an agency that generally works with the mobile home housing stock this impact would be felt. Additionally, the oldest part of town is located in the valley. The valley is where the majority of the affordable housing stock and the Program eligible population is housed and is where the flood settled. Because of the DOE "Act of God

clause³ the Minot WAP is able to go back and re-weatherize flood impacted housing. However, moisture level testing had to be completed to ensure they could weatherize without causing a problem. This precautionary measure resulted in walking away from many units. Additionally, ¾ of the housing stock outside of mobile homes have basements. Sewer backed up into basements resulting in another reason for walking away from a unit. But the fact remains that many of the units previously weatherized were destroyed or impacted by the flood. Many of the homes were knocked down. One crew members stated,



Figure 11; Impact on Mobile Homes

“It is disheartening to see hard (weatherization) work destroyed like that.” Another commented that despite all we know about indoor health hazards, the homes being knocked down and or cleaned up resulted in hazardous materials such as “lead, asbestos, and vermiculite flying through the air.”

In addition to the usual weatherization production, the CAP-Minot Region was asked by the city to investigate complaints of high electricity bills from flood victims living in FEMA trailers. The Minot crew was asked to conduct energy audits on the trailers. The infrared cameras revealed that the homes were adequately weatherized, but the trailers were fueled entirely by electricity, which was new to these Minot residents.⁴



Figure 12; Auditing FEMA Trailers

Driving through Minot one year post flood, its impact is still observed. Families continue to rebuild and rehab their homes. The implications for CAP-Minot Region’s program are felt as they continue to seek out eligible homes and households in need of their weatherization services.

³ “Regulations also permit reweatherization in the event that previously applied weatherization materials are damaged by fire, flood or act of God and the needed repairs to weatherization materials are not covered by insurance”;
[http://www.communityservices.nd.gov/uploads%5Cresources%5C767%5C2010-north-dakota-weatherization-doe-state-plan-revised-070910-\(2\).pdf](http://www.communityservices.nd.gov/uploads%5Cresources%5C767%5C2010-north-dakota-weatherization-doe-state-plan-revised-070910-(2).pdf)

⁴ <http://www.minotdailynews.com/page/content.detail/id/561470.html>

Fracking at the Bakken Shale Oil field

Since that historical June of 2011, Minot has changed both from the flooding and from oil fracking. To the west of Minot is Williston, ND; host to a hub of oil wells and #2 in oil production in the US behind Texas. The Bakken Shale Oil field is producing over 800,000 barrels of oil a day in North Dakota alone.⁵ Over 41,000 workers were hired in North Dakota between 2008 and 2012, resulting in the lowest unemployment rate in the country.⁶ This employment opportunity has resulted in workers flown in from all over the country seeking temporary housing. Hotels are booked up, and rental properties have increased rates in response to the demand. It is the position of many of the WAP agency staff that this has created an affordable housing crisis for permanent residents of Minot who may have been displaced by the flood but cannot afford the increase in rent in their local community.



Despite high paying and abundance of work associated with fracking, weatherization crew persons for CAP-Minot Region have remained. When the weatherization staff was asked why they continue to stay with CAP-Minot Region, one crew member stated, “Seems like you’re doing good saving people money and saving tax payer money.”

Crew and Crew Foremen Suggestions for WAP Improvement

Although there was consensus amongst the group that the ARRA funding should have been spread out over many more years, it was also agreed that the increase of the average unit cost from \$3250 to \$6500 has been effective in creating a more energy-efficient housing stock. Because of this, they also propose getting rid of the *Rule of '94*⁷ as “You couldn’t do certain things to a certain housing stock back then and now you can, so that house is not complete.” It was also stated that if they could choose an innovative technology for their climate or housing stock to test they would install geothermal heat pumps. Expertise in this technology might assist with marketing efforts if the agency does venture into the fee for service work as many other WAP agencies have done across the country. This group anticipated that with more folks entering the moderate-high income bracket in their service territory the agency may see an increase in demand in the home energy retrofit field.

ASHRAE 62.2

At the time of this Case Study, the ND State Plan had not yet been approved. In it they proposed “using the old standard for ventilation and will use ASHRAE 62.2 only when needed.” The crew thinks ASHRAE

⁵ <http://oilshalegas.com/bakkenshale.html>

⁶ <http://www.care2.com/causes/shale-oil-boom-in-north-dakota-is-impacting-native-americans-hard.html>

⁷ Households may only receive weatherization services one time unless a change in technology proves cost effective enough to justify reweatherization or the house was weatherized before 1994; <http://www.communityservices.nd.gov/energy/weatherization-assistance/>

62.2 is a good standard for new houses built too tight. The weatherization staff reported installing ventilation if there is evidence of a problem, but...

"If the problem is just not there, what's the point? If you run ASHRAE calculations you will put ventilation systems in 85% of homes and you will see impact on households with the high electricity rates in Minot. And funding wise it's a nightmare without a lot a benefit. It's simple. If you have 2 continuous fans running, the electric bill will go up."

They have done their own IAQ testing on VOCs and humidity and are willing to do more. Their primary point is: "If DOE is going to mandate something, we want to know why. Where is the data? What is it telling us?" They want justification for what they are being directed to do.

Interview with CAP-Minot Region Executive Director, Willy Soderholm

To Willy Soderholm, the Executive Director of CAP-Minot Region, WAP makes sense based on the money savings you get in return for the money invested. The families can then use that money for other things. He insisted that not all programs will see that return; "But with this one you do." He believes it's one of those programs that can help get people out of poverty and does not understand why the Program does not generate more support. "The job of the Community Action Agency is to take somebody in poverty to the point of self sufficiency. Whether or not they are in poverty as a fault of their own, new poverty as a result of the current economy or from generational poverty the CAP sees itself as providing more of a hand *up* than a hand *out*. The money saved (from weatherization) can assist with structural needs required for work and education. Simply put, "It is a good investment on your dollars."

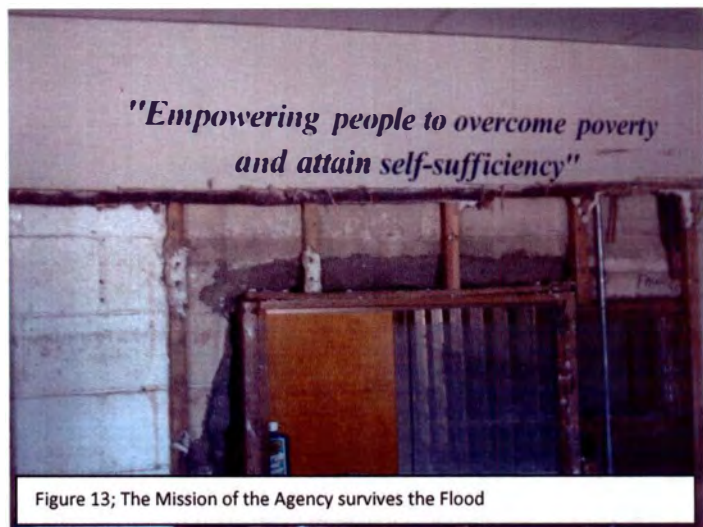


Figure 13; The Mission of the Agency survives the Flood

ED Soderholm believes the future of the Program relies on securing leveraged funding and more specifically state funding. With the shift in demographics from the oil fracking boom and the flood, he poses a new structure for eligibility and payment with a graduated scale dependent on income; free program to low-moderate income households to meet needs of community population, and a graduated scale for payment for higher income households while taking into account cost of living increases and rent increases in Minot. He also recommends that before folks receive fuel assistance, it should be required that they have their homes audited and weatherized pending the audit.

Minot Daily News

MINOT, NORTH DAKOTA

WEDNESDAY DECEMBER 21, 2011

75¢

Trailers pass energy tests

Independent energy audits give FEMA homes high marks

By JILL SCHRAMM

Staff Writer

jschramm@minotdailynews.com

Energy audits of two randomly selected temporary housing units this week showed the units are about as energy efficient as they can be.

A coalition of utility companies, non-profit entities and public officials obtained the auditing services of Community Action Partnership to find out if the Federal Emergency Management Agency's housing units are built to handle a frigid North Dakota winter.

After performing inspections on the smaller 12-foot by 32-foot unit Monday and a larger, three-bedroom unit Tuesday, energy auditors with Community Action reported the answer is yes. Both inspected units were on private sites.

Some residents of the temporary units in Minot have reported their units to be cold or the floors to be extremely cold. However, Community Action found no issues with the two homes inspected. Using a blower door to depressurize and determine the tightness of the home and an infrared camera to detect leaks, the crew discovered no significant problems.

The homes actually were tighter than is standard, which was better than what Community Action expected to find, said John Meyer, energy conservation coordinator.

"They seem to be very well constructed, not drafty, not leaky," he said. "The insulation that we found so far is compatible with Climate Zone 1, which is what North Dakota is."

The federal Housing and Urban Development Department prohibits using FEMA homes designed for warmer climates in a Zone 1, he said. Jerusha Schiessl, resident

of one of the inspected homes, said her family has been comfortable with the thermostat set at 69 degrees. She and her husband, Chris, share the home with their four young children.

One of the doors to the outside has a bit of a draft, but the unit's sheltered location eliminates much of the concern on cold, windy days, Jarusha Schiessl said.

Meyer said increasing the tightness of either of the inspected units isn't recommended. If a home is too tight, there can be air quality and mold issues.

Based on the audits, Community Action recommended residents leave exhaust fans running at least 20 minutes after showering and when cooking to minimize moisture buildup.

Other recommendations for residents of temporary units are to try to limit the number of times doors are opened and closed to keep heat inside. Residents should consider quilted or lined window treatments or window film to add insulating value and address any drafty areas around windows.

Residents should never use an unvented propane or kerosene heater, which can lead to a dangerous build-up of carbon monoxide inside the home. For safety reasons, they also should avoid using electric space heaters.

Xcel Energy, Montana-Dakota Utilities Co. and Verendrye Electric Cooperative also suggest that residents ensure that carbon monoxide and smoke detectors are installed and working. Any holiday lights should be unplugged before residents leave the house or go to sleep.

Homeowners whose houses are under restoration should set their thermostats at a reasonable temperature, insulate and then air seal the area that will be heated, as long as the home has dried.



Bill Dunn with Community Action Partnership, standing in front of a door with a blower fan, sets up to conduct a test to check for tightness of a FEMA home in southeast Minot Tuesday.

Utility companies recommend that if a house is being heated to prevent the foundation from frost heaving, homeowners should isolate the basement with insulation and only heat the basement level.

Through Dec. 31, rebates are available for high-efficiency natural gas and propane furnaces.

Meyer said people may find their electric bills are high because the FEMA temporary units rely heavily on electricity not just for heat but for all appliances. If people using electric heats, lights and power tools in the houses they are rebuilding, those costs also are rolled into that electric bill, he said.

Local utilities are offering flexible payment plans to customers who are experiencing difficulty paying. To contact the utilities to discuss energy bills or make payment arrangements, customers can call Xcel Energy at 1-800-895-4999, Montana Dakota Utilities Co. at 1-800-638-3278 or Verendrye Electric Cooperative at 1-800-472-2141.

For more information on safely and efficiently heating your home this winter, contact the Ward County Extension office at 857-6450.



Bill Swartwout with Community Action Partnership holds an infrared camera to check for air leaks in a FEMA home as resident Jerusha Schiessl and son Austin watch in the background.

No decision made for flood plan

Obama blames GOP for tax increase

WASHINGTON (AP) — Continuing a tax cut of up to \$40 a



House Speaker John Boehner of

THE WALSH COUNTY

Tuesday, Dec. 22, 1992

Tuesday, Dec. 22, 1992

Luck of draw saved 3 lives in Voss

By Julie Copeland

Only two months old, a new program aimed at ensuring income-qualifying families have a safe, operational heating system saved the lives of a young Voss couple and their infant last week.

Al Franks, energy coordinator for the Weatherization Department at Quad County Community Action Agency in Grand Forks, said while running a routine check on a furnace in an older mobile home in the Voss area, they discovered a heating fan with a large hole in the heat exchanger. The result: The inside of the home was filled with carbon monoxide, a potentially lethal, odorless fume. In another week, he said the gas could have been concentrated enough to kill the family.

Weatherization: Continued from page 1

"The odorless gas can be in the home for awhile, and you don't even notice it," Franks said. "If it had gone another week, they may have gone to sleep one night and not woken up."

The Voss situation is something that doesn't just happen, Franks said. In that instance, the furnace vent was almost completely sealed; that takes time. Franks recommends annual furnace cleaning by a professional.

Upon discovering the blocked vent, Franks said they immediately called a professional and installed a new furnace, all at no cost to the family.

The program, provided through the U.S. Department of Energy, is administered by the state and works in conjunction with the fuel assistance program administered by county social service offices. If a person is enrolled in the fuel assistance program, they are automatically eligible for the furnace inspections by Quad County. But others can apply for help through Quad County or social services.

The service includes insulating attics, walls, foundations, fixing cracked or broken windows and anything else that conserves energy. Despite income-qualifying guidelines, Franks

said a couple with two children earning \$20,925 is eligible for assistance. He said qualifying income levels are based on the number in the family.

Renters are also eligible, but landlords are asked not to raise the rent for a year on a tenant who has enrolled in the program. In Walsh County, Franks said the waiting list for service is short. Quad County also serves Pembina, Nelson and Grand Forks counties.

While the weatherization program does have limited funds, Franks said they average they spend per home is \$1,600. But he said they will spend whatever the situation warrants. While Franks admitted the Voss situation was serious, he said he was excited about the program's success.

"I think that situation backs up our feeling that we needed to do these checks on furnaces because carbon monoxide is something you can't smell or see. People often do not know the seriousness of the situation."

To contact Quad County, call: 352-0620 in Walsh County; 345-8515 in Nelson County; 265-8775 in Pembina County or 746-5431 in Grand Forks County.

#2

North Dakota State Energy Conservation Program

Senate Bill #2219

January 31, 2013

**Submitted by John Meyer, Minot Community Action Partnership – Energy Conservation
Coordinator**

Chairman Lyson and committee members of Natural Resources, thank you for the opportunity to discuss and present Senate Bill 2219. For the record my name is John Meyer and I am the Energy Conservation Coordinator of Community Action Partnership – Minot Region.

The Weatherization Process

The process begins with a comprehensive home inspection featuring state of the art testing methods and technology and ends with a blue-print for action, complete with cost/benefit analysis for each energy conservation measure. Our computerized program considers every component of a home and ranks all possible energy improvements according to their predicted effectiveness.

An energy audit selects measures based upon a Savings to Investment Ratio (SIR). In order to qualify, a measure must save at least 1.5 times as much energy/cost as the measure costs to purchase and install. If a measure will not save enough energy/cost over its lifetime to pay for itself, it will not qualify for installation. This calculation insures that the most cost-effective measures are installed and prevents some measures from being considered.

All crew members have extensive combustion analysis training, as well as the most up-to-date and accurate testing equipment available, to determine if the combustion appliances are

operating safely and efficiently. The crews are equipped with construction trailers and diesel generators, as well as the most up-to-date insulation blowing machines. Each agency has a well-equipped weatherization inventory for maximum efficiency.

A blower door is used to evaluate building air leakage. Results from this test can tell how tight a home is, how much leakage there is, or if there are any potentially dangerous situations in a home. An infrared camera is used to detect deficiencies in insulation and air sealing. Examples of some of these deficiencies are on display for you to view.

This completes my testimony, and I will gladly answer any questions you may have. Thank you for your time.

Testimony Given in Favor of Senate Bill #2219

January 31 , 2013

By Janelle, recipient of Weatherization Services.

Chairmen Lyson and members of the Natural Resources committee, for the record my name is Janelle and I am in favor of Senate Bill 2219.

As I sat down to jot some words to share with you today, my mind was blank. I didn't know where to start. This doesn't surprise me because it's exactly where I was a few years ago when my life took a flip turn upside down into crisis, leaving me overwhelmed and speechless. It was then that the weatherization crew came in and brought me such relief and hope.

I've never been a person who was comfortable asking others for help. In fact, I was the one who was always helping others. I'd made a life of it actually. At the age of 18, I began working at ABLE, Inc. with people with disabilities and just loved my work there making a difference for others. It pushed me to excel in college and I graduated from DSU a few years later as female teacher of the year, looking forward to my bright future ahead. That next year, I saw a need and became a foster parent at the age of 21 and over the years fostered 11 kids, eventually adopting one of them into my family. And what a family it was: husband, adopted son, and a toddler of our own all in our wonderful old home. My life was on track and full of blessings.

It's amazing to me how in a blink, things can shift so quickly. In a quick chain of events, my adopted son of 5 years who had suffered from many emotional scars was in crisis and harmed my other child. We pulled him into treatment facility and began therapy for all. My husband at the time pulled away and just couldn't cope, becoming distant and eventually violent, leading to

a broken relationship with him leaving our home. I was left in emotional and financial crisis.

Over the next 6 months I did my best to heal from having to give up custody of my adopted son and work through therapy for my other little guy. I tried to take care of my responsibilities but honestly was unable to hold down the fort on my own financially and after my savings ran out, began having to borrow money just to pay the bills. I was buried in legal fees with a divorce pending and no help to cover old expenses. I was in fear of losing the house and having to put my child through yet another difficult transition, unsure of what that next step might be.

It was that moment that someone handed me an application for the weatherization program. This woman who typically never asked for help, buckled down and filled it out, hoping for any kind of relief. Several months later, I received a call from Dale and his crew to come check things out and honestly, I was dreading the whole thing. I never could have anticipated what would happen next. As soon as they walked into the door, my feelings changed immediately. They entered with such kindness and respect, delicately asking me questions about the home and checking the efficiency. I felt comfortable immediately and shared with them the high cost of my heating bills in my older home and what a strain it had been to cover them.

On and off in the next few months, they came in and made adjustments to my home to make it more energy efficient. The crew came in and insulated my basement walls, my main floor living area walls and insulated my attic. That was not the only thing they did for me though. They also replaced or repaired things to insure the health and safety of my family, such as my water heater that was not drafting and my boiler that was not working properly. That was the facts. What I never anticipated was how much I looked forward to those visits from them and *the hope* that they gave me at just the moment that I really needed it.

Over the next year, I was able to dig myself out of debt. This was in part to the \$800 average per year savings on my heating bill since they have been there. With everything finally coming together, I could then focus on my beautiful son, my career, getting back to living my life, and being of service to others. I was also able to “pay it forward” and assist another single mother from Dickinson. This is how a program such as Weatherization can and will make a difference in an individual’s life. I am living proof of that.

This completes my testimony, and would like to open for any questions.

Thank you for this opportunity to share with you.

#4

Testimony Given in Favor of Senate Bill #2219

January 31 , 2013

By Anna, recipient of Weatherization Services.

Chairmen Lyson and members of the Natural Resources committee, for the record my name is Anna and I am in favor of Senate Bill 2219 because it is a great opportunity for people in ND and I am personally thankful for the opportunity that is has given my family. I am a recipient of Weatherization Services through Southeastern ND Community Action.

First let me share a little bit about me. I am a single mother of 2, I am currently going to school to get my RN, I am currently working as and LPN and have a second part time job.

I have owned my home for 4 years. Owning a home was always been a goal for me. I heard about Weatherization from a friend after I had shared that my daughter could not sleep in her room upstairs in the winter because it was too cold. Prior to Weatherization my home was very cold, the heat was set at 75 degrees but there was no way it was 75 in there and my furnace constantly ran. Me and the kids always had to have blankets over us to keep warm.

The Weatherization crews came into my home and worked for three days. I live a 1 ½ story or cape style home. They insulated my attic, rafter runs, walls, the side attics on the second floor and the doors that access these side attic (kneewall) storage areas. They also insulated the basement foundation and rim joist areas that had not been insulated by the previous owner. They replaced 2 pieces of glass for windows that were been broken and missing. They cleaned and

tested my furnace and tested my water heater. They installed a new exhaust fan in the bathroom. They installed a return air system for my furnace that will improve comfort/safety in my home to make the home and furnace more efficient along with installing a supply heat run to my second floor. They put over 100 bags of insulation into my home, I never thought that my home needed that much. Energy efficient light bulbs were also installed along with smoke detectors and a Carbon Monoxide detector. Sadly I had never had a Carbon Monoxide detector prior to Weatherization.

The men that came into my home were all very considerate, friendly and thorough. They explained what they were doing and were very patient with my kids when they came home from school and even explained to them that our home was going to be much more comfortable.

I have already seen the results of this program. My heat is set at 69 and it is warm in my house. The upstairs is warm enough for my daughter to have her room up there. It is really awesome, I cant even explain the difference.

With my current situation there is no way that I could have invested in energy conservation in my home, there is no money left at the end of the month. I look forward to using the saving from my bill for things like groceries and hope that it allows me to stay caught up on my bills. I have continually been behind with my energy bills, I don't remember a time when my bill was paid in full.

I am so thankful this program could help me. My home is comfortable, it is warm and that makes me feel really good as a mom.

This completes my testimony, thank you for this opportunity to share with you.

North Dakota State Energy Conservation Program

Senate Bill 2219

Senate Appropriations February 19, 2013

Submitted by Ann Pollert, ND Community Action Partnership- Executive Director

Chairman Holmberg and committee members of Senate Appropriations, thank you for the opportunity to discuss and present Senate Bill 2219. For the record my name is Ann Pollert and I am the Executive Director of the ND Community Action Partnership representing the seven ND Community Action Agencies.

North Dakota Community Action agencies are private non-profit organizations throughout ND. These agencies serve all 53 counties. The agencies provide essential services to low-and moderate-income individuals. Energy conservation is a preminent example of programing done by Community Action to allow people to reside in their homes safely and affordably.

I speak in favor of SB 2219. If enacted, this bill would create the North Dakota State Energy Conservation Program – a program that will conserve our state’s energy resources and also create healthy, warm, well-insulated homes for low-and moderate-income North Dakotans.

Community Action is proud of our sponsorship on this bill in that it reflects both bi-partisan and bi-cameral support for a program designed by North Dakotans and for North Dakotans. Senators Wardner, Schneider and Krebsbach along with House members Sanford, Williams and Kempenich have all shown leadership and vision for our state by endorsing this legislation. We all know North Dakota is a world leader in energy production and these sponsors are helping to ensure that we are also a leader in energy conservation.

The North Dakota State Energy Conservation Program would consist of a comprehensive series of energy efficiency measures based on individual analysis of homes. A whole-house approach based on a proven nine-step energy audit would maximize energy and dollar savings for our state and our citizens. We know what works, we know what works for ND homes; we have been doing this since 1976. We aren't asking for a program to go out and make people's homes look better with windows and doors; we are asking you to help us develop a program that puts insulation in walls so that the ND wind doesn't blow the heat right out the other side. We know that replacing a window doesn't give us near the payback that a few bags of cellulose insulation gives us.

The funding level for this program has been an up and down cycle; it has had a lot of instability over the years. We receive Federal Department of Energy money as well as Low- Income Home Energy Assistance Program (LiHEAP) dollars that are excess from ND's fuel assistance allocation. We are here today requesting state funding, this will enable us to better leverage the Department of Energy and Low- Income Home Energy Assistance Program (LiHEAP) dollars and overall give the program sustainability as well as the ability to plan. It is impossible to plan and forecast when you have no idea how much money you may or may not be getting the next year. A more stable program will allow us to maintain our crews; these individuals have received impeccable training and are highly skilled.

The ND Community Action Weatherization program received no Department of Energy dollars in 2012, and in 2013 it is likely that we will get less than 1/3 of our 2011 allocation. Again, it is very difficult to plan when there is such a fluctuation in funding. As mentioned, the

Weatherization program also gets some of the Low- Income Home Energy Assistance Program (LiHEAP) dollars that are left over at the state level; these are of great benefit but again fluctuate based on the kind of winter we had and what may be available. It is expected we will continue to get some dwindling Department of Energy monies as well as some Low- Income Home Energy Assistance Program (LiHEAP) monies; we will continue to use these dollars as they are available, but State dollars would sustain and maintain this program.

There is no doubt energy conservation is the right thing to do; the time is now and this is the right program to do it. The state gets approximately 20 million dollars a year in fuel assistance; wouldn't it make sense to apply long term energy efficient measures to these homes and fix the major areas of heat loss rather than just let the warm air leak out? We know fuel assistance is a needed and well-utilized program, but we could be better stewards of those dollars if more of the homes receiving fuel assistance received materials to improve their energy efficiency. If homes are not weatherized money continues to be thrown out the window whether it is the federal money or the money of hard working low- and moderate- income North Dakotans. Federally they have put fuel assistance ahead of Weatherization. Personally I think this is a backwards view point, we can make ND a leader and be a model for the nation.

This program is aimed at low-and moderate- income households who do not have the financial ability to hire energy conservation work done on their homes. This program will serve household's at or below 80% of county median income. The work would be performed by reliable, well-trained weatherization technicians who are employed by the state's seven Community Action Agencies. These technicians have many years of experience and training.

Community Action has a strong partnership and great working relationship with the ND Department of Commerce. The funds that come down federally to Community Action agencies are run through the ND Department of Commerce. With this program the ND Department of Commerce will oversee the money and monitor how it is being spent to ensure the dollars are being utilized effectively and efficiently.

The necessary biennial appropriation of the program is \$8 million. We would recommend that this funding be directed to the Department of Commerce which in turn would proportionately fund the seven Community Action agencies to perform the field work. The money will be distributed equally to each of the eight Community Action regions and if needed, would be reallocated based on regional needs. We will spend an average of \$6,000 per home; it is estimated that about 500-600 homes will be completed each year through this funding.

Additional homes will be completed with any federal or state dollars that are received.

Economically and socially, low-income programs offer significant non-energy benefits that go beyond reducing customer energy bills. Reality is within the first year, this funding has the potential to put approximately \$250,000 back into the pocketbooks of ND residents that will in turn be spent in our ND communities. This program will save propane, it will save natural gas, it will save electricity and fuel oil, and that lessens overall demand, bringing down the costs for everyone not just those direct benefactors.

With state funding the program would be better able to fit the needs of ND people. It would be a program designed for ND homes and a ND climate. We can decrease bills and keep homes

affordable for ND families to live in. This program would have sustainability and would be an investment to improve ND housing stock.

In closing, on behalf of Community Action I am proud to support SB 2219, and hope that you look favorably upon the request. I have been out to these homes with the crews; I have crawled under mobile homes and seen the lack of insulation in walls and in attics. I have witnessed the work they do and understand the impact it has relating to energy savings on these homes. I have also seen the faces of the clients, they are appreciative and they are thankful!

Thank you for this opportunity to share with you. This completes my testimony and I would gladly answer any questions.



Invest. Save. Grow.

ND Energy Conservation

North Dakota Community Action Partnership is a private non-profit organization representing North Dakota's seven Community Action Agencies. The seven agencies provide essential services to all 53 counties. Energy conservation is a preeminent example of programming done by Community Action to allow people to reside in their homes safely and affordably.

Community Action Agencies are governed by local boards of directors whose members represent diverse segments of the community—low-income, private, and public sectors.

About the Program

- A program designed by North Dakotans for the citizens of our state that will bring energy efficient measures to low and moderate income households; saving our energy developed in state and saving and creating disposable income for these families. That income can be used for other life-needs such as medicine, food and housing costs.
- All work will be performed by well trained crews employed by the state's seven community action agencies. Oversight, monitoring and auditing will be carried out by the Division of Community Services within the Department of Commerce. All program funds will be operated through DCS.
- A Biennial budget of \$8 million will provide service to all eight regions/all 53 counties. Approximately 1100 homes will receive services through this Bill.
- By reducing heat loss and curbing outside air infiltration, we will save energy throughout the state. Heating and cooling bills will be reduced and disposable income will rise.
- Clients will qualify by meeting county median income guidelines of 80%. (See attachment for each county).
- Each home will receive an individual energy analysis and a whole-house approach based on a proven nine-step assessment will be implemented to maximize energy and dollar savings.
- Energy production in North Dakota is thus balanced with energy conservation, creating a reservoir of resources for both the state and its residents.

FY 2012 MFI: 33600										
Slope County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	
FY 2012 MFI: 57200										
Stark County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	
FY 2012 MFI: 63300										
Steele County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 64600										
Stutsman County, ND	80% Median County	36200	41400	46550	51700	55850	60000	64150	68250	
FY 2012 MFI: 62300										
Towner County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 51700										
Traill County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	
FY 2012 MFI: 63100										
Walsh County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 58900										
Ward County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 61300										
Wells County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400	
FY 2012 MFI: 52800										
Williams County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	
FY 2012 MFI: 69500										
	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950	

North Dakota Energy Conservation Program

North Dakota Community Action Association

Region I (Williston/Dickinson), Region II (Minot), Region III (Devils Lake), Region IV (Grand Forks), Region V (Fargo), Region VI (Jamestown), Region VII (Bismarck), Region VIII (Dickinson/Williston)

North Dakota's seven Community Action Agencies have been providing energy conservation services to the citizens of our state since 1976 in partnership with the Department of Commerce-Division of Community Services. Since 2001, employing over 60 full time staff, many with 10-25 years experience, the Community Action Energy Conservation program has installed energy conservation measures to 9400 homes at a proven annual savings of \$437 per home per year. These are dollars that can provide more disposable income to the household, assist those on a fixed income such as our elderly or disabled, or may be that driving force that takes them out of poverty to a point of self sufficiency. It has also been noted lowering household energy costs could potentially allow the homeowner to retain ownership of the home which in turn keeps the workforce in place in that community.

Our proposal introduces a comprehensive series of energy efficient measures based on sophisticated analyses of individual homes. These analyses take the whole-house approach, maximizing energy and dollar savings. With this approach, Community Action Agencies assure that a state funded energy conservation program, spearheaded by the best and most knowledgeable Energy conservation employees will spawn a new industry providing home energy efficiency to low to moderate income households through North Dakota. Our State Energy Conservation program addresses the whole-house approach and makes a program tailor-made by North Dakotans for North Dakota.

What is SIR?

The energy audit selects measures based upon a **Savings to Investment Ratio (SIR)** – in order for a measure to qualify it must save at least as much energy-cost as the measure costs to purchase and install. If a measure will not save enough energy-cost over its lifetime to pay for itself, it will not qualify for installation. This calculation insures that the most cost-effective measures are installed and prevents some measures from being considered.

Here are sample numbers with the current or proposed SIR for the Energy Conservation Program.

Attic Insulation savings

Savings/year: \$100
Lifetime: 25 years
Investment: \$400

1
SIR = Lifetime Savings/Investment
1.5
SIR = 25 x 100/400
SIR = 6.25

Replacement Window

Savings/yr: \$5/window
Lifetime: 25 years
Investment \$200/window

SIR = Lifetime Savings/Investment
SIR = 25 x 5/200
SIR = .62

SIR = lifetime (yrs) x 1 yr
cost

This was based on SIR less than
is ineligible, 1-1.49 optional ,
and above is mandatory

Minot Daily News

MINOT, NORTH DAKOTA

WEDNESDAY DECEMBER 21, 2011

75c

Trailers pass energy tests

Independent energy audits give FEMA homes high marks

By JILL SCHRAMM
Staff Writer
jschramm@minotdailynews.com

Energy audits of two randomly selected temporary housing units this week showed the units are about as energy efficient as they can be.

A coalition of utility companies, non-profit entities and public officials obtained the auditing services of Community Action Partnership to find out if the Federal Emergency Management Agency's housing units are built to handle a frigid North Dakota winter.

After performing inspections on the smaller 12-foot by 32-foot unit Thursday and a larger, three-bedroom unit Tuesday, energy auditors with Community Action reported the answer is yes. Both inspected units were on par with sites.

Some incidents of the temporary units in Minot have reported their units to be cold or the floors to be extremely cold. However, Community Action found no issues with the two homes inspected. Using a blower door to depressurize and determine the tightness of the home and an infrared camera to detect leaks, the crew discovered no significant problems.

The homes actually were tighter than is standard, which was better than what Community Action expected to find, said John Meyer, energy conservation coordinator.

"They seem to be very well constructed, not drafty, not leaky," he said. "The insulation that we found so far is compatible with Climate Zone 1, which is what North Dakota is."

The federal Housing and Urban Development Department prohibits using FEMA homes designed for warmer climates in a Zone 1, he said. Jarusha Schiessl, resident

of one of the inspected homes, said her family has been comfortable with the thermostat set at 68 degrees. She and her husband, Chris, share the home with their four young children.

One of the doors to the outside has a bit of a draft, but the unit's sheltered location eliminates much of the concern on cold, windy days, Jarusha Schiessl said.

Meyer said increasing the tightness of either of the inspected units isn't recommended. If a home is too tight, there can be air quality and mold issues.

Based on the audits, Community Action recommends residents leave exhaust fans running at least 20 minutes after showering and when cooking to minimize moisture buildup.

Other recommendations for incidents of temporary units are to try to limit the number of times doors are opened and closed to keep heat inside. Residents should consider caulked or lined window treatments or window film to add insulating value and address any drafty areas around windows.

Residents should cover one or two propane or kerosene heaters, which can lead to a dangerous build-up of carbon monoxide inside the home. For safety reasons, they also should avoid using electric space heaters.

Xcel Energy, Montana-Dakota Utilities Co. and Veon Energy Electric Cooperative also suggest that residents ensure that carbon monoxide and smoke detectors are installed and working. Any holiday lights should be unplugged before residents leave the home or go to sleep.

Homeowners whose homes are under construction should set their thermostats at a reasonable temperature, insulate and then air seal the area that will be heated, as long as the home has dried.



Bill Durwin with Community Action Partnership, standing in front of a door with a blower fan, set up to conduct a test to check for tightness of a FEMA home in southeast Minot Tuesday.



Bill Swartzwout with Community Action Partnership holds an infrared camera to check for air leaks in a FEMA home as resident Jarusha Schiessl and son Austin watch in the background.

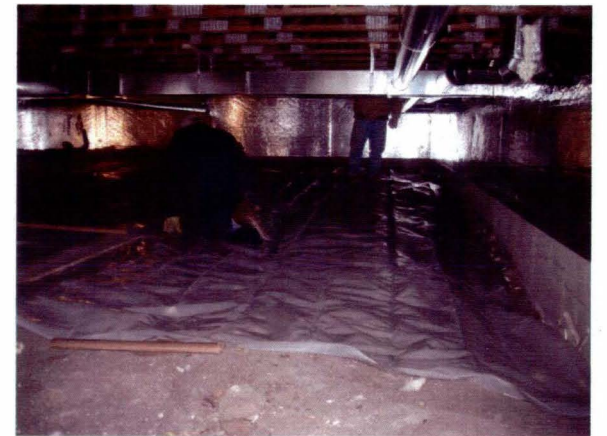
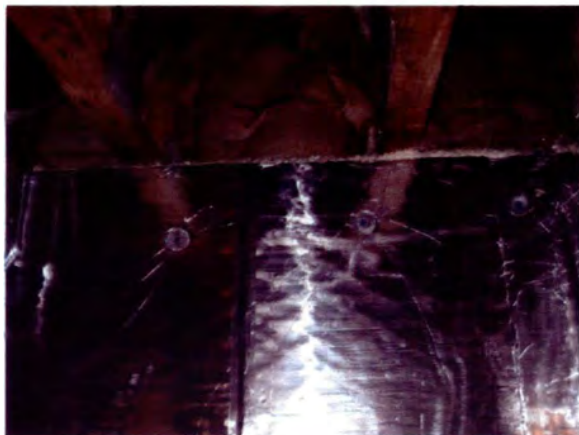
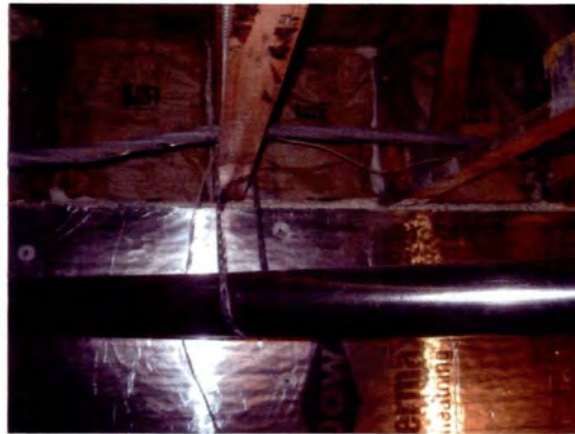
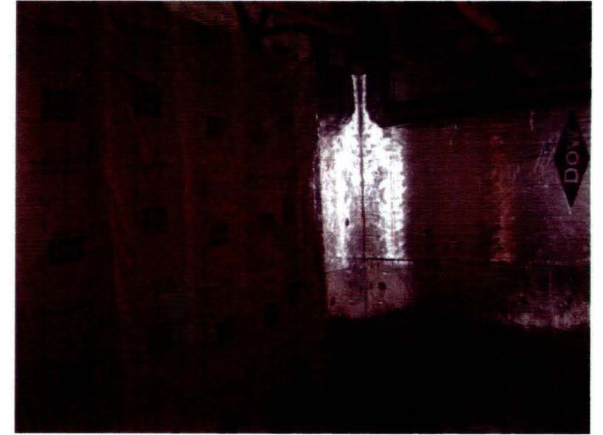
Minot Community Action performed two air infiltration tests on two FEMA homes (two bedroom, and three bedroom) during the winter of the 2011 flood. Blower door diagnostics were performed to test the structures tightness and an infrared camera was used to check for air leaks on both of these homes.

A complete air infiltration test consisting of pressure diagnostics and health and safety tests are performed on homes prior to being weatherized by Community Action crews. This provides the direction the crews need to completed the weatherization process. Once the job is completed a final inspection is completed by a supervisor and throughout the year periodic monitoring by Dept. of Community Services is conducted to ensure weatherization was performed in accordance to Weatherization policy and guidelines.



**Photo's taken of the work
performed by Community
Action
Energy Conservation crews**

Interior work performed on home discussed in testimony.



North Dakota Weatherization crews take pride in the work they do.



Ensuring ground is protected from lead paint chips



Quality finish work on the entrance to this crawl space.



Installation of foundation paneling



Before and after pictures of a home's chase chimney way from basement to attic insulated using foam.



Doors and windows are installed only when necessary as per SIR requirements.





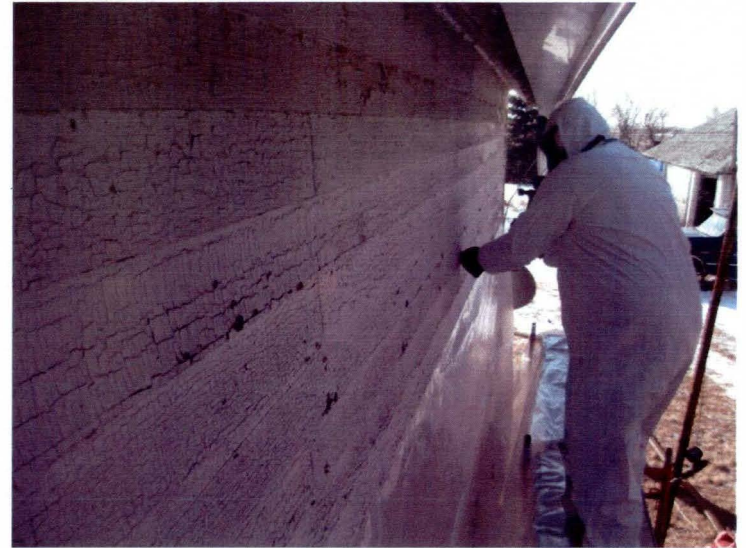
Blowing insulation into walls. Holes must be drilled into the cavity between each stud to blow insulation. Once completed plugs will fill the holes and the siding will be reinstalled to its original state.



Crews perform their work year around in all types of adverse conditions.



All agencies follow "Lead Safe" work practices on homes containing lead prior to 1978.



Minot

Community Action

Thanks For all you have
done For me

John & his men worked 10
& hard days. my house was
nice & warm all winter.

The men that done my ho
were nice & neat they
cleaned up after they we.
done

Tell everyone thanks

Bob. Brubaker

Home Heating / fuel oil usage 2007 – 2010
Larimore, ND Family.
Weatherized by Red River Valley Community Action.

10/08/07- 100 gal - 303.90
10/30/07 - 137 gal - 416.34
12/07/07 - 100 gal - 333.90
01/04/08 - 200 gal - 633.80
02/01/08 - 200 gal - 613.80
02/18/08 - 100 gal - 321.90
03/10/08 - 100 gal - 356.90
04/14/08 - 100 gal - 376.90

Total -- 1037 gal -3357.44

Avg. cost/ gallon-- \$3.24

10/18/08 - 120 gal - 380.28
11/22/08 - 120 gal - 284.28
12/16/08 - 150 gal - 310.35
12/27/08 - 100 gal - 191.90
01/13/09 - 100 gal - 201.90
01/30/09 - 100 gal - 186.90
02/19/09 - 100 gal - 176.90
03/12/09 - 150 gal - 250.35
04/27/09 - 50 gal-- 93.45

Total -- 990 gal - 2076.31

Avg. cost/ gallon-- \$2.05

10/06/09 -- 50 gal - 112.45
10/24/09 - 100 gal - 249.90
11/28/09 - 150 gal - 374.85
12/18/09 - 100 gal - 239.90
01/18/10 - 100 gal - 261.90
02/12/10 - 100 gal - 239.90
03/19/10 -- 80 gal - 207.92

Total -- 680 gal - 1686.82

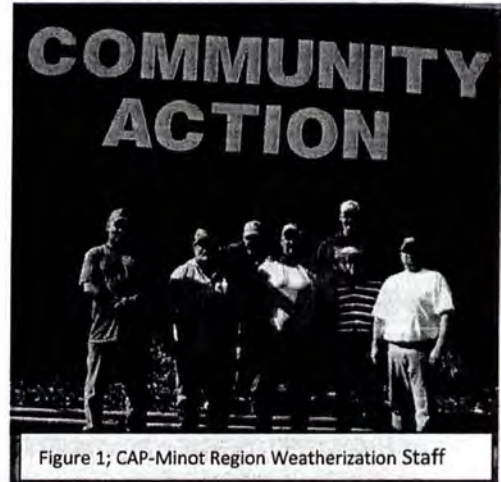
Avg. cost/ gallon-- \$2.53

Saved 35% in gallons used comparing 2007/08 to 2009/10.

Community Action Partnership- Minot Region

Background

Community Action Partnership-Minot Region administers the Weatherization Assistance Program (WAP) to seven counties and one tribal reservation in north central North Dakota. This high performing WAP agency was recommended for inclusion in ORNL's National Evaluation of WAP Case Study task for their high quality work and their attention to mobile homes in a climate with temperatures ranging from below 0 °F in the winter to up to 100 °F in the summer. CAP-Minot Region was contacted by ORNL during the summer of 2011 in efforts to coordinate a visit to the agency intended to launch this case study task. However, the request to visit came at a time when this CAP's service territory had fallen victim to the massive flooding of the Souris River Valley displacing nearly 12,000 people and creating \$1 Billion in damage.



Over the course of the next year, this small CAP and its staff would personally and professionally deal with the temporary homelessness of their agency, personal and community disaster relief efforts, and a loss of the Program eligible housing stock due to the devastation of numerous mobile home parks, residences deemed structurally unsound or diagnosed with moisture issues, and the displacement of income eligible persons. Also observed was a reduction in affordable housing on account of competition for living space brought on by an influx of employees migrating to the area to support the oil fracking boom in a neighboring town. The case study visit to this agency was eventually conducted one year post flood and at the peak of the oil fracking boom during July 2012. This case study highlights the flood's impact on the agency's operation of weatherization services and the WAP eligible population. It is the story of how the people staffing the Program responded to the crisis. It is the story they chose to tell and underlines their commitment to the Program and the dedicated work performed to fulfill a mission focused on the vulnerable populations in their community in times of crisis and beyond.

Philosophy

The CAP-Minot Region staff strives to provide energy conservation services to low-income homeowners and renters in order to make their homes more energy-efficient. The program helps to increase energy efficiency and reduce heating bills by concentrating on the problems of heat loss and air infiltration.¹

Weatherization Delivery

CAP –Minot Region operates four home services programs;

- Weatherization Assistance Program
- Emergency furnace and water heater repair and replacement funded through LIHEAP
- Infrared Camera

¹ <http://www.capminotregion.org/programs/home-services>



Figure 2: Weatherization Staff and Supplies

The weatherization staff includes the director of weatherization, and 6 crew or crew foremen with a range of 10-30 years experience.

Service Territory

Weatherization services are provided to income-eligible households in Burke, Bottineau, McHenry, Mountrail, Pierce, Renville, and Ward counties. One month out of the year, they use designated tribal money for weatherization of homes on Berthold Indian Reservation.

Leveraging

CAP-Minot Region received \$0 from DOE for WAP for FY 2012. They had a small amount of funding banked from previous years and LIHEAP funding that they planned to use to support the Program. At the time of this case study visit this WAP agency was

attempting to secure additional leveraged dollars. Minimal utility funding is available in this region and the agency began to seek out other sources. They were in the process of drafting a proposal requesting funding from the state, which saw a \$2-3 Billion surplus as a result of the shale oil industry.

Weatherization Approach

The CAP-Minot Region weatherization program operates a 4 day /10 hour week work schedule with crew members returning to the warehouse at the end of each day. Most of the crew goes out on every install.

The team includes two “estimators” or auditors. North Dakota created an audit tool; WEXOR (DOE approved). It prioritizes measures according to the highest payback (SIR). The estimator conducts the audit and passes the work scope on for the install. The estimator and the crew stated the importance of effective communication between the installers and the estimator to ensure the job is completed as the estimator intended. However, there are the occasions where the estimator might have missed something, such as a pig being fattened in the basement for a holiday feast. In this case, the estimator is contacted to explain himself. And on the chance that an estimator finds a hole in the bathroom wall large enough for a horse *outside* to lean *inside* to drink out of the bathtub, the crew and crew foreman are trained and empowered to identify and fix the problem. If there is a question of best course of action, Bruce Hagan and Cal Steiner are available for a consult at the state level.

The first task on site prior to the install of weatherization measures is to seal the vents inside. The crew sends a flashlight/mirror down the heat runs to make sure there are no holes, as fiberglass will go into heat runs if holes are present. Then the crew foreman sends crewmen (at this time there were no female crew members) out; 6 guys; 2 on the belly; 2 on the walls; and 2 on the attic. Major measures might include insulation, air sealing, and furnace replacement (from 65% efficient to 95% efficient). The program will fuel switch from oil to propane only if they can prove the payback.

During the case study visit, all crew and foremen were observed to be of great physical stature. When they were asked what they did without a small male or woman on their crew, they said they have no problem getting into tight spaces and that they win the tug of war at the state level every year.

Health and Safety

The weatherization team adheres to lead safe practice by both testing for lead and assuming there is lead; normally if it is an old farmhouse built prior to 1978, it is assumed there is lead paint and they proceed accordingly. They distribute information on the risks of lead and radon in homes, although it was reported that not very many people have been observed reading the materials.

Energy Education

In the past the agency had additional funds to facilitate Energy Education with the occupants. The person who had delivered the education provided information on cleaning filters, thermostat settings, and water heater temperature. Now they attempt to educate the occupant during the audit and install phases on ways they can conserve energy. They also attempt to educate them on the reasons for items on the scope of work. For example they might explain that they are not a window replacement program due to window replacements typically not meeting DOE cost effectiveness standards.

Training

Members of the weatherization staff report the trainings offered at the state level to be the most beneficial. They believe they learn more from those working within the North Dakota climate and housing stock. It is also reported that North Dakota still has a core group of people, including Cal Steiner, who have been with the Program for decades and have experience in the field and management in addition to training. Weatherization Director Meyer reports the use of training funds for On the Job Training (OJT) and finds value in mentoring in the field.

Innovativeness

This WAP agency continues the mission set by Cal Steiner to improve the energy efficiency and techniques for weatherizing the mobile home housing stock in North Dakota. Cal Steiner has over 33 years of experience working in the weatherization field in a wide range of roles from crew worker to trainer. He was a pioneer in the early movement to improve the weatherization of mobile homes and continues to conduct trainings nationally on mobile home weatherization, crew motivation, lead safe weatherization and crew development.²

When referring to Cal Steiner, Weatherization Director Meyer stated that he “never met anyone so dedicated to what they do. He brought mobile home blowing from the top. He (Cal) did a lot of research



Figure 3; Weatherization Staff Prepare for Work

² <http://www.betterbuildingsil.org/bio.php?personid=390>

and took a lot of chances.” However, Meyer did state that although Cal knows what to do, his guys in the field know quite a bit as well, and that it can be “fun to argue with Cal.” It was reported that Cal is not afraid to try anything and has trust in the WAP agencies and the crews to find the right solution and refrains from imposing mandates down from the state.

Site Visit

ORNL visited a mobile home residence in the rural county outside of Minot. Weatherization Director Meyer informed us he set out to convince this acquaintance of his to apply for WAP knowing the impact weatherization could have on the mobile home and its occupant. The work scope consisted of insulating the walls (by taking a strip of siding off the house); blowing insulation into the attic from the gable ends; blowing insulation into the belly; and replacing an exterior door with a new steel door. It took 2 days. The occupant, who suffers from Parkinson’s disease, drafted the following letter to be read by the ORNL Evaluation team visiting his home in his absence:

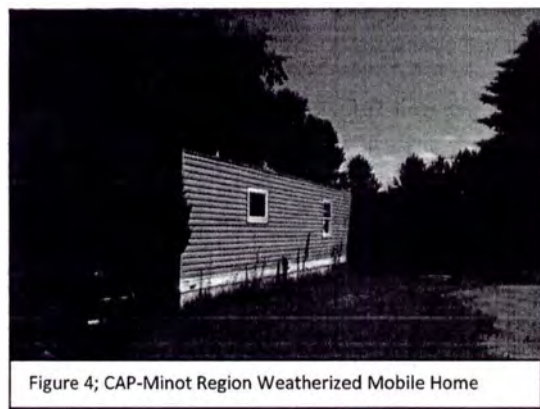


Figure 4; CAP-Minot Region Weatherized Mobile Home

“Minot Community Action,
Thanks for all you have done for me. John and his men worked long and hard days. My house was nice and warm all winter. The men that did my house were nice and neat. They cleaned up after themselves when they were done. Tell everyone thanks.”

ARRA Period

At the peak of ARRA and pre-flood, the weatherization program at the agency supported two 5-person crews, but went down to one 4-person crew with 2 foremen shortly before the end of ARRA. The WAP waiting list pre-ARRA was 2 months compared to a reasonable wait time of 2-3 weeks during ARRA. The agency remained committed to the projected 471 units planned for completion during the ARRA production period. A total of 423 units were weatherized during ARRA. This is a testament to the dedication of a crew and its leaders at both Program and agency levels dealing with the impacts of both a devastating flood and a shift in demographics. This dramatic shift in demographics was a result of both the flood, and from an influx of workers moving to Minot and the surrounding area in response to a booming oil industry. A shift in socio-economic status was also observed due to additional income from the sale of oil rights on private land. Agency staff reported that they hardly weatherize west of Minot anymore. There is “too much oil money out there now. That combined with a great wheat crop means less households are eligible for weatherization.”

Davis Bacon

Weatherization Director Meyer stated that Davis Bacon really slowed down the agency’s weatherization production. “It was hard enough to find contractors due to the flood in Minot and resulting need, most of them wanted nothing to do with Davis Bacon.”

The Flooding of the Souris “Mouse” River

The story this agency wanted to tell was evident from the moment they were first engaged. Weatherization Director John Meyer remained dedicated to sharing the agency’s impact and response to the flood, and to the importance of having a skilled and dedicated crew already at the ready. An interview with these crew and crew foremen was conducted on site at the agency warehouse and has greatly contributed to the body of this report. These members of the CAP-Minot Region weatherization team provided discussion on their delivery of WAP, suggestions for improvements, and their personal dedication to the mission of the Program.

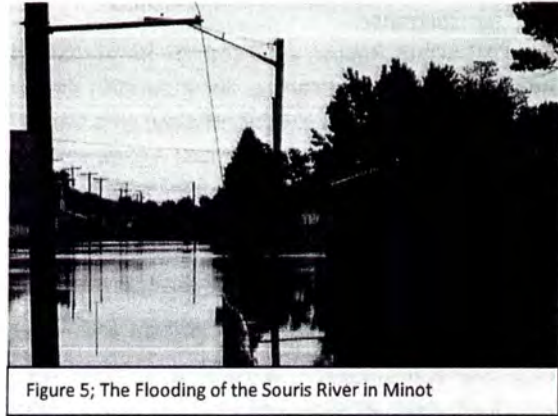


Figure 5; The Flooding of the Souris River in Minot

The Flooding of the Souris River Flood Plain

The Souris River has 3 dams. Two are located in the US and are managed by the US Army Corps of Engineers. The other is in Canada, 55 miles north of Minot. During June 2011, all three dams were operating at record high (but stable) water levels. This was before the lake in Canada, where the first dam is located, received 9 inches of rain. The Canadians had no choice but to let the water go from the dam knowing the impact it would undoubtedly have on the lower two dams and surrounding flood plains. Lake Darling where the third dam is located eventually contained water flowing at 27,000 cubic feet/second.

When it was realized that the rushing waters of Lake Darling would be let go into the Souris River, the Mayor of Minot employed an evacuation plan. To ensure EVERYONE evacuated he went on TV and reported that, “The valley is going to be a lake.” No one argued. It was not a debatable point. CAP-Minot Region agency personnel rushed to get everything of absolute import either moved to a different location above the valley or to the upper shelves of the warehouse in hopes that it would be out of the water’s wet reach. Weatherization equipment, materials and files were moved. The agency staff prepared for a destruction that would impact both their professional and personal lives. The water was let out of Lake Darling over the course of 3 weeks. 4000 homes were damaged. 12,000 people were displaced, and several schools, parks, and a zoo were lost. The community sustained \$1 Billion in damages. There were zero human casualties.



Figure 6; Weatherization Staff Preparing for the Flood

Disaster Response

The CAP-Minot Region assessed the immediate community need for emergency food assistance. For 2 months they worked out of a local middle school and then 4 months out of a bank. They communicated with clients via cell phones as their agency office had also been within the flood plain. They worked with local food pantries to collect and distribute food.

Back at the office of CAP-Minot Region, the flood placed 40 inches of water in the weatherization workshop and 7 feet of water in the downstairs of the building housing all other CAP program offices. The weatherization staff missed only 3-4 days of work after the flood and spent the next 3-4 months operating off site. One of the crew members had lost his home, and many others had close family members and friends who had lost theirs. John Meyer reported, "These guys were showing up to work and then going home to work again on their own homes or their family's homes."



After the flood it would take on average 2.5 hours to get over the only by-pass around the flood. Most of the crew had to leave at 4:30 am to get to work by 7:30 am. This lasted for nearly 5 weeks. They referred to themselves as "gypsies" roving around the outskirts of Minot weatherizing homes in a housing queue unaffected by the flood. They saw only a slight drop in production. Subcontractors continued to do work for them, but they were busy with other jobs as well.

When the water finally receded enough for staff to get into the warehouse for clean-up, the staff surveyed the damage, and immediately set to work. As a result of their dedicated efforts in preparing for the flood, they lost only \$5000 in inventory. All client files were saved.



By August, the flood waters had receded, and the community was busy repairing damage and preparing for the winter ahead. In Minot, you can get snow in October. The community had to work fast to repair and rebuild. But, Minot and its surrounding area had changed. Many people who evacuated, never returned. Only 10% of affected homes had flood insurance. Five mobile home parks which housed past, current and potential future work for this Program were completely lost. For an agency that generally works with the mobile home housing stock this impact would be felt. Additionally, the oldest part of town is located in the valley. The valley is where the majority of the affordable housing stock and the Program eligible population is housed and is where the flood settled. Because of the DOE "Act of God

clause³ the Minot WAP is able to go back and re-weatherize flood impacted housing. However, moisture level testing had to be completed to ensure they could weatherize without causing a problem. This precautionary measure resulted in walking away from many units. Additionally, $\frac{3}{4}$ of the housing stock outside of mobile homes have basements. Sewer backed up into basements resulting in another reason for walking away from a unit. But the fact remains that many of the units previously weatherized were destroyed or impacted by the flood. Many of the homes were knocked down. One crew members stated,



Figure 11; Impact on Mobile Homes

“It is disheartening to see hard (weatherization) work destroyed like that.” Another commented that despite all we know about indoor health hazards, the homes being knocked down and or cleaned up resulted in hazardous materials such as “lead, asbestos, and vermiculite flying through the air.”

In addition to the usual weatherization production, the CAP-Minot Region was asked by the city to investigate complaints of high electricity bills from flood victims living in FEMA trailers. The Minot crew was asked to conduct energy audits on the trailers. The infrared cameras revealed that the homes were adequately weatherized, but the trailers were fueled entirely by electricity, which was new to these Minot residents.⁴



Figure 12; Auditing FEMA Trailers

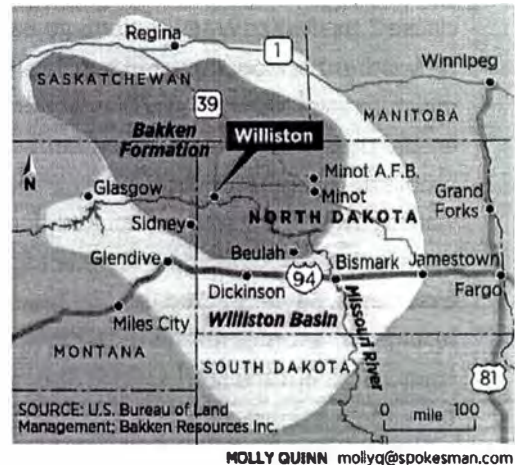
Driving through Minot one year post flood, its impact is still observed. Families continue to rebuild and rehab their homes. The implications for CAP-Minot Region’s program are felt as they continue to seek out eligible homes and households in need of their weatherization services.

³ “Regulations also permit reweatherization in the event that previously applied weatherization materials are damaged by fire, flood or act of God and the needed repairs to weatherization materials are not covered by insurance”; [http://www.communityservices.nd.gov/uploads%5Cresources%5C767%5C2010-north-dakota-weatherization-doe-state-plan-revised-070910-\(2\).pdf](http://www.communityservices.nd.gov/uploads%5Cresources%5C767%5C2010-north-dakota-weatherization-doe-state-plan-revised-070910-(2).pdf)

⁴ <http://www.minotdailynews.com/page/content.detail/id/561470.html>

Fracking at the Bakken Shale Oil field

Since that historical June of 2011, Minot has changed both from the flooding and from oil fracking. To the west of Minot is Williston, ND; host to a hub of oil wells and #2 in oil production in the US behind Texas. The Bakken Shale Oil field is producing over 800,000 barrels of oil a day in North Dakota alone.⁵ Over 41,000 workers were hired in North Dakota between 2008 and 2012, resulting in the lowest unemployment rate in the country.⁶ This employment opportunity has resulted in workers flown in from all over the country seeking temporary housing. Hotels are booked up, and rental properties have increased rates in response to the demand. It is the position of many of the WAP agency staff that this has created an affordable housing crisis for permanent residents of Minot who may have been displaced by the flood but cannot afford the increase in rent in their local community.



Despite high paying and abundance of work associated with fracking, weatherization crew persons for CAP-Minot Region have remained. When the weatherization staff was asked why they continue to stay with CAP-Minot Region, one crew member stated, “Seems like you’re doing good saving people money and saving tax payer money.”

Crew and Crew Foremen Suggestions for WAP Improvement

Although there was consensus amongst the group that the ARRA funding should have been spread out over many more years, it was also agreed that the increase of the average unit cost from \$3250 to \$6500 has been effective in creating a more energy-efficient housing stock. Because of this, they also propose getting rid of the *Rule of '94*⁷ as “You couldn’t do certain things to a certain housing stock back then and now you can, so that house is not complete.” It was also stated that if they could choose an innovative technology for their climate or housing stock to test they would install geothermal heat pumps. Expertise in this technology might assist with marketing efforts if the agency does venture into the fee for service work as many other WAP agencies have done across the country. This group anticipated that with more folks entering the moderate-high income bracket in their service territory the agency may see an increase in demand in the home energy retrofit field.

ASHRAE 62.2

At the time of this Case Study, the ND State Plan had not yet been approved. In it they proposed “using the old standard for ventilation and will use ASHRAE 62.2 only when needed.” The crew thinks ASHRAE

⁵ <http://oilshalegas.com/bakkenshale.html>

⁶ <http://www.care2.com/causes/shale-oil-boom-in-north-dakota-is-impacting-native-americans-hard.html>

⁷ Households may only receive weatherization services one time unless a change in technology proves cost effective enough to justify reweatherization or the house was weatherized before 1994; <http://www.communityservices.nd.gov/energy/weatherization-assistance/>

62.2 is a good standard for new houses built too tight. The weatherization staff reported installing ventilation if there is evidence of a problem, but...

"If the problem is just not there, what's the point? If you run ASHRAE calculations you will put ventilation systems in 85% of homes and you will see impact on households with the high electricity rates in Minot. And funding wise it's a nightmare without a lot a benefit. It's simple. If you have 2 continuous fans running, the electric bill will go up."

They have done their own IAQ testing on VOCs and humidity and are willing to do more. Their primary point is: "If DOE is going to mandate something, we want to know why. Where is the data? What is it telling us?" They want justification for what they are being directed to do.

Interview with CAP-Minot Region Executive Director, Willy Soderholm

To Willy Soderholm, the Executive Director of CAP-Minot Region, WAP makes sense based on the money savings you get in return for the money invested. The families can then use that money for other things. He insisted that not all programs will see that return; "But with this one you do." He believes it's one of those programs that can help get people out of poverty and does not understand why the Program does not generate more support. "The job of the Community Action Agency is to take somebody in poverty to the point of self sufficiency. Whether or not they are in poverty as a fault of their own, new poverty as a result of the current economy or from generational poverty the CAP sees itself as providing more of a hand *up* than a hand *out*. The money saved (from weatherization) can assist with structural needs required for work and education. Simply put, "It is a good investment on your dollars."



Figure 13; The Mission of the Agency survives the Flood

ED Soderholm believes the future of the Program relies on securing leveraged funding and more specifically state funding. With the shift in demographics from the oil fracking boom and the flood, he poses a new structure for eligibility and payment with a graduated scale dependent on income; free program to low-moderate income households to meet needs of community population, and a graduated scale for payment for higher income households while taking into account cost of living increases and rent increases in Minot. He also recommends that before folks receive fuel assistance, it should be required that they have their homes audited and weatherized pending the audit.

Minot Daily News

WEDNESDAY DECEMBER 21, 2011

MINOT, NORTH DAKOTA

75¢

Trailers pass energy tests

Independent energy audits give FEMA homes high marks

By JILL SCHRAMM

Staff Writer

jschramm@minotdailynews.com

Energy audits of two randomly selected temporary housing units this week showed the units are about as energy efficient as they can be.

A coalition of utility companies, non-profit entities and public officials obtained the auditing services of Community Action Partnership to find out if the Federal Emergency Management Agency's housing units are built to handle a frigid North Dakota winter.

After performing inspections on the smaller 12-foot by 32-foot unit Monday and a larger, three-bedroom unit Tuesday, energy auditors with Community Action reported the answer is yes. Both inspected units were on private sites.

Some residents of the temporary units in Minot have reported their units to be cold or the floors to be extremely cold. However, Community Action found no issues with the two homes inspected. Using a blower door to depressurize and determine the tightness of the home and an infrared camera to detect leaks, the crew discovered no significant problems.

The homes actually were tighter than is standard, which was better than what Community Action expected to find, said John Meyer, energy conservation coordinator.

"They seem to be very well constructed, not drafty, not leaky," he said. "The insulation that we found so far is compatible with Climate Zone 1, which is what North Dakota is."

The federal Housing and Urban Development Department prohibits using FEMA homes designed for warmer climates in a Zone 1, he said. Jerusha Schiessl, resident

of one of the inspected homes, said her family has been comfortable with the thermostat set at 69 degrees. She and her husband, Chris, share the home with their four young children.

One of the doors to the outside has a bit of a draft, but the unit's sheltered location eliminates much of the concern on cold, windy days, Jarusha Schiessl said.

Meyer said increasing the tightness of either of the inspected units isn't recommended. If a home is too tight, there can be air quality and mold issues.

Based on the audits, Community Action recommended residents leave exhaust fans running at least 20 minutes after showering and when cooking to minimize moisture buildup.

Other recommendations for residents of temporary units are to try to limit the number of times doors are opened and closed to keep heat inside. Residents should consider quilted or lined window treatments or window film to add insulating value and address any drafty areas around windows.

Residents should never use an unvented propane or kerosene heater, which can lead to a dangerous build-up of carbon monoxide inside the home. For safety reasons, they also should avoid using electric space heaters.

Xcel Energy, Montana-Dakota Utilities Co. and Verondrye Electric Cooperative also suggest that residents ensure that carbon monoxide and smoke detectors are installed and working. Any holiday lights should be unplugged before residents leave the house or go to sleep.

Homeowners whose houses are under restoration should set their thermostats at a reasonable temperature, insulate and then air seal the area that will be heated, as long as the home has dried.



Bill Dunn with Community Action Partnership, standing in front of a door with a blower fan, sets up to conduct a test to check for tightness of a FEMA home in southeast Minot Tuesday.

Utility companies recommend that if a house is being heated to prevent the foundation from frost heaving, homeowners should isolate the basement with insulation and only heat the basement level.

Through Dec. 31, rebates are available for high-efficiency natural gas and propane furnaces.

Meyer said people may find their electric bills are high because the FEMA temporary units rely heavily on electricity not just for heat but for all appliances. If people using electric heats, lights and power tools in the houses they are rebuilding, those costs also are rolled into that electric bill, he said.

Local utilities are offering flexible payment plans to customers who are experiencing difficulty paying. To contact the utilities to discuss energy bills or make payment arrangements, customers can call Xcel Energy at 1-800-895-4999, Montana-Dakota Utilities Co. at 1-800-638-3278 or Verondrye Electric Cooperative at 1-800-472-2141.

For more information on safely and efficiently heating your home this winter, contact the Ward County Extension office at 857-8450.



Bill Swartwout with Community Action Partnership holds an infrared camera to check for air leaks in a FEMA home as resident Jerusha Schiessl and son Austin watch in the background.

No decision made for flood plan

Obama blames GOP for tax increase

WASHINGTON (AP) — Continuing a tax cut of up to \$40 a



House Speaker John Boehner of

THE WALSH COUNTY

Tuesday, Dec. 22, 1992

Tuesday, Dec. 22, 1992

Luck of draw saved 3 lives in Voss

By Julie Copeland

Only two months old, a new program aimed at ensuring income-qualifying families have a safe, operational heating system saved the lives of a young Voss couple and their infant last week.

Al Franks, energy coordinator for the Weatherization Department at Quad County Community Action Agency in Grand Forks, said while running a routine check on a furnace in an older mobile home in the Voss area, they discovered a heating fan with a large hole in the heat exchanger. The result: The inside of the home was filled with carbon monoxide, a potentially lethal, odorless fume. In another week, he said the gas could have been concentrated enough to kill the family.

Weatherization: Continued from page 1

"The odorless gas can be in the home for awhile, and you don't even notice it," Franks said. "If it had gone another week, they may have gone to sleep one night and not woken up."

The Voss situation is something that doesn't just happen, Franks said. In that instance, the furnace vent was almost completely sealed; that takes time. Franks recommends annual furnace cleaning by a professional.

Upon discovering the blocked vent, Franks said they immediately called a professional and installed a new furnace, all at no cost to the family.

The program, provided through the U.S. Department of Energy, is administered by the state and works in conjunction with the fuel assistance program administered by county social service offices. If a person is enrolled in the fuel assistance program, they are automatically eligible for the furnace inspections by Quad County. But others can apply for help through Quad County or social services.

The service includes insulating attics, walls, foundations, fixing cracked or broken windows and anything else that conserves energy. Despite income-qualifying guidelines, Franks

said a couple with two children earning \$20,925 is eligible for assistance. He said qualifying income levels are based on the number in the family.

Renters are also eligible, but landlords are asked not to raise the rent for a year on a tenant who has enrolled in the program. In Walsh County, Franks said the waiting list for service is short. Quad County also serves Pembina, Nelson and Grand Forks counties.

While the weatherization program does have limited funds, Franks said they average they spend per home is \$1,600. But he said they will spend whatever the situation warrants. While Franks admitted the Voss situation was serious, he said he was excited about the program's success.

"I think that situation backs up our feeling that we needed to do these checks on furnaces because carbon monoxide is something you can't smell or see. People often do not know the seriousness of the situation."

To contact Quad County, call: 352-0620 in Walsh County; 345-8515 in Nelson County; 265-8775 in Pembina County or 746-5431 in Grand Forks County.

2

North Dakota State Energy Conservation Program

Senate Bill #2219

February 19, 2013

Submitted by John Meyer, Energy Conservation Coordinator

Minot Community Action Partnership

Chairman Holmberg and committee members of Senate Appropriations, thank you for the opportunity to discuss and present Senate Bill 2219. For the record my name is John Meyer and I am the Energy Conservation Coordinator of Community Action Partnership – Minot Region.

The Weatherization Process

The process begins with a comprehensive home inspection featuring state of the art testing methods and technology and ends with a blue-print for action, complete with cost/benefit analysis for each energy conservation measure. Our computerized program considers every component of a home and ranks all possible energy improvements according to their predicted effectiveness.

An energy audit selects measures based upon a Savings to Investment Ratio (SIR). In order to qualify, a measure must save at least 1.5 times as much energy/cost as the measure costs to purchase and install. If a measure will not save enough energy/cost over its lifetime to pay for itself, it will not qualify for installation. This calculation insures that the most cost-effective measures are installed and prevents some measures from being considered.

All crew members have extensive combustion analysis training, as well as the most up-to-date and accurate testing equipment available, to determine if the combustion appliances are

2

operating safely and efficiently. The crews are equipped with construction trailers and diesel generators, as well as the most up-to-date insulation blowing machines. Each agency has a well-equipped weatherization inventory for maximum efficiency.

A blower door is used to evaluate building air leakage. Results from this test can tell how tight a home is, how much leakage there is, or if there are any potentially dangerous situations in a home. An infrared camera is used to detect deficiencies in insulation and air sealing. Examples of some of these deficiencies are on display for you to view.

This completes my testimony, and I will gladly answer any questions you may have. Thank you for your time.

Testimony Given in Favor of Senate Bill #2219**February 19, 2013****By Janelle, recipient of Weatherization Services.**

Chairmen Holmberg and members of the Senate Appropriations committee, for the record my name is Janelle and I am in favor of Senate Bill 2219.

I stand here today to give testament to the great work that Community Action's Weatherization Crew does. While I never anticipated needing their help, they stepped into my life exactly when I needed them the most, at a time of financial and emotional crisis. The work that they did brought me hope and financial relief, bringing my heating bill down an average of \$800 per year. Although I am just one person, their work moves many people by touching one person or family at a time. Let me share a bit of my story with you below:

I've never been a person who was comfortable asking others for help. In fact, I was the one who was always helping others. I'd made a life of it actually. At the age of 18, I began working at ABLE, Inc. with people with disabilities and just loved my work there making a difference for others. It pushed me to excel in college and I graduated from DSU a few years later as female teacher of the year, looking forward to my bright future ahead. That next year, I saw a need and became a foster parent at the age of 21 and over the years fostered 11 kids, eventually adopting one of them into my family. And what a family it was: husband, adopted son, and a toddler of our own all in our wonderful old home. My life was on track and full of blessings.

It's amazing to me how in a blink, things can shift so quickly. In a quick chain of events, my adopted son of 5 years who had suffered from many emotional scars was in crisis and harmed my other child. We pulled him into treatment facility and began therapy for all. My husband at the time pulled away and just couldn't cope, becoming distant and eventually violent, leading to a broken relationship with him leaving our home. I was left in emotional and financial crisis. Over the next 6 months I did my best to heal from having to give up custody of my adopted son and work through therapy for my other little guy. I tried to take care of my responsibilities but honestly was unable to hold down the fort on my own financially and after my savings ran out, began having to borrow money just to pay the bills. I was buried in legal fees with a divorce pending and no help to cover old expenses. I was in fear of losing the house and having to put my child through yet another difficult transition, unsure of what that next step might be.

It was that moment that someone handed me an application for the weatherization program. This woman who typically never asked for help, buckled down and filled it out, hoping for any kind of relief. Several months later, I received a call from Dale and his crew to come check things out and honestly, I was dreading the whole thing. I never could have anticipated what would happen next. As soon as they walked into the door, my feelings changed immediately. They entered with such kindness and respect, delicately asking me questions about the home and checking the efficiency. I felt comfortable immediately and shared with them the high cost of my heating bills in my older home and what a strain it had been to cover them.

On and off in the next few months, they came in and made adjustments to my home to make it more energy efficient. The crew came in and insulated my basement walls, my main floor living

area walls and insulated my attic. That was not the only thing they did for me though. They also replaced or repaired things to insure the health and safety of my family, such as my water heater that was not drafting and my boiler that was not working properly. That was the facts. What I never anticipated was how much I looked forward to those visits from them and *the hope* that they gave me at just the moment that I really needed it.

Over the next year, I was able to dig myself out of debt. With everything finally coming together, I could then focus on my beautiful son, my career, getting back to living my life, and being of service to others. I was also able to “pay it forward” and assist another single mother from Dickinson. This is how a program such as Weatherization can and will make a difference. I am living proof of that.

This completes my testimony, and would like to open for any questions.

Thank you for this opportunity to share with you.

Testimony Given in Favor of Senate Bill #2219

February 19, 2013

By Anna, recipient of Weatherization Services.

Chairmen Holmberg and members of the Senate Appropriations committee, for the record my name is Anna and I am in favor of Senate Bill 2219 because it is a great opportunity for people in ND and I am personally thankful for the opportunity that it has given my family. I am a recipient of Weatherization Services through Southeastern ND Community Action.

First let me share a little bit about myself. I am a single mother of 2, I am going to school to get my RN and I am currently working as an LPN and have a second part time job.

I have owned my home for 4 years. Owning a home was always a goal for me. I heard about Weatherization from a friend after I had shared that my daughter could not sleep in her room upstairs in the winter because it was too cold. Prior to Weatherization my home was very cold, the heat was set at 75 degrees but there was no way it was 75 in there and my furnace constantly ran. Me and the kids always had to have blankets over us to keep warm.

The Weatherization crews came into my home and worked for three days. I live in a 1 ½ story or cape style home. They insulated my attic, rafter runs, walls, the side attics on the second floor and the doors that access these side attic storage areas. They also insulated the basement foundation and rim joist areas that had not been insulated by the previous owner. They replaced 2 pieces of glass for windows that were broken and missing. They cleaned and tested my furnace and tested my water heater. They installed a new exhaust fan in the bathroom. They



installed a return air system for my furnace that will improve comfort/safety in my home to make the home and furnace more efficient along with installing a supply heat run to my second floor. They put over 100 bags of insulation into my home, I imagined that my home needed that much. Energy efficient light bulbs were also installed along with smoke detectors and a Carbon Monoxide detector. Sadly I had never had a Carbon Monoxide detector prior to Weatherization.

The men that came into my home were all very considerate, friendly and thorough. They explained what they were doing and were very patient with my kids when they came home from school and even explained to them that our home was going to be much more comfortable.

I have already seen the results of this program. My heat is set at 69 and it is warm in my house. The upstairs is warm enough for my daughter to have her room up there. It is really awesome, I cant even explain the difference.

With my current situation there is no way that I could have invested in energy conservation in my home, there is no money left at the end of the month. I look forward to using the saving from my bill for things like groceries and hope that it allows me to stay caught up on my bills. I have continually been behind with my energy bills, I don't remember a time when my bill was paid in full.

I am so thankful this program could help me. My home is comfortable, it is warm and that makes me feel really good as a mom. This completes my testimony, thank you for this opportunity to share with you.

North Dakota State Energy Conservation Program

Senate Bill 2219

House Appropriations March 12, 2013

Submitted by Ann Pollert, ND Community Action Partnership- Executive Director

Chairman Delzer and committee members of House Appropriations, thank you for the opportunity to discuss and present Senate Bill 2219. For the record my name is Ann Pollert and I am the Executive Director of the ND Community Action Partnership representing the seven ND Community Action Agencies.

North Dakota Community Action agencies are private non-profit organizations throughout ND. These agencies serve all 53 counties. The agencies provide essential services to low-and moderate-income individuals. Energy conservation is a preeminent example of programming done by Community Action to allow people to reside in their homes safely and affordably.

I speak in favor of SB 2219. If enacted, this bill would create the North Dakota State Energy Conservation Program – a program that will conserve our state’s energy resources and also create healthy, warm, well-insulated homes for low-and moderate-income North Dakotans.

Community Action is proud of our sponsorship on this bill in that it reflects both bi-partisan and bi-cameral support for a program designed by North Dakotans and for North Dakotans. Senators Wardner, Schneider and Krebsbach along with House members Sanford, Williams and Kempenich have all shown leadership and vision for our state by endorsing this legislation. We all know North Dakota is a world leader in energy production and these sponsors are helping to ensure that we are also a leader in energy conservation.

The North Dakota State Energy Conservation Program would consist of a comprehensive series of energy efficiency measures based on individual analysis of homes. A whole-house approach based on a proven nine-step energy audit would maximize energy and dollar savings for our state and our citizens. We know what works, we know what works for ND homes; we have been doing this since 1976. We aren't asking for a program to go out and make people's homes look better with windows and doors; we are asking you to help us develop a program that puts insulation in walls so that the ND wind doesn't blow the heat right out the other side. We know that replacing a window doesn't give us near the payback that a few bags of cellulose insulation gives us.

The funding level for this program has been an up and down cycle; it has had a lot of instability over the years. We receive Federal Department of Energy money as well as Low- Income Home Energy Assistance Program (LiHEAP) dollars that are excess from ND's fuel assistance allocation. We are here today requesting state funding, this will enable us to better leverage the Department of Energy and Low- Income Home Energy Assistance Program (LiHEAP) dollars and overall give the program sustainability as well as the ability to plan. It is impossible to plan and forecast when you have no idea how much money you may or may not be getting the next year. A more stable program will allow us to maintain our crews; these individuals have received impeccable training and are highly skilled.

The ND Community Action Weatherization program received no Department of Energy dollars in 2012, and in 2013 it is likely that we will get less than 1/3 of our 2011 allocation. Again, it is very difficult to plan when there is such a fluctuation in funding. As mentioned, the

Weatherization program also gets some of the Low- Income Home Energy Assistance Program (LiHEAP) dollars that are left over at the state level; these are of great benefit but again fluctuate based on the kind of winter we had and what may be available. It is expected we will continue to get some dwindling Department of Energy monies as well as some Low- Income Home Energy Assistance Program (LiHEAP) monies; we will continue to use these dollars as they are available, but State dollars would sustain and maintain this program.

There is no doubt energy conservation is the right thing to do; the time is now and this is the right program to do it. The state gets approximately 20 million dollars a year in fuel assistance; wouldn't it make sense to apply long term energy efficient measures to these homes and fix the major areas of heat loss rather than just let the warm air leak out? We know fuel assistance is a needed and well-utilized program, but we could be better stewards of those dollars if more of the homes receiving fuel assistance received materials to improve their energy efficiency. If homes are not weatherized money continues to be thrown out the window whether it is the federal money or the money of hard working low- and moderate- income North Dakotans. Federally they have put fuel assistance ahead of Weatherization. Personally I think this is a backwards view point, we can make ND a leader and be a model for the nation.

This program is aimed at low-and moderate- income households who do not have the financial ability to hire energy conservation work done on their homes. This program will serve household's at or below 80% of county median income. The work would be performed by reliable, well-trained weatherization technicians who are employed by the state's seven Community Action Agencies. These technicians have many years of experience and training.

Community Action has a strong partnership and great working relationship with the ND Department of Commerce. The funds that come down federally to Community Action agencies are run through the ND Department of Commerce. With this program the ND Department of Commerce will oversee the money and monitor how it is being spent to ensure the dollars are being utilized effectively and efficiently.

The necessary biennial appropriation of the program is \$8 million. We would recommend that this funding be directed to the Department of Commerce which in turn would proportionately fund the seven Community Action agencies to perform the field work. The money will be distributed equally to each of the eight Community Action regions and if needed, would be reallocated based on regional needs. We will spend an average of \$6,000 per home; it is estimated that about 500-600 homes will be completed each year through this funding.

Additional homes will be completed with any federal or state dollars that are received. Economically and socially, low-income programs offer significant non-energy benefits that go beyond reducing customer energy bills. Reality is within the first year, this funding has the potential to put approximately \$250,000 back into the pocketbooks of ND residents that will in turn be spent in our ND communities. This program will save propane, it will save natural gas, it will save electricity and fuel oil, and that lessens overall demand, bringing down the costs for everyone not just those direct benefactors.

With state funding the program would be better able to fit the needs of ND people. It would be a program designed for ND homes and a ND climate. We can decrease bills and keep homes

affordable for ND families to live in. This program would have sustainability and would be an investment to improve ND housing stock.

In closing, on behalf of Community Action I am proud to support SB 2219, and hope that you look favorably upon the request. I have been out to these homes with the crews; I have crawled under mobile homes and seen the lack of insulation in walls and in attics. I have witnessed the work they do and understand the impact it has relating to energy savings on these homes. I have also seen the faces of the clients, they are appreciative and they are thankful!

Thank you for this opportunity to share with you. This completes my testimony and I would gladly answer any questions.



3-12-18
2

Invest. Save. Grow.

ND Energy Conservation

SB 2219

North Dakota Community Action Partnership is a private non-profit organization representing North Dakota's seven Community Action Agencies. The seven agencies provide essential services to all 53 counties. Energy conservation is a preeminent example of programming done by Community Action to allow people to reside in their homes safely and affordably.

Community Action Agencies are governed by local boards of directors whose members represent diverse segments of the community—low-income, private, and public sectors.

About the Program

- A program designed by North Dakotans for the citizens of our state that will bring energy efficient measures to low and moderate income households; saving our energy developed in state and saving and creating disposable income for these families. That income can be used for other life-needs such as medicine, food and housing costs.
- All work will be performed by well trained crews employed by the state's seven community action agencies. Oversight, monitoring and auditing will be carried out by the Division of Community Services within the Department of Commerce. All program funds will be operated through DCS.
- A Biennial budget of \$8 million will provide service to all eight regions/all 53 counties. Approximately 1100 homes will receive services through this Bill.
- By reducing heat loss and curbing outside air infiltration, we will save energy throughout the state. Heating and cooling bills will be reduced and disposable income will rise.
- Clients will qualify by meeting county median income guidelines of 80%. (See attachment for each county).
- Each home will receive an individual energy analysis and a whole-house approach based on a proven nine-step assessment will be implemented to maximize energy and dollar savings.
- Energy production in North Dakota is thus balanced with energy conservation, creating a reservoir of resources for both the state and its residents.

Minot Daily News

WEDNESDAY DECEMBER 21, 2011

MINOT, NORTH DAKOTA

75¢

Trailers pass energy tests

Independent energy audits give FEMA homes high marks

By JILL SCHRAMM
Staff Writer
jschramm@minotdailynews.com

Energy audits of two randomly selected temporary housing units this week showed the units are about as energy efficient as they can be.

A coalition of utility companies, non-profit entities and public officials obtained the auditing services of Community Action Partnership to find out if the Federal Emergency Management Agency's housing units are built to handle a frigid North Dakota winter.

After performing inspections on the smaller 12-foot by 32-foot unit Monday and a larger, three-bedroom unit Tuesday, energy auditors with Community Action reported the answer is yes. Both inspected units were on private sites.

Some residents of the temporary units in Minot have reported their units to be cold or the floors to be extremely cold. However, Community Action found no issues with the two homes inspected. Using a blower door to depressurize and determine the tightness of the home and an infrared camera to detect leaks, the crew discovered no significant problems.

The homes actually were tighter than is standard, which was better than what Community Action expected to find, said John Meyer, energy conservation coordinator.

"They seem to be very well constructed, not drafty, not leaky," he said. "The insulation that we found so far is compatible with Climate Zone 1, which is what North Dakota is."

The federal Housing and Urban Development Department prohibits using FEMA homes designed for warmer climates in a Zone 1, he said. Jerusha Schiessl, resident

of one of the inspected homes, said her family has been comfortable with the thermostat set at 69 degrees. She and her husband, Chris, share the home with their four young children.

One of the doors to the outside has a bit of a draft, but the unit's sheltered location eliminates much of the concern on cold, windy days, Jarusha Schiessl said.

Meyer said increasing the tightness of either of the inspected units isn't recommended. If a home is too tight, there can be air quality and mold issues.

Based on the audits, Community Action recommended residents leave exhaust fans running at least 20 minutes after showering and when cooking to minimize moisture buildup.

Other recommendations for residents of temporary units are to try to limit the number of times doors are opened and closed to keep heat inside. Residents should consider quilted or lined window treatments or window film to add insulating value and address any drafty areas around windows.

Residents should never use an unvented propane or kerosene heater, which can lead to a dangerous build-up of carbon monoxide inside the home. For safety reasons, they also should avoid using electric space heaters.

Xcel Energy, Montana-Dakota Utilities Co. and Verendrye Electric Cooperative also suggest that residents ensure that carbon monoxide and smoke detectors are installed and working. Any holiday lights should be unplugged before residents leave the house or go to sleep.

Homeowners whose houses are under restoration should set their thermostats at a reasonable temperature, insulate and then air seal the area that will be heated, as long as the home has dried.



Bill Dunn with Community Action Partnership, standing in front of a door with a blower fan, sets up to conduct a test to check for tightness of a FEMA home in southeast Minot Tuesday.

Utility companies recommend that if a house is being heated to prevent the foundation from frost heaving, homeowners should isolate the basement with insulation and only heat the basement level.

Through Dec. 31, rebates are available for high-efficiency natural gas and propane furnaces.

Meyer said people may find their electric bills are high because the FEMA temporary units rely heavily on electricity not just for heat but for all appliances. If people using electric heats, lights and power tools in the houses they are rebuilding, those costs also are rolled into that electric bill, he said.

Local utilities are offering flexible payment plans to customers who are experiencing difficulty paying. To contact the utilities to discuss energy bills or make payment arrangements, customers can call Xcel Energy at 1-800-895-4999, Montana Dakota Utilities Co. at 1-800-638-3278 or Verendrye Electric Cooperative at 1-800-472-2141.

For more information on safely and efficiently heating your home this winter, contact the Ward County Extension office at 857-6450.



Bill Swartwout with Community Action Partnership holds an infrared camera to check for air leaks in a FEMA home as resident Jerusha Schiessl and son Austin watch in the background.

No decision made for flood plan

Obama blames GOP for tax increase

WASHINGTON (AP) — Continuing a tax cut of up to \$40 a



House Speaker John Boehner of



Figure 2: Weatherization Staff and Supplies

The weatherization staff includes the director of weatherization, and 6 crew or crew foremen with a range of 10-30 years experience.

Service Territory

Weatherization services are provided to income-eligible households in Burke, Bottineau, McHenry, Mountrail, Pierce, Renville, and Ward counties. One month out of the year, they use designated tribal money for weatherization of homes on Berthold Indian Reservation.

Leveraging

CAP-Minot Region received \$0 from DOE for WAP for FY 2012. They had a small amount of funding banked from previous years and LIHEAP funding that they planned to use to support the Program. At the time of this case study visit this WAP agency was

attempting to secure additional leveraged dollars. Minimal utility funding is available in this region and the agency began to seek out other sources. They were in the process of drafting a proposal requesting funding from the state, which saw a \$2-3 Billion surplus as a result of the shale oil industry.

Weatherization Approach

The CAP-Minot Region weatherization program operates a 4 day /10 hour week work schedule with crew members returning to the warehouse at the end of each day. Most of the crew goes out on every install.

The team includes two “estimators” or auditors. North Dakota created an audit tool; WEXOR (DOE approved). It prioritizes measures according to the highest payback (SIR). The estimator conducts the audit and passes the work scope on for the install. The estimator and the crew stated the importance of effective communication between the installers and the estimator to ensure the job is completed as the estimator intended. However, there are the occasions where the estimator might have missed something, such as a pig being fattened in the basement for a holiday feast. In this case, the estimator is contacted to explain himself. And on the chance that an estimator finds a hole in the bathroom wall large enough for a horse *outside* to lean *inside* to drink out of the bathtub, the crew and crew foreman are trained and empowered to identify and fix the problem. If there is a question of best course of action, Bruce Hagan and Cal Steiner are available for a consult at the state level.

The first task on site prior to the install of weatherization measures is to seal the vents inside. The crew sends a flashlight/mirror down the heat runs to make sure there are no holes, as fiberglass will go into heat runs if holes are present. Then the crew foreman sends crewmen (at this time there were no female crew members) out; 6 guys; 2 on the belly; 2 on the walls; and 2 on the attic. Major measures might include insulation, air sealing, and furnace replacement (from 65% efficient to 95% efficient). The program will fuel switch from oil to propane only if they can prove the payback.

Community Action Partnership- Minot Region

Background

Community Action Partnership-Minot Region administers the Weatherization Assistance Program (WAP) to seven counties and one tribal reservation in north central North Dakota. This high performing WAP agency was recommended for inclusion in ORNL's National Evaluation of WAP Case Study task for their high quality work and their attention to mobile homes in a climate with temperatures ranging from below 0 °F in the winter to up to 100 °F in the summer. CAP-Minot Region was contacted by ORNL during the summer of 2011 in efforts to coordinate a visit to the agency intended to launch this case study task. However, the request to visit came at a time when this CAP's service territory had fallen victim to the massive flooding of the Souris River Valley displacing nearly 12,000 people and creating \$1 Billion in damage.



Over the course of the next year, this small CAP and its staff would personally and professionally deal with the temporary homelessness of their agency, personal and community disaster relief efforts, and a loss of the Program eligible housing stock due to the devastation of numerous mobile home parks, residences deemed structurally unsound or diagnosed with moisture issues, and the displacement of income eligible persons. Also observed was a reduction in affordable housing on account of competition for living space brought on by an influx of employees migrating to the area to support the oil fracking boom in a neighboring town. The case study visit to this agency was eventually conducted one year post flood and at the peak of the oil fracking boom during July 2012. This case study highlights the flood's impact on the agency's operation of weatherization services and the WAP eligible population. It is the story of how the people staffing the Program responded to the crisis. It is the story they chose to tell and underlines their commitment to the Program and the dedicated work performed to fulfill a mission focused on the vulnerable populations in their community in times of crisis and beyond.

Philosophy

The CAP-Minot Region staff strives to provide energy conservation services to low-income homeowners and renters in order to make their homes more energy-efficient. The program helps to increase energy efficiency and reduce heating bills by concentrating on the problems of heat loss and air infiltration.¹

Weatherization Delivery

CAP –Minot Region operates four home services programs;

- Weatherization Assistance Program
- Emergency furnace and water heater repair and replacement funded through LIHEAP
- Infrared Camera

¹ <http://www.capminotregion.org/programs/home-services>

During the case study visit, all crew and foremen were observed to be of great physical stature. When they were asked what they did without a small male or woman on their crew, they said they have no problem getting into tight spaces and that they win the tug of war at the state level every year.

Health and Safety

The weatherization team adheres to lead safe practice by both testing for lead and assuming there is lead; normally if it is an old farmhouse built prior to 1978, it is assumed there is lead paint and they proceed accordingly. They distribute information on the risks of lead and radon in homes, although it was reported that not very many people have been observed reading the materials.

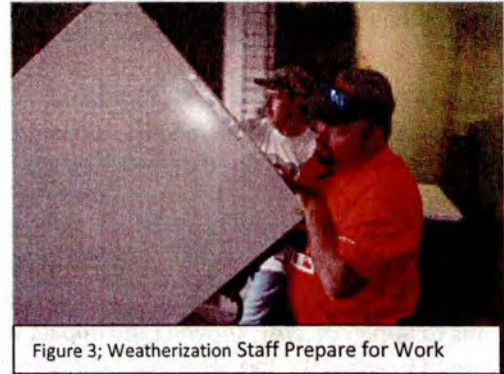


Figure 3; Weatherization Staff Prepare for Work

Energy Education

In the past the agency had additional funds to facilitate Energy Education with the occupants. The person who had delivered the education provided information on cleaning filters, thermostat settings, and water heater temperature. Now they attempt to educate the occupant during the audit and install phases on ways they can conserve energy. They also attempt to educate them on the reasons for items on the scope of work. For example they might explain that they are not a window replacement program due to window replacements typically not meeting DOE cost effectiveness standards.

Training

Members of the weatherization staff report the trainings offered at the state level to be the most beneficial. They believe they learn more from those working within the North Dakota climate and housing stock. It is also reported that North Dakota still has a core group of people, including Cal Steiner, who have been with the Program for decades and have experience in the field and management in addition to training. Weatherization Director Meyer reports the use of training funds for On the Job Training (OJT) and finds value in mentoring in the field.

Innovativeness

This WAP agency continues the mission set by Cal Steiner to improve the energy efficiency and techniques for weatherizing the mobile home housing stock in North Dakota. Cal Steiner has over 33 years of experience working in the weatherization field in a wide range of roles from crew worker to trainer. He was a pioneer in the early movement to improve the weatherization of mobile homes and continues to conduct trainings nationally on mobile home weatherization, crew motivation, lead safe weatherization and crew development.²

When referring to Cal Steiner, Weatherization Director Meyer stated that he “never met anyone so dedicated to what they do. He brought mobile home blowing from the top. He (Cal) did a lot of research

² <http://www.betterbuildingsil.org/bio.php?personid=390>

and took a lot of chances.” However, Meyer did state that although Cal knows what to do, his guys in the field know quite a bit as well, and that it can be “fun to argue with Cal.” It was reported that Cal is not afraid to try anything and has trust in the WAP agencies and the crews to find the right solution and refrains from imposing mandates down from the state.

Site Visit

ORNL visited a mobile home residence in the rural county outside of Minot. Weatherization Director Meyer informed us he set out to convince this acquaintance of his to apply for WAP knowing the impact weatherization could have on the mobile home and its occupant. The work scope consisted of insulating the walls (by taking a strip of siding off the house); blowing insulation into the attic from the gable ends; blowing insulation into the belly; and replacing an exterior door with a new steel door. It took 2 days. The occupant, who suffers from Parkinson’s disease, drafted the following letter to be read by the ORNL Evaluation team visiting his home in his absence:



Figure 4; CAP-Minot Region Weatherized Mobile Home

“Minot Community Action,
Thanks for all you have done for me. John and his men worked long and hard days. My house was nice and warm all winter. The men that did my house were nice and neat. They cleaned up after themselves when they were done. Tell everyone thanks.”

ARRA Period

At the peak of ARRA and pre-flood, the weatherization program at the agency supported two 5-person crews, but went down to one 4-person crew with 2 foremen shortly before the end of ARRA. The WAP waiting list pre-ARRA was 2 months compared to a reasonable wait time of 2-3 weeks during ARRA. The agency remained committed to the projected 471 units planned for completion during the ARRA production period. A total of 423 units were weatherized during ARRA. This is a testament to the dedication of a crew and its leaders at both Program and agency levels dealing with the impacts of both a devastating flood and a shift in demographics. This dramatic shift in demographics was a result of both the flood, and from an influx of workers moving to Minot and the surrounding area in response to a booming oil industry. A shift in socio-economic status was also observed due to additional income from the sale of oil rights on private land. Agency staff reported that they hardly weatherize west of Minot anymore. There is “too much oil money out there now. That combined with a great wheat crop means less households are eligible for weatherization.”

Davis Bacon

Weatherization Director Meyer stated that Davis Bacon really slowed down the agency’s weatherization production. “It was hard enough to find contractors due to the flood in Minot and resulting need, most of them wanted nothing to do with Davis Bacon.”

The Flooding of the Souris “Mouse” River

The story this agency wanted to tell was evident from the moment they were first engaged. Weatherization Director John Meyer remained dedicated to sharing the agency’s impact and response to the flood, and to the importance of having a skilled and dedicated crew already at the ready. An interview with these crew and crew foremen was conducted on site at the agency warehouse and has greatly contributed to the body of this report. These members of the CAP-Minot Region weatherization team provided discussion on their delivery of WAP, suggestions for improvements, and their personal dedication to the mission of the Program.



Figure 5; The Flooding of the Souris River in Minot

The Flooding of the Souris River Flood Plain

The Souris River has 3 dams. Two are located in the US and are managed by the US Army Corps of Engineers. The other is in Canada, 55 miles north of Minot. During June 2011, all three dams were operating at record high (but stable) water levels. This was before the lake in Canada, where the first dam is located, received 9 inches of rain. The Canadians had no choice but to let the water go from the dam knowing the impact it would undoubtedly have on the lower two dams and surrounding flood plains. Lake Darling where the third dam is located eventually contained water flowing at 27,000 cubic feet/second.

When it was realized that the rushing waters of Lake Darling would be let go into the Souris River, the Mayor of Minot employed an evacuation plan. To ensure EVERYONE evacuated he went on TV and reported that, “The valley is going to be a lake.” No one argued. It was not a debatable point. CAP-Minot Region agency personnel rushed to get everything of absolute import either moved to a different location above the valley or to the upper shelves of the warehouse in hopes that it would be out of the water’s wet reach. Weatherization equipment, materials and files were moved. The agency staff prepared for a destruction that would impact both their professional and personal lives. The water was let out of Lake Darling over the course of 3 weeks. 4000 homes were damaged. 12,000 people were displaced, and several schools, parks, and a zoo were lost. The community sustained \$1 Billion in damages. There were zero human casualties.



Figure 6; Weatherization Staff Preparing for the Flood

Disaster Response

The CAP-Minot Region assessed the immediate community need for emergency food assistance. For 2 months they worked out of a local middle school and then 4 months out of a bank. They communicated with clients via cell phones as their agency office had also been within the flood plain. They worked with local food pantries to collect and distribute food.

Back at the office of CAP-Minot Region, the flood placed 40 inches of water in the weatherization workshop and 7 feet of water in the downstairs of the building housing all other CAP program offices. The weatherization staff missed only 3-4 days of work after the flood and spent the next 3-4 months operating off site. One of the crew members had lost his home, and many others had close family members and friends who had lost theirs. John Meyer reported, "These guys were showing up to work and then going home to work again on their own homes or their family's homes."

After the flood it would take on average 2.5 hours to get over the only by-pass around the flood. Most of the crew had to leave at 4:30 am to get to work by 7:30 am. This lasted for nearly 5 weeks. They referred to themselves as "gypsies" roving around the outskirts of Minot weatherizing homes in a housing queue unaffected by the flood. They saw only a slight drop in production. Subcontractors continued to do work for them, but they were busy with other jobs as well.

When the water finally receded enough for staff to get into the warehouse for clean-up, the staff surveyed the damage, and immediately set to work. As a result of their dedicated efforts in preparing for the flood, they lost only \$5000 in inventory. All client files were saved.



By August, the flood waters had receded, and the community was busy repairing damage and preparing for the winter ahead. In Minot, you can get snow in October. The community had to work fast to repair and rebuild. But, Minot and its surrounding area had changed. Many people who evacuated, never returned. Only 10% of affected homes had flood insurance. Five mobile home parks which housed past, current and potential future work for this Program were completely lost. For an agency that generally works with the mobile home housing stock this impact would be felt. Additionally, the oldest part of town is located in the valley. The valley is where the majority of the affordable housing stock and the Program eligible population is housed and is where the flood settled. Because of the DOE "Act of God

clause³ the Minot WAP is able to go back and re-weatherize flood impacted housing. However, moisture level testing had to be completed to ensure they could weatherize without causing a problem. This precautionary measure resulted in walking away from many units. Additionally, ¾ of the housing stock outside of mobile homes have basements. Sewer backed up into basements resulting in another reason for walking away from a unit. But the fact remains that many of the units previously weatherized were destroyed or impacted by the flood. Many of the homes were knocked down. One crew members stated, “It is disheartening to see hard (weatherization) work destroyed like that.” Another commented that despite all we know about indoor health hazards, the homes being knocked down and or cleaned up resulted in hazardous materials such as “lead, asbestos, and vermiculite flying through the air.”



Figure 11; Impact on Mobile Homes

In addition to the usual weatherization production, the CAP-Minot Region was asked by the city to investigate complaints of high electricity bills from flood victims living in FEMA trailers. The Minot crew was asked to conduct energy audits on the trailers. The infrared cameras revealed that the homes were adequately weatherized, but the trailers were fueled entirely by electricity, which was new to these Minot residents.⁴



Figure 12; Auditing FEMA Trailers

Driving through Minot one year post flood, its impact is still observed. Families continue to rebuild and rehab their homes. The implications for CAP-Minot Region’s program are felt as they continue to seek out eligible homes and households in need of their weatherization services.

³ “Regulations also permit reweatherization in the event that previously applied weatherization materials are damaged by fire, flood or act of God and the needed repairs to weatherization materials are not covered by insurance”; [http://www.communityservices.nd.gov/uploads%5Cresources%5C767%5C2010-north-dakota-weatherization-doe-state-plan-revised-070910-\(2\).pdf](http://www.communityservices.nd.gov/uploads%5Cresources%5C767%5C2010-north-dakota-weatherization-doe-state-plan-revised-070910-(2).pdf)

⁴ <http://www.minotdailynews.com/page/content.detail/id/561470.html>

Fracking at the Bakken Shale Oil field

Since that historical June of 2011, Minot has changed both from the flooding and from oil fracking. To the west of Minot is Williston, ND; host to a hub of oil wells and #2 in oil production in the US behind Texas. The Bakken Shale Oil field is producing over 800,000 barrels of oil a day in North Dakota alone.⁵ Over 41,000 workers were hired in North Dakota between 2008 and 2012, resulting in the lowest unemployment rate in the country.⁶ This employment opportunity has resulted in workers flown in from all over the country seeking temporary housing. Hotels are booked up, and rental properties have increased rates in response to the demand. It is the position of many of the WAP agency staff that this has created an affordable housing crisis for permanent residents of Minot who may have been displaced by the flood but cannot afford the increase in rent in their local community.



Despite high paying and abundance of work associated with fracking, weatherization crew persons for CAP-Minot Region have remained. When the weatherization staff was asked why they continue to stay with CAP-Minot Region, one crew member stated, “Seems like you’re doing good saving people money and saving tax payer money.”

Crew and Crew Foremen Suggestions for WAP Improvement

Although there was consensus amongst the group that the ARRA funding should have been spread out over many more years, it was also agreed that the increase of the average unit cost from \$3250 to \$6500 has been effective in creating a more energy-efficient housing stock. Because of this, they also propose getting rid of the *Rule of '94*⁷ as “You couldn’t do certain things to a certain housing stock back then and now you can, so that house is not complete.” It was also stated that if they could choose an innovative technology for their climate or housing stock to test they would install geothermal heat pumps. Expertise in this technology might assist with marketing efforts if the agency does venture into the fee for service work as many other WAP agencies have done across the country. This group anticipated that with more folks entering the moderate-high income bracket in their service territory the agency may see an increase in demand in the home energy retrofit field.

ASHRAE 62.2

At the time of this Case Study, the ND State Plan had not yet been approved. In it they proposed “using the old standard for ventilation and will use ASHRAE 62.2 only when needed.” The crew thinks ASHRAE

⁵ <http://oilshalegas.com/bakken shale.html>

⁶ <http://www.care2.com/causes/shale-oil-boom-in-north-dakota-is-impacting-native-americans-hard.html>

⁷ Households may only receive weatherization services one time unless a change in technology proves cost effective enough to justify reweatherization or the house was weatherized before 1994; <http://www.communityservices.nd.gov/energy/weatherization-assistance/>

62.2 is a good standard for new houses built too tight. The weatherization staff reported installing ventilation if there is evidence of a problem, but...

"If the problem is just not there, what's the point? If you run ASHRAE calculations you will put ventilation systems in 85% of homes and you will see impact on households with the high electricity rates in Minot. And funding wise it's a nightmare without a lot a benefit. It's simple. If you have 2 continuous fans running, the electric bill will go up."

They have done their own IAQ testing on VOCs and humidity and are willing to do more. Their primary point is: "If DOE is going to mandate something, we want to know why. Where is the data? What is it telling us?" They want justification for what they are being directed to do.

Interview with CAP-Minot Region Executive Director, Willy Soderholm

To Willy Soderholm, the Executive Director of CAP-Minot Region, WAP makes sense based on the money savings you get in return for the money invested. The families can then use that money for other things. He insisted that not all programs will see that return; "But with this one you do." He believes it's one of those programs that can help get people out of poverty and does not understand why the Program does not generate more support. "The job of the Community Action Agency is to take somebody in poverty to the point of self sufficiency. Whether or not they are in poverty as a fault of their own, new poverty as a result of the current economy or from generational poverty the CAP sees itself as providing more of a hand *up* than a hand *out*. The money saved (from weatherization) can assist with structural needs required for work and education. Simply put, "It is a good investment on your dollars."



Figure 13; The Mission of the Agency survives the Flood

ED Soderholm believes the future of the Program relies on securing leveraged funding and more specifically state funding. With the shift in demographics from the oil fracking boom and the flood, he poses a new structure for eligibility and payment with a graduated scale dependent on income; free program to low-moderate income households to meet needs of community population, and a graduated scale for payment for higher income households while taking into account cost of living increases and rent increases in Minot. He also recommends that before folks receive fuel assistance, it should be required that they have their homes audited and weatherized pending the audit.

North Dakota Energy Conservation Program

North Dakota Community Action Association

Region I (Williston/Dickinson), Region II (Minot), Region III (Devils Lake), Region IV (Grand Forks), Region V (Fargo), Region VI (Jamestown), Region VII (Bismarck), Region VIII (Dickinson/Williston)

North Dakota's seven Community Action Agencies have been providing energy conservation services to the citizens of our state since 1976 in partnership with the Department of Commerce-Division of Community Services. Since 2001, employing over 60 full time staff, many with 10-25 years experience, the Community Action Energy Conservation program has installed energy conservation measures to 9400 homes at a proven annual savings of \$437 per home per year. These are dollars that can provide more disposable income to the household, assist those on a fixed income such as our elderly or disabled, or may be that driving force that takes them out of poverty to a point of self sufficiency. It has also been noted lowering household energy costs could potentially allow the homeowner to retain ownership of the home which in turn keeps the workforce in place in that community.

Our proposal introduces a comprehensive series of energy efficient measures based on sophisticated analyses of individual homes. These analyses take the whole-house approach, maximizing energy and dollar savings. With this approach, Community Action Agencies assure that a state funded energy conservation program, spearheaded by the best and most knowledgeable Energy conservation employees will spawn a new industry providing home energy efficiency to low to moderate income households through North Dakota. Our State Energy Conservation program addresses the whole-house approach and makes a program tailor-made by North Dakotans for North Dakota.

What is SIR?

The energy audit selects measures based upon a **Savings to Investment Ratio (SIR)** – in order for a measure to qualify it must save at least as much energy-cost as the measure costs to purchase and install. If a measure will not save enough energy-cost over its lifetime to pay for itself, it will not qualify for installation. This calculation insures that the most cost-effective measures are installed and prevents some measures from being considered.

Here are sample numbers with the current or proposed SIR for the Energy Conservation Program.

Attic Insulation

savings

Savings/year: \$100

Lifetime: 25 years

Investment: \$400

1

SIR = Lifetime Savings/Investment

1.5

SIR = $25 \times 100/400$

SIR = 6.25

Replacement Window

Savings/yr: \$5/window

Lifetime: 25 years

Investment \$200/window

SIR = Lifetime Savings/Investment

SIR = $25 \times 5/200$

SIR = .62

SIR = lifetime (yrs) x 1 yr

cost

This was based on SIR less than

is ineligible, 1-1.49 optional ,

and above is mandatory

Minot Daily News

MINOT, NORTH DAKOTA

WEDNESDAY DECEMBER 21, 2011

75¢

Trailers pass energy tests

Independent energy audits give FEMA homes high marks

By JILL SCHRAMM
Staff Writer
jschramm@minotdailynews.com

Energy audits of two randomly selected temporary housing units this week showed the units are about as energy efficient as they can be.

A coalition of utility companies, non-profit agencies and public officials obtained the auditing services of Community Action Partnership to find out if the Federal Emergency Management Agency's housing units are built to handle a frigid North Dakota winter.

After performing inspections on the smaller 12-foot by 22-foot unit Monday and a larger, three-bedroom unit Tuesday, energy auditors with Community Action reported the answer is yes. Both inspected units were on private sites.

Some residents of the temporary units in Minot have reported their units to be cold or the floors to be extremely cold. However, Community Action found no issues with the two homes inspected. Using a blower door to depressurize and determine the tightness of the home and an infrared camera to detect leaks, the crew discovered no significant problems.

The homes actually were tighter than is standard, which was better than what Community Action expected to find, said John Meyer, energy conservation coordinator.

"They seem to be very well constructed, not drafty, not leaky," he said. "The insulation that we found so far is compatible with Climate Zone 1, which is what North Dakota is."

The federal Housing and Urban Development Department prohibits using FEMA homes designed for warmer climates in a Zone 1, he said. Jarusha Schlessl, resident

of one of the inspected homes, said her family has been comfortable with the thermostat set at 60 degrees. She and her husband, Chris, share the home with their four young children.

One of the doors to the outside has a bit of a draft, but the unit's sheltered location eliminates much of the concern on cold, windy days, Jarusha Schlessl said.

Meyer said upcoming the tightness of either of the inspected units isn't recommended. If a home is too tight, there can be air quality and mold issues.

Based on the audits, Community Action recommended residents leave exhaust fans running at least 20 minutes after showering and when cooking to minimize moisture buildup.

Other recommendations for residents of temporary units are to try to limit the number of times doors are opened and closed to keep heat inside. Residents should consider quilts or fixed window treatments or fixed window film to add insulating value and address any drafty areas around windows.

Residents should cover up an uncovered propane or kerosene heater, which can lead to a dangerous build-up of carbon monoxide inside the home. For safety reasons, they also should avoid using electric space heaters.

Xcel Energy, Montana-Dakota Utilities Co. and Vevendrye Electric Cooperative also suggest that residents ensure that carbon monoxide and smoke detectors are installed and working. Any holiday lights should be unplugged before residents leave the house or go to sleep.

Homeowners whose houses are under restoration should set their thermostats at a reasonable temperature, insulate and then air seal the areas that will be heated, as long as the home has dried.



Bill Dunn with Community Action Partnership, standing in front of a door with a blower fan, sets up to conduct a test to check for tightness of a FEMA home in southeast Minot Tuesday.

Utility companies recommend that if a house is being heated to prevent the foundation from frost heaving, homeowners should isolate the basement with insulation and only heat the basement level.

Through Dec. 31, rebates are available for high-efficiency natural gas and propane furnaces.

Meyer said people may find their electric bills are high because the FEMA temporary units rely heavily on electricity not just for heat but for all appliances. If people using electric heat, lights and power tools in the homes they are rebuilding, those costs also are rolled into that electric bill, he said.

Local utilities are offering flexible payment plans to customers who are experiencing difficulty paying. To contact the utilities to discuss energy bills or make payment arrangements, customers can call Xcel Energy at 1-800-695-4899, Montana-Dakota Utilities Co. at 1-800-638-3278 or Vevendrye Electric Cooperative at 1-800-472-2141.

For more information on safely and efficiently heating your home this winter, contact the Ward County Extension office at 857-6450.



Bill Swartwout with Community Action Partnership holds an infrared camera to check for air leaks in a FEMA home as resident Jarusha Schlessl and son Austin watch in the background.

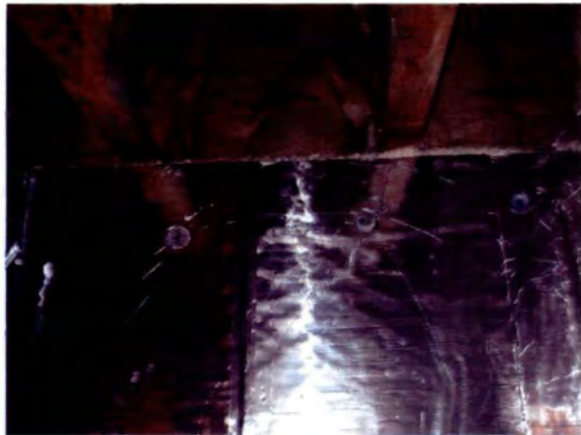
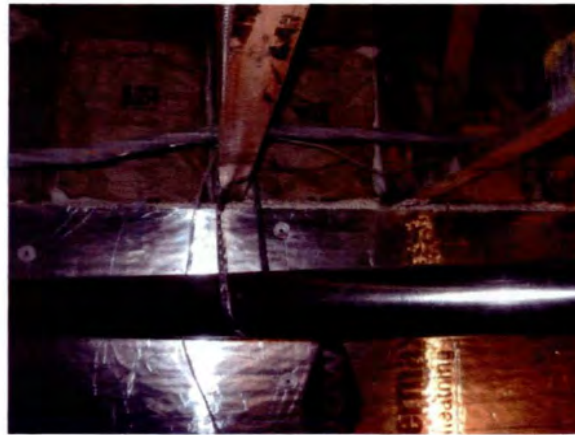
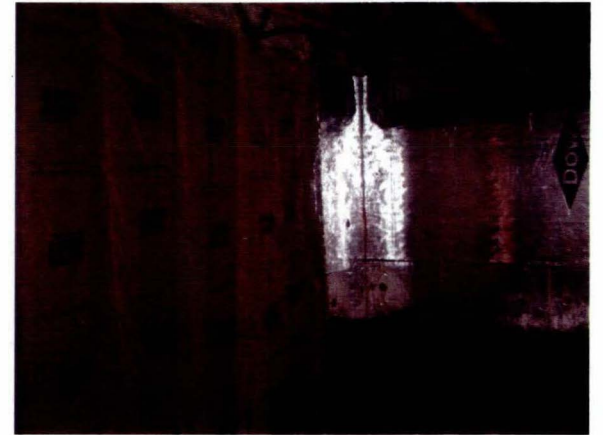
Minot Community Action performed two air infiltration tests on two FEMA homes (two bedroom, and three bedroom) during the winter of the 2011 flood. Blower door diagnostics were performed to test the structures tightness and an infrared camera was used to check for air leaks on both of these homes.

A complete air infiltration test consisting of pressure diagnostics and health and safety tests are performed on homes prior to being weatherized by Community Action crews. This provides the direction the crews need to completed the weatherization process. Once the job is completed a final inspection is completed by a supervisor and throughout the year periodic monitoring by Dept. of Community Services is conducted to ensure weatherization was performed in accordance to Weatherization policy and guidelines.



**Photo's taken of the work
performed by Community
Action
Energy Conservation crews**

Interior work performed on home discussed in testimony.



North Dakota Weatherization crews take pride in the work they do.



Quality finish work on the entrance to this crawl space.



Ensuring ground is protected from lead paint chips



Installation of foundation paneling



Before and after pictures of a home's chase chimney way from basement to attic insulated using foam.



Doors and windows are installed only when necessary as per SIR requirements.

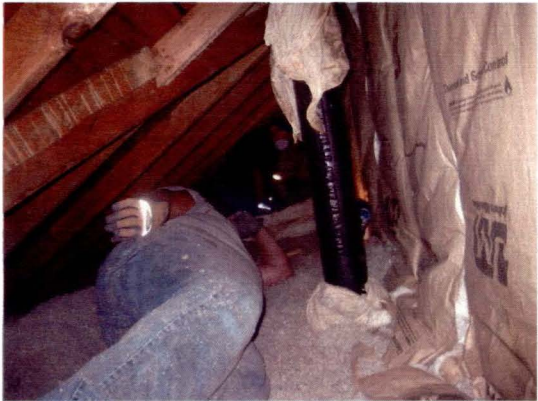
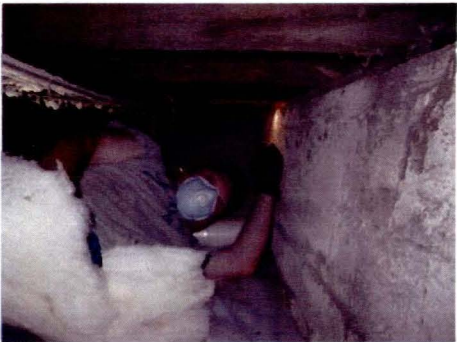




Blowing insulation into walls. Holes must be drilled into the cavity between each stud to blow insulation. Once completed plugs will fill the holes and the siding will be reinstalled to its original state.



Crews perform their work year around in all types of adverse conditions.



All agencies follow "Lead Safe" work practices on homes containing lead prior to 1978.



Mimot

Community Action

Thanks For all you have
done For me

John & his men worked 10,
& hard days. my house was
nice & warm all winters

The men that done my ho
were nice & next they
cleaned up after they we.
done

Tell everyone thanks

Bob. Brubaker

LaMoure County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 56800									
Logan County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 57400									
McHenry County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 58500									
McIntosh County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 51800									
McKenzie County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 56300									
McLean County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 63500									
Mercer County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 70500									
Mountrail County, ND	80% Median County	39500	45150	50800	56400	60950	65450	69950	74450
FY 2012 MFI: 56700									
Nelson County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 55000									
Oliver County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 70700									
Pembina County, ND	80% Median County	39500	45150	50800	56400	60950	65450	69950	74450
FY 2012 MFI: 62300									
Pierce County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
FY 2012 MFI: 56500									
Ramsey County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 58400									
Ransom County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
FY 2012 MFI: 61300									
Renville County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
FY 2012 MFI: 60100									
Richland County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 65700									
Rolette County, ND	80% Median County	36800	42050	47300	52550	56800	61000	65200	69400
FY 2012 MFI: 44300									
Sargent County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
FY 2012 MFI: 61300									
Sheridan County, ND	80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
FY 2012 MFI: 43700									
Sioux County, ND	80% Median County	34450	39400	44300	49200	53150	57100	61050	64950

FY 2012 MFI:	33600									
		80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
Slope County, ND										
FY 2012 MFI:	57200									
		80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
Stark County, ND										
FY 2012 MFI:	63300									
		80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
Steele County, ND										
FY 2012 MFI:	64600									
		80% Median County	36200	41400	46550	51700	55850	60000	64150	68250
Stutsman County, ND										
FY 2012 MFI:	62300									
		80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
Towner County, ND										
FY 2012 MFI:	51700									
		80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
Traill County, ND										
FY 2012 MFI:	63100									
		80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
Walsh County, ND										
FY 2012 MFI:	58900									
		80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
Ward County, ND										
FY 2012 MFI:	61300									
		80% Median County	35750	40850	45950	51050	55150	59250	63350	67400
Wells County, ND										
FY 2012 MFI:	52800									
		80% Median County	34450	39400	44300	49200	53150	57100	61050	64950
Williams County, ND										
FY 2012 MFI:	69500									
		80% Median County	34450	39400	44300	49200	53150	57100	61050	64950

North Dakota State Energy Conservation Program

Senate Bill #2219

March 12, 2013

Submitted by John Meyer, Energy Conservation Coordinator

Minot Community Action Partnership

Chairman Delzer and committee members of House Appropriations, thank you for the opportunity to discuss and present Senate Bill 2219. For the record my name is John Meyer and I am the Energy Conservation Coordinator of Community Action Partnership – Minot Region.

The Weatherization Process

The process begins with a comprehensive home inspection featuring state of the art testing methods and technology and ends with a blue-print for action, complete with cost/benefit analysis for each energy conservation measure. Our computerized program considers every component of a home and ranks all possible energy improvements according to their predicted effectiveness.

An energy audit selects measures based upon a Savings to Investment Ratio (SIR). In order to qualify, a measure must save at least 1.5 times as much energy/cost as the measure costs to purchase and install. If a measure will not save enough energy/cost over its lifetime to pay for itself, it will not qualify for installation. This calculation insures that the most cost-effective measures are installed and prevents some measures from being considered.

All crew members have extensive combustion analysis training, as well as the most up-to-date and accurate testing equipment available, to determine if the combustion appliances are

operating safely and efficiently. The crews are equipped with construction trailers and diesel generators, as well as the most up-to-date insulation blowing machines. Each agency has a well-equipped weatherization inventory for maximum efficiency.

A blower door is used to evaluate building air leakage. Results from this test can tell how tight a home is, how much leakage there is, or if there are any potentially dangerous situations in a home. An infrared camera is used to detect deficiencies in insulation and air sealing. Examples of some of these deficiencies are on display for you to view.

This completes my testimony, and I will gladly answer any questions you may have. Thank you for your time.

Testimony Given in Favor of Senate Bill #2219

March 12, 2013

By Janelle, recipient of Energy Conservation services.

Chairmen Delzer and members of the House Appropriations committee, for the record my name is Janelle and I am in favor of Senate Bill 2219.

I stand here today to give testament to the great work that Community Action's Weatherization Crew does. While I never anticipated needing their help, they stepped into my life exactly when I needed them the most, at a time of financial and emotional crisis. The work that they did brought me hope and financial relief, bringing my heating bill down an average of \$800 per year. Although I am just one person, their work moves many people by touching one person or family at a time. Let me share a bit of my story with you below:

I've never been a person who was comfortable asking others for help. In fact, I was the one who was always helping others. I'd made a life of it actually. At the age of 18, I began working at ABLE, Inc. with people with disabilities and just loved my work there making a difference for others. It pushed me to excel in college and I graduated from DSU a few years later as female teacher of the year, looking forward to my bright future ahead. That next year, I saw a need and became a foster parent at the age of 21 and over the years fostered 11 kids, eventually adopting one of them into my family. And what a family it was: husband, adopted son, and a toddler of our own all in our wonderful old home. My life was on track and full of blessings.

It's amazing to me how in a blink, things can shift so quickly. In a quick chain of events, my adopted son of 5 years who had suffered from many emotional scars was in crisis and harmed my other child. We pulled him into treatment facility and began therapy for all. My husband at the time pulled away and just couldn't cope, becoming distant and eventually violent, leading to a broken relationship with him leaving our home. I was left in emotional and financial crisis. Over the next 6 months I did my best to heal from having to give up custody of my adopted son and work through therapy for my other little guy. I tried to take care of my responsibilities but honestly was unable to hold down the fort on my own financially and after my savings ran out, began having to borrow money just to pay the bills. I was buried in legal fees with a divorce pending and no help to cover old expenses. I was in fear of losing the house and having to put my child through yet another difficult transition, unsure of what that next step might be.

It was that moment that someone handed me an application for the weatherization program. This woman who typically never asked for help, buckled down and filled it out, hoping for any kind of relief. Several months later, I received a call from Dale and his crew to come check things out and honestly, I was dreading the whole thing. I never could have anticipated what would happen next. As soon as they walked into the door, my feelings changed immediately. They entered with such kindness and respect, delicately asking me questions about the home and checking the efficiency. I felt comfortable immediately and shared with them the high cost of my heating bills in my older home and what a strain it had been to cover them.

On and off in the next few months, they came in and made adjustments to my home to make it more energy efficient. The crew came in and insulated my basement walls, my main floor living

area walls and insulated my attic. That was not the only thing they did for me though. They also replaced or repaired things to insure the health and safety of my family, such as my water heater that was not drafting and my boiler that was not working properly. That was the facts. What I never anticipated was how much I looked forward to those visits from them and *the hope* that they gave me at just the moment that I really needed it.

Over the next year, I was able to dig myself out of debt. With everything finally coming together, I could then focus on my beautiful son, my career, getting back to living my life, and being of service to others. I was also able to “pay it forward” and assist another single mother from Dickinson. This is how a program such as Weatherization can and will make a difference. I am living proof of that.

This completes my testimony, and would like to open for any questions.

Thank you for this opportunity to share with you.

SB 2219
3/12/13
Attachment 5

**TESTIMONY ON SB 2219
NORTH DAKOTA ALLIANCE FOR RENEWABLE ENERGY**

The North Dakota Alliance for Renewable Energy (NDARE) is pleased to testify in support of this bill, which provides one-time funding from the General Fund for the ND Department of Commerce Weatherization Assistance Program.

NDARE is a diverse member organization that fosters the development and use of renewable energy and energy efficiency through education, outreach and public policy advocacy. Our members include utility companies, city and county economic development corporations, commodity groups, state and federal agencies involved with agriculture and energy, environmental organizations, and others.

While our organization name highlights renewable energy, we have long been advocates for increased activity and funding for energy efficiency in North Dakota. We are very pleased that the Governor has included in his budget, and in legislation, a recommendation to utilize a small amount of the Resources Trust Fund revenues in the coming biennium to fund a public buildings energy efficiency program through the Industrial Commission. This bill, SB 2219, will provide assistance for low-income households throughout the state to have their homes weatherized, which will reduce their energy usage and costs. The Weatherization Assistance Program is overseen by the state Department of Commerce, but delivered through the regional Community Action Agencies.

North Dakota's Weatherization program has received accolades from the U. S. Department of Energy and from their peers in other states for excellence in program delivery. The Community Action Agencies have very well trained and equipped crews who do a superb job of evaluating what needs to be done on each home they assist, and then completing the energy efficiency measures. The work they do not only contributes to long-term housing affordability; it also results in a more comfortable living environment, and often identifies and corrects safety issues.

We ask for your Committee's support of SB 2219.



Invest. Save. Grow.

ND Energy Conservation

SB 2219

Follow-up information from questions on SB2219 hearing held on 3.12.2013

After several comments from members of your committee we have some components we would like to incorporate into our program proposal:

- Landlords pay 100% of material costs.
- Lien for 5 years on all properties (rental or owned) that receive \$3500 or more in assistance.
- Eligibility of 60% of county median income. Attachment #1
- With a great deal of thought about committee members recommendations, we would like to conduct a study over the next two years on how Community Action can make this program sustainable and make this program available to more clients with the use of liens, assessments and loans.

We are looking at the loss of federal dollars, not the replacement of federal dollars. If Department of Energy (DOE) funding does not recover we are going to lose the core group of employees at the agencies (as well as at the Department of Commerce) and the program that we have. If we don't have DOE dollars we won't be able to spend the LiHeap dollars that we receive, because we simply won't have the staff or the program to do it.

We spent a great deal of time talking about savings. I remind you again that the dollars people save on energy are spent in our communities. Studies show that a dollar is typically spent 5-7 times before it leaves a community. The dollars that LiHeap saves come back to the Weatherization program (reminding you that we get the dollars that are left over from the previous year).

Here are some of the questions that were asked during the hearing:

1. Percentages that we Wx on Fuel Assistance?

59% (7/1/09-3/13/13)

2. Percentages of homes receiving Weatherization homeowners vs renters?

Non-ARRA—18% (7/1/09-3/13/13) renters.

ARRA—33% (4/1/2009-3/30/2012) ** With ARRA there was a push by Department of Energy to do multi-units which are generally rental.

3. Number of homes completed during ARRA?

3494 Units—average amount per home was \$ 5147.00

4. Fuel Assistance numbers by county.

Document attached that shows total amount spent and by county. Attachment # 2

5. Fuel Assistance Income Guidelines.

60% of state median income. Attachment #3

6. Average number of people in household.

2.3 (7/1/09-3/13/13)

7. All incomes are the same for 1 person household.

Per recommendation of the committee we have lowered our guidelines to 60% of county median income. Below is the explanation of why in many cases the median income for one person is the same.

The calculation methodology that HUD uses to determine County median income is the American Community Survey of 2005-2009 (5 Year median income) OR 2009 one year ACS Survey (if available).

- Metro areas, like Grand Forks, Fargo, and Bismarck publish the one year ACS Survey
- All Non-metro areas, use the five year 2005-2009 ACS Survey
- All estimates use a trending factor to increase income by 3 percent.

In those counties, where the five year ACS Survey estimates are smaller than HUD's minimum or state median income; HUD uses the state median income not the county median income.

8. Who are we serving?

4293 Homes since 7/1/2009 – 1432 elderly, 1013 disabled, 3076 children, 1244 Native Americans

9. DOE and LiHeap funding levels.

Attachment #4

10. Budget clarification

Budget with narrative. Attachment # 5

Other information:

Here are some links to media on the Weatherization program. Kim Christensen from the ND Alliance of Renewable Energy mentioned in his testimony that ND has received national accolades for their Weatherization program. The video below includes the Cal Steiner who is ND Department of Commerce –Division of Community Service Weatherization program manager.

<http://vimeo.com/47748620> password thisiswap

Below is a good example of the blower door testing that is completed.

<http://wxtvonline.org/?s=blowerdoor>

Many episodes available on WxTV online are filmed in ND. ND Weatherization staff and ND Department of Commerce have traveled throughout the nation and region to provide training for other Weatherization programs. National Weatherization training centers recognize ND to be one of the best.

Please let me know if there is any other information that I can provide to you or if there are other questions that you have that I can submit information back to you on.

Ann Pollert | ND Community Action Partnership | Executive Director

3233 S University Dr | Fargo ND 58104 | W 701-232-2452 | F 701-298-3115 | C 701-740-5207

annp@sendcaa.org

www.capnd.org

Attachment #1

U.S. DEPARTMENT OF HUD 12/11/2012
STATE:NORTH DAKOTA

		----- 2013 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	
Bismarck, ND MSA									
30% LIMITS	15850	18100	20350	22600	24450	26250	28050	29850	
VERY LOW INCOME	26400	30150	33900	37650	40700	43700	46700	49700	
✓60% LIMITS	31680	36180	40680	45180	48840	52440	56040	59640	
LOW INCOME	42200	48200	54250	60250	65100	69900	74750	79550	
Fargo, ND-MN MSA									
30% LIMITS	15550	17750	19950	22150	23950	25700	27500	29250	
VERY LOW INCOME	25850	29550	33250	36900	39900	42850	45800	48750	
✓60% LIMITS	31020	35460	39900	44280	47880	51420	54960	58500	
LOW INCOME	41350	47250	53150	59050	63800	68500	73250	77950	
Grand Forks, ND-MN MSA									
30% LIMITS	14250	16250	18300	20300	21950	23550	25200	26800	
VERY LOW INCOME	23700	27100	30500	33850	36600	39300	42000	44700	
✓60% LIMITS	28440	32520	36600	40620	43920	47160	50400	53640	
LOW INCOME	37950	43350	48750	54150	58500	62850	67150	71500	
Adams County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Barnes County, ND									
30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700	
VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800	
✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360	
LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450	
Benson County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Billings County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	

U.S. DEPARTMENT OF HUD 12/11/2012
 STATE:NORTH DAKOTA

PROGRAM	----- 2013 ADJUSTED HOME INCOME LIMITS -----							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Bottineau County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Bowman County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Burke County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Cavalier County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Dickey County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Divide County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Dunn County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150

U.S. DEPARTMENT OF HUD 12/11/2012
STATE:NORTH DAKOTA

		----- 2013 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	
Eddy County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Emmons County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Foster County, ND									
30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700	
VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800	
✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360	
LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450	
Golden Valley County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Grant County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Griggs County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Hettinger County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	

U.S. DEPARTMENT OF HUD 12/11/2012
 STATE:NORTH DAKOTA

PROGRAM	2013 ADJUSTED HOME INCOME LIMITS							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Kidder County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
LaMoure County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Logan County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
McHenry County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
McIntosh County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
McKenzie County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
McLean County, ND								
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150

U.S. DEPARTMENT OF HUD 12/11/2012
 STATE:NORTH DAKOTA

		----- 2013 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Mercer County, ND									
	30% LIMITS	15550	17800	20000	22200	24000	25800	27550	29350
	VERY LOW INCOME	25900	29600	33300	37000	40000	42950	45900	48850
	✓60% LIMITS	31080	35520	39960	44400	48000	51540	55080	58620
	LOW INCOME	41450	47400	53300	59200	63950	68700	73450	78150
Mountrail County, ND									
	30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
	VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
	✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
	LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Nelson County, ND									
	30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
	VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
	✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
	LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Oliver County, ND									
	30% LIMITS	15550	17800	20000	22200	24000	25800	27550	29350
	VERY LOW INCOME	25900	29600	33300	37000	40000	42950	45900	48850
	✓60% LIMITS	31080	35520	39960	44400	48000	51540	55080	58620
	LOW INCOME	41450	47400	53300	59200	63950	68700	73450	78150
Pembina County, ND									
	30% LIMITS	13800	15800	17750	19700	21300	22900	24450	26050
	VERY LOW INCOME	23000	26300	29600	32850	35500	38150	40750	43400
	✓60% LIMITS	27600	31560	35520	39420	42600	45780	48900	52080
	LOW INCOME	36800	42050	47300	52550	56800	61000	65200	69400
Pierce County, ND									
	30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
	VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
	✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
	LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Ramsey County, ND									
	30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700
	VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800
	✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360
	LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450

U.S. DEPARTMENT OF HUD 12/11/2012
 STATE:NORTH DAKOTA

		----- 2013 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	
Ransom County, ND									
30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700	
VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800	
✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360	
LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450	
Renville County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Richland County, ND									
30% LIMITS	14450	16500	18550	20600	22250	23900	25550	27200	
VERY LOW INCOME	24050	27500	30950	34350	37100	39850	42600	45350	
✓60% LIMITS	28860	33000	37140	41220	44520	47820	51120	54420	
LOW INCOME	38500	44000	49500	54950	59350	63750	68150	72550	
Rolette County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Sargent County, ND									
30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700	
VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800	
✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360	
LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450	
Sheridan County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Sioux County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	

U.S. DEPARTMENT OF HUD 12/11/2012
 STATE:NORTH DAKOTA

		----- 2013 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	
Slope County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Stark County, ND									
30% LIMITS	14000	16000	18000	19950	21550	23150	24750	26350	
VERY LOW INCOME	23300	26600	29950	33250	35950	38600	41250	43900	
✓60% LIMITS	27960	31920	35940	39900	43140	46320	49500	52680	
LOW INCOME	37250	42600	47900	53200	57500	61750	66000	70250	
Steele County, ND									
30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700	
VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800	
✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360	
LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450	
Stutsman County, ND									
30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700	
VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800	
✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360	
LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450	
Towner County, ND									
30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550	
VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600	
✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120	
LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150	
Traill County, ND									
30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700	
VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800	
✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360	
LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450	
Walsh County, ND									
30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700	
VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800	
✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360	
LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450	

U.S. DEPARTMENT OF HUD 12/11/2012
 STATE:NORTH DAKOTA

		----- 2013 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Ward County, ND									
	30% LIMITS	13650	15600	17550	19450	21050	22600	24150	25700
	VERY LOW INCOME	22700	25950	29200	32400	35000	37600	40200	42800
	✓60% LIMITS	27240	31140	35040	38880	42000	45120	48240	51360
	LOW INCOME	36300	41500	46700	51850	56000	60150	64300	68450
Wells County, ND									
	30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
	VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
	✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
	LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150
Williams County, ND									
	30% LIMITS	13550	15500	17450	19350	20900	22450	24000	25550
	VERY LOW INCOME	22600	25800	29050	32250	34850	37450	40000	42600
	✓60% LIMITS	27120	30960	34860	38700	41820	44940	48000	51120
	LOW INCOME	36150	41300	46450	51600	55750	59900	64000	68150

Attachment #2

LIHEAP Statistics for FY2012 Heating Season

September 18, 2012

County	LIHEAP Dollars Spent	Households Served
Adams	82,563.98	84
Barnes	264,485.97	306
Benson	260,615.88	150
Billings	8,113.79	7
Bottineau	568,965.75	342
Bowman	46,332.95	64
Burke	80,550.73	56
Burleigh	383,026.63	837
Cass	985,984.90	2189
Cavalier	168,726.70	116
Dickey	251,201.36	190
Divide	66,973.05	59
Dunn	49,070.44	51
Eddy	44,788.72	73
Emmons	254,943.95	167
Foster	66,556.72	79
Golden Valley	24,630.29	39
Grand Forks	738,370.37	1371
Grant	223,614.73	150
Griggs	174,389.48	101
Hettinger	29,506.30	54
Kidder	88,911.98	88
LaMoure	204,049.56	142
Logan	129,619.65	81
McHenry	414,701.25	278
McIntosh	191,763.51	125
McKenzie	25,371.71	32
McLean	138,561.07	168
Mercer	162,201.80	183
Morton	331,348.42	613
Mountrail	55,869.90	49
Nelson	172,465.30	140
Oliver	51,023.72	41
Pembina	299,007.24	262
Pierce	408,806.15	265
Ramsey	221,794.30	296
Ransom	318,097.47	215
Renville	91,289.05	69
Richland	507,455.21	497
Rolette	804,868.89	610
Sargent	126,492.30	98
Sheridan	150,511.61	91
Sioux	42,626.66	24

Slope	14,759.31	19
Stark	104,738.30	327
Steele	100,272.56	71
Stutsman	322,959.96	480
Towner	137,130.66	99
Trail	301,639.65	256
Walsh	439,413.77	497
Ward	433,310.05	676
Wells	351,247.71	245
Williams	100,767.78	250
Totals	12,016,489.19	13772

Attachment #3

III.1 LIHEAP Income Eligibility Criteria

1. Income

- a. The maximum income eligibility limit for heating assistance is 60% of the state median income as updated annually in the Federal Register by the U.S. Department of Health and Human Services, under authority of section 673(2) of the Omnibus Budget Reconciliation Act of 1981, that are in effect at the beginning of this federal fiscal year and subsequent federal fiscal years.
- b. Income is defined as the adjusted gross income of all household members from all sources except those excluded in item c below. Income is considered received when it is normally available. All sources of income will be converted to an annual amount to be comparable with the current maximum eligibility income levels, in the following manner [except as described in (5)]:
 - (1) The household's current non-exempt adjusted gross income received in the month of application, reapplication, and each proceeding month of the heating season, is annualized by multiplying a monthly payment times 12; a weekly payment times 52; and a bi-weekly payment times 26. (Applications received prior to October 1 will be based on the income expected to be received in October, the first month of the heating season.) This amount is added to the other sources of annualized income described below.
 - (2) One time only or periodic income that is not the conversion of an asset, such as interest income or the unobligated portion of a loss settlement, will be annualized by multiplying the amount received in a single payment by the number of times received in a 12 month period.
 - (3) The total amount of income specified in an annual employment contract, as with school personnel, will be included in the total annualized income regardless of the amount received in the current month.
 - (4) The total from an annual income source, such as business and farm income, is included in the total annualized income, regardless of the amount received in any one month. Annual income sources are usually reported on and verified by the most recent tax form. The gross income reported on a tax form is reduced by the amount of necessary operating expenses, excluding depreciation. In some cases, such as a new business or substantial business increase or reversal, the most recent tax form may not accurately indicate current income. In such cases, the current actual business income and expenses will be reported and verified to the extent practical. Each business/farm income, including partnerships and family controlled corporations, shall be reported and computed separately. A reported income loss shall be revised to zero income before being added to the income of another business and to other sources of annualized income described above.

- (5) For those applicants for whom a source of income has changed between two consecutive months by \$400 or more; or if the household's reported income in a current month is at or near zero, the income will be annualized using a three month average as follows:
 - (a) The sum of the prior month's income, the current month's income and a projection of the following month's income will multiplied by four to convert to an annual figure.
 - (b) When no reliable projection of the following month's income can be obtained, the income in the current month will be substituted in the above formula.
 - (6) Whenever it can conclusively be demonstrated that the household income annualized in the manner described above is not the best indicator of the household's ability to pay their fuel costs, the State Program Director may approve or promulgate an alternative method for the household that is reasonable and equitable.
- c. The following types of income will be excluded: (See paragraph 2 below for exemption or non-exemption of income received from assets.)
- (1) Income over which the household has no control, such as, but not limited to, reimbursements and payments made to others on the household's behalf, if such payments were not directed by the household.
 - (2) Small and irregular income that is administratively difficult to consider, document, or compute, such as, but not limited to, gifts and contributions or income from the sale of craft items, rummage sales, odd jobs, bingo/gambling winnings and so on. "Irregular" income is defined as income that is not assured and is received at unscheduled intervals. "Small" income is defined as income that is less than \$360 per year.
 - (3) The first \$100 of monthly board and room payments, or the first \$25 of "room only" payments. The boarder and/or roomer is not a member of the household and the bedroom used is not included in computing benefits.
 - (4) Loans
 - (5) Earnings of a dependent child under age 19, so long as the child is enrolled as a student in an elementary or high school.
 - (6) TANF grant amounts for students away at college (the student is not counted as a member of the household).

- (7) The special needs portion of the TANF grant.
- (8) Income tax refunds and earned income tax credits.
- (9) Retroactive payments such as from Social Security, etc., if the ongoing amount of such payments is reflected in the current month's income.
- (10) Income from the developmentally disabled family home subsidy.
- (11) Payments received for providing child or adult foster care.
- (12) Reimbursements for meals provided by day care providers.
- (13) Reimbursement for transportation, day care and other employment or training costs under JOBS.
- (14) The value of free or reduced shelter costs that are received as a required part of an employment agreement, as a gift or through a governmental housing assistance program.
- (15) Educational loans, grants, scholarships and work-study wages to a *bona fide* higher education student.
- (16) The portion of a loss settlement obligated to replace the loss, pay off indebtedness or otherwise obligated by the loss. Any portion of the settlement above indebtedness or replacement cost is unobligated and available and counted as unearned income.
- (17) JOB incentive payments
- (18) Any amount necessary for the fulfillment of a Plan for Achieving Self-Support (PASS) under Title XVI of the Social Security Act (SSI) will not be counted as income to the household.
- (19) Income excluded by Federal law:
 - (a) Payments, other than wages, to volunteers, and payments for supporting services or reimbursements of expenses to foster grandparents, senior health aides, senior companions, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), VISTA and any programs under Titles II and III of Section 418. (Public Law 93-113)
 - (b) Assistance to individuals other than wages, under the Older Americans Act of 1965, Public Law 96-478.
 - (c) Supplemental Food Program for Women, Infants and Children (WIC),

Public Law 94-105, and the National School Lunch Program, Public Law 90-302.

- (d) Wages, allowance, or reimbursement for transportation and attendant care costs under Title VI of the Rehabilitation Act of 1973 (Title II, Public Law 95-602).
- (e) Community Services Block Grant (CSBG) and Social Services Block Grant (SSBG) Flood Relief Program monies to assist in the needs of urban residents who experience property damage due to flooding. These monies are considered a reimbursement for a past or future expense.
- (f) Food Stamp Benefits, Public Law 95-113, and Food Commodities, Public Law 74-320.
- (g) Public Law 101-201 dated 12/6/89 exempts income from the "Agent Orange Settlement Fund".
- (h) Payments received under the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (Public Law 91-646).
- (i) Payments made to VISTA volunteers or to other volunteers under the Domestic Volunteer Service Act of 1973 (42 USC 5044 (g) (1)).
- (j) Utility allowances by governmental housing assistance program under Section 927 of Public Law 102-55, the "Housing and Community Development Act of 1992".
- (k) Public Law 97-403 exempts Indian funds distributed on a per capita basis. Per capita payments from gambling profits are counted as unearned income.
- (l) The first \$2000 per year in income derived from Indian trust lands (Section 13736 of Public Law 103-66 amends 25 USC Section 1408).
- (m) Payments to Aleuts relocated to the United States under the Aleutian and Pribilof Islands Restitution Act (Public Law 100-183, Section 206 of Title II); and payments made under the Civil Liberties Act of 1988 to American-Japanese citizens interned during World War II (Public Law 100-383, Section 105 of Title I).
- (n) Major Disaster Relief and Emergency Assistance under Public Law 100-707.
- (o) Payments received under Public Law 103-286, Subsection 1 (a) from a foreign government for restitution made to victims of Nazi persecution.

- (p) Job Training Partnership Act, Public Law 97-300, Summer Youth Employment and Training Program
- (q) Payments received from Americorps for education award monies up to \$4,725 will not be counted as income. Monies received as a ?living allowance? (stipend) of up to \$7,500 will not be counted as income.
- (r) Educational assistance paid directly to a family by the Fort Berthold Three Affiliated Tribes under the Carl D. Perkins Vocational and Applied Technology Education Act to help single parents pay for some of their child care costs is not considered as income, and the corresponding child care costs will not be allowed as deductions.
- (s) Services provided to families under the Family Investment Center Program through the Department of Housing and Urban Development (HUD).
- (t) Compensation made to crime victims under the Crime Act of 1984. (P.L. 103-322)
- (u) Payments made pursuant to the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act. (P.L. 103-436).
- (v) All income, allowances and bonuses received as a result of participation in the Job Corps Program
- (w) Subsidized Guardianship payments
- (x) Payments to children of Viet Nam veterans who are born with spina bifida.
- (y) Interest from savings accounts and Certificates of Deposit.

d. The following expenses are deducted from the household's gross income:

- (1) Paid or predictable annual medical expenses defined as allowable medical costs in the North Dakota Food Stamp Program Manual Chapter 430-06-05. Includes health insurance premiums and prescribed family home care provided by a source or individual that is not a household member.
- (2) Alimony and/or child support payments actually paid to persons outside the household.
- (3) Out of pocket child care costs required for employment or training purposes that are not reimbursed to the household from any source.

- (4) 27% of earned income to compensate for income withheld for payments made for social security and federal and state taxes.
 - (5) \$300 per month for extra maintenance costs, less employer reimbursement or subsistence allowance, may be deducted from the earnings of the head of the household or spouse who must reside away from home for the full work week for employment purposes. This deduction is prorated if the worker is away from home for less than the full work week, but no deduction is allowed if the absence is less than 50% of the work week.
 - (6) \$300 per month, less any portion of exempt educational income that is available for living costs, may be deducted from the household's income for extra maintenance costs of the head of household or spouse who must reside away from home for the full work week for educational purposes. This deduction is prorated if the student is away from home for less than the full work week, but no deduction is allowed if the student is away less than 50% of the work week.
 - (7) Taxes withheld from pension payments.
 - (8) The amount of wages garnished or deducted by law or by court order.
 - (9) Additional significant unusual mandatory employment education or other expenses not described above but determined by the State Program Director to reduce the income available to the household.
- e. The result or sum for the month of application, or reapplication, and for each prior month determines the household's eligibility for such month, and is also used to compute or re-compute benefits. Eligibility for subsequent months is based on the certification done for the month of application/reapplication.
 - f. Changes in income and/or deductible expenses do not have to be reported and will not trigger a revision in benefits. Income changes will be factored into the benefit formula only when at least one of the other eligibility factors named in Section J, 1, g triggers a re-computation. The effective date of the change shall assure fair and proper notification to households and their suppliers. (See Section J,1, g for benefit re-computations due to changes.)

2. Assets

- a. No household that has non-exempt real and personal property assets that exceed an equity value of \$8,000, plus \$2,000 for each household member 60 years of age and over, will be eligible to receive heating assistance.

The equity of all assets held by any household member is considered available to the household unless specifically exempt, or if the household can demonstrate that the asset is not available.

- b. The following real property is exempt:
- (1) The household's primary residence, defined as a home which is owned and occupied by a family as its main place of residence. The primary residence is not subject to any value limitation. Any form of living unit, if used by the family for living purposes, is considered a primary residence.
 - (2) A primary residence is further defined as including the land on which it is located, provided the acreage does not exceed 160 contiguous acres if rural, or two contiguous acres (or the minimum required by city zoning ordinance if greater) if located in a town.
 - (3) Real property that produces income commensurate with prevailing community rates. However, the income produced by this real property is included under the income limitations for eligibility.
 - (a) Real property that produces little or no income will also be exempt if a bona fide, but unsuccessful effort to rent and/or sell the property at acceptable community rates can be verified.
 - (b) 25 USC Section 1408 as amended exempts individual Indians' interests in trust or restricted lands. (See H 1c(18)(1) for treatment of income.)
 - (4) Contractual rights to receive money payments from the sale of real property, if the contract is producing income commensurate with prevailing community rates. The interest income produced by the Contract, less expenses, is included in the household's total income. Payments received on the principle of the Contract may be an exempt or non-exempt asset, depending on the disposition of the funds received.
- c. The personal property of all members of the household is also included in the total resources available to the household, including the equity value of all liquid and non-liquid assets.
- (1) The Term "liquid assets" is defined as any resource which can readily be converted to cash, and includes cash on hand, checking accounts, savings accounts, stocks, bonds, individual Indian monies and other negotiable instruments. Exempt liquid assets are:
 - (a) The cash surrender and loan value of life insurance.
 - (b) Annuities or other pension plans as long as the money remains in the pension fund. Monthly or regular payments from the pension fund according to the plan are counted as income, as will withdrawals from IRA's, Keogh plans, etc., when those withdrawals can be made without

penalty. However, a one time only payoff of all funds in the pension or annuity is considered a conversion of an asset.

- (c) A maximum of \$3,000 of an asset designated by the household expressly to pay for burial costs of members of the household who are age 60 and above, that is not commingled with other funds and not withdrawn from the account.
- (d) Savings that results from the earned income, and/or up to \$250 in savings resulting from gifts, of a dependent child under the age of 19 who is in elementary or high school.
- (e) Student loans and loans for a business/farm current year operating expenses provided such loans are set aside in a separate account.
- (f) Periodic or annual current income that exceeds a single month and is held in a liquid asset for future monthly living costs.
- (g) Indian per capita payments held in a separate account. If commingled with other funds, this exemption is limited to six months from the date commingled.
- (h) Liquid assets resulting from payments received from VISTA.
- (i) Payments received under the Civil Liberties Act of 1988 by American-Japanese citizens displaced during World War II (Public Law 100 section 105 of Title I); and under the Aleutian and Pribilof Islands Restitution Act, Public Law 100-283, Section 206 of Title II for Aleuts relocated by the U.S. government during World War II
- (j) Any amount necessary for the fulfillment of a Plan for Achieving Self-Support (PASS) under Title XVI of the Social Security Act (SSI)
- (k) Payments received under Public Law 103-286, Subsection 1(a) from a foreign government for restitution made to victims of Nazi persecution.
- (l) Payments made for major disaster and emergency assistance under the Disaster Relief and Emergency Assistance Amendments of 1988, Section 105 of Public Law 100-707 (45 USC 5141 et seq.).
- (m) Payments received under Public Law 101-2-1, section 1(a) and P.L. 101-239, section 10405 regarding Agent Orange settlements.
- (n) Income acquired during a month cannot be considered as an asset in the same month.

- (2) Non-liquid assets are defined as the equity in any other resource that can be converted to cash. Examples are equity in snowmobiles, motorcycles, recreational vehicles, and grain in a bin and livestock ready for sale. All non-liquid assets are considered available resources except:
- (a) Clothing, personal effects and household goods, such as television sets (including a satellite disk) furniture, appliances, etc.
 - (b) Grain necessary for seed and feed, and grain stored for a maximum of 12 months after harvest.
 - (c) Livestock for dairy and breeding purposes.
 - (d) Business inventory.
 - (e) Tools, machinery and vehicles necessary for employment
 - (f) One licensed family vehicle
 - (g) Burial plots, markers, stones, vaults and caskets that are not included in a pre-paid burial contract and that are not transferable.
 - (h) Any other non-liquid asset that cannot be converted to available funds if a *bona fide* but unsuccessful effort to do so can be verified.
- d. The total amount of funds held in any type of joint account is considered an available asset for each of the co-owners unless the applicant can verify that the funds are, in fact, the sole possession of only one owner that has the generally recognized authority to direct disbursement.
- e. Funds held in trust for a household member are considered an available asset if a household member is the trust grantor and all trust beneficiaries are household members; a household member is the trust grantor and the trust is revocable; any member of the household has the power to influence the amount or conditions under which distributions from the trust are made to beneficiaries who are members of the household; the trustee(s) have discretion to determine if distributions may be made to any beneficiary who is a member of the household; or the trustee(s) are required to make distributions to any beneficiary who is a member of the household.
- f. Any household member who knowingly transfers a non-exempt resource after the June 1 preceding the beginning of the federal fiscal year for the purpose of qualifying, attempting to qualify, or continuing to qualify for heating assistance benefits shall be denied heating assistance benefits for this federal fiscal year.

3. Ineligible Households

- a. Households that pay rent in a government - subsidized housing project or program and are not directly responsible for home energy costs are considered to be fully protected from the rising costs of heating fuel and are not eligible for additional fuel assistance. The rental costs for these households are based on a fixed percentage of the household's income and/or other factors, and does not increase or decrease when fuel costs increase or decrease.
- b. Households that receive free home energy as a required condition of employment, as a gift, or through an enforced legal action (divorce/separation) are also considered fully protected from the rising costs of heating fuel.
- c. Households that occupy housing units that are excluded in the definition of a living unit in a residential dwelling in Section E, 7 are ineligible households.
- d. Aliens legalized under the Immigration Reform and Control Act of 1986 that are not permitted to receive assistance for 5 years, illegal aliens, and aliens holding student Visa's and their dependents.

4. Verifications

- a. All household income must be reported on the application. All sources and types of income and deductible expenses must be verified by written documentation except income and deductible expenses that are less than \$500 per year. The documentation is retained in the county social service board case file, or a notation is made in the case file that the written documentation was examined by the county social service board representative or that the documentation is in another assistance program file.

These procedures and policies for verifying income are consistent with those used by one or more of the programs specified in 2605 (j) of the Act.

- b. Verification may be required of the applicant's statement of resources or assets, or any other factor of eligibility and benefit determination, whenever the statement is questionable in the judgment of the county social service board representative. Other eligibility and/or benefit determination factors include, but are not limited to, the identity of the applicant and/or individual responsible for heat costs, location and size and type of home, type of fuel, vendor, various dates, household composition, and vulnerability. If the required verification is refused, the application may be denied.
- c. Only during a household heating emergency that either occurs outside of the county social service board's office hours or verification for eligibility purposes cannot immediately be obtained; or during a natural disaster declared by the governor, may the minimum amount of fuel practical be authorized without a signed heating assistance application and necessary verifications. The application and necessary verifications will be secured as soon as possible, and if ineligible, the household will refund all LIHEAP funds expended or committed.

The grant agreement (Appendix B) between the Division of Community Services and its sub-grantee organization stipulates that only eligible dwelling units may be weatherized with funds from the Weatherization Assistance Program. Applicants are screened for eligibility under the criteria established in the grant agreement. Eligibility for the program will be determined in accordance with the criteria established for North Dakota's Low Income Home Energy Assistance Program. Applications are reviewed by the outreach worker, weatherization coordinator of the sub-grantee organization. A sample of approved applications is reviewed by state monitoring personnel in the annual program review. Private auditors also review approved applications during annual sub-grantee audits. If ineligible applicants have received weatherization assistance, the costs incurred will be declared ineligible and must be reimbursed from non-federal sources.

All homes weatherized with DOE funds since September 30, 1994 are ineligible for additional weatherization assistance. However, DOE allows weatherization funds to be used to re-weatherize units which were partially weatherized with DOE funds, during the period of September 30, 1977, through September 30, 1994. Regulations also permit re-weatherization in the event that previously applied weatherization materials are damaged by fire, flood or act of God and the needed repairs to weatherization materials are not covered by insurance. Therefore, the State will allow the re-weatherization of qualified units during the 2009 Plan Year.

To qualify a unit for re-weatherization, the occupant must reapply and be determined eligible for assistance. A new energy audit must be completed to determine which measures and materials should be installed on the basis of current standards.

Applications for re-weatherization must be assigned a lower priority than applications for units that have not previously been served.

2.01.3 DOE Income Eligibility Criteria

DEFINITION OF INCOME

Refers to total annual cash receipts before taxes from all sources, with the exceptions noted below. Income data for a part of a year may be annualized in order to determine eligibility--for example, by multiplying by four the amount of income received during the most recent three months. The method of calculation is to be determined by the Grantee. Grantees should have a consistent policy covering its sub-grantees on re-certification of applicants whose eligibility may have changed due to the length of time that may have expired awaiting weatherization services. **INCOME INCLUDES:** money, wages and salaries before any deductions; net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses). **INCOME ALSO INCLUDES** regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, training stipends, alimony, and military family allotments; private pensions, government

employee pensions (including military retirement pay), and regular insurance or annuity payments; dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

INCOME EXCLUDES capital gains; any assets drawn down as withdrawals from a bank, the sale of property, a house, or a car; one-time payments from a welfare agency to a family or person who is in temporary financial difficulty; tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury.

INCOME ALSO EXCLUDES non-cash benefits, such as the employer-paid or union paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing, and such Federal non-cash benefit programs as Medicare, Medicaid, Food Stamps, school lunches, housing assistance and combat zone pay to the military.

CHILD SUPPORT PAYMENTS AND COLLEGE SCHOLARSHIPS ARE EXCLUDED.

Verifications:

1. A LIHEAP referral from the DCS or the County Social Services Office for the current program year identifying the client and the client's current address.
2. Verification documentation generally available from the client consists of: pay stubs, Employee W-2 forms, income tax returns (State or Federal), self-employment IRS form 1040, Schedule C or F.
3. Other sources which may be used for income verification are: employer statements of at least three months wage records, statements from employers, state income tax records.
4. Social Security Benefit verification include: Social Security benefit checks, SSA/SSI Award Letters, correspondence from Social Security regarding benefits, requests from the agency for information from local SSA offices.
5. Pension and other benefits verification generally available from applicants: unemployment compensation award or determination letter, pension award notice, Veterans Administration Award letter, income tax records, railroad retirement award letter.
6. Other income must generally be obtained from clients and include: rental agreements or leases, receipts from services provided, statements from Dept. of Labor for unemployment benefits, statements from insurance carriers for Workmen Compensation Claims.
7. Documentation is required, to the most reasonable extent possible, for applicants who report zero incomes. A signed statement by the applicant is acceptable, provided information has been obtained regarding basic living costs including food, shelter, utilities, medical expenses, etc, for the months of zero income reported.
8. A Community Action Agency (CAA) authorized representative's signature on the application for weatherization assistance certifies that the agency representative has verified the client's eligibility.
9. All homes weatherized with DOE funds since September 30, 1994 are ineligible for additional weatherization assistance. However, DOE allows weatherization funds to be

used to re-weatherize units which were partially weatherized with DOE funds, during the period of September 30, 1977, through September 30, 1994. Regulations also permit re-weatherization in the event that previously applied weatherization materials are damaged by fire, flood or act of God and the needed repairs to weatherization materials are not covered by insurance. Therefore, the State will allow the re-weatherization of qualified units during the 2012 Plan Year.

10. To qualify a unit for re-weatherization, the occupant must reapply and be determined eligible for assistance. A new energy audit must be completed to determine which measures and materials should be installed on the basis of current standards.
11. Applications for re-weatherization must be assigned a lower priority than applications for units that have not previously been served.

Tribal Allocation

DOE funded weatherization activities will also be made available to all eligible Native American households residing on reservations within the State. The CAAs will be allowed to weatherize any eligible residence located within the boundaries of the Spirit Lake Sioux, Standing Rock, Turtle Mountain and Fort Berthold (Three Affiliated Tribes) Reservations. Grant agreements with the sub-grantees specify the minimum amount of WAP funds to be available for expenditure for the weatherization of Native American households within the boundaries of each tribal jurisdiction served by North Dakota's WAP program. The State of North Dakota has chosen to double the allocation to be used for tribal housing based upon the percentage of the State's low income households residing within the reservation boundaries (3.37% according to the 2000 Census data) and the condition of the current housing stock.

Minimum WAP funding levels allocated for tribal weatherization services on each reservation and to be distributed to North Dakota's sub-grantee agencies are as follows:

Percent of ND WAP: 7.4%

Distribution of Tribal Weatherization Funds to Sub-grantees:

Sub-grantee Tribal Jurisdiction Percent of Tribal WAP/PVE

Community Action (Region II) Ft. Berthold 27.94

Dakota Prairie CAA (Region III) Spirit Lake 18.55

Turtle Mountain 36.36

Community Action (Region VII) Standing Rock 17.15

Although tribal households represent a small percentage of the state's low income population, a large proportion of tribal residents qualify for weatherization and many of the housing units within these tribal jurisdictions are in poor condition. Should the need arise, the State of North Dakota will permit sub-grantees to exceed the minimum allocation levels for each tribal jurisdiction, as specified above, in order to have a greater impact on energy use and housing conditions on the reservations.

However, if after soliciting weatherization applications, the sub-grantee finds that there are insufficient applications to fully utilize the tribal allocation, the sub-grantee may utilize the funds to serve clients off the reservation.

During the program year, the majority of labor for installing weatherization materials will be supplied by CAA weatherization crews. Contract labor will be used the event of furnace retrofit or replacement and to a limited extent for other weatherization labor.

ND Weatherization Assistance Program Funding Levels By Year

	DOE	LIHEAP WX	Total	Number of Units-DOE and LHP
2012	\$0.00	\$3,083,238.00	\$3,083,238.00	0
2011	\$1,906,536.00	\$4,158,609.00	\$6,065,145.00	156
2010	\$1,969,451.00	\$0.00	\$1,969,451.00	263
2009	\$1,664,727.00	\$0.00	\$1,664,727.00	250
2008	\$4,500,000.00	\$1,000,000.00	\$5,500,000.00	1189
2007	\$2,234,117.00	\$2,120,004.00	\$4,354,121.00	1072
2006	\$2,589,151.00	\$2,000,000.00	\$4,589,151.00	1263
2005	\$2,507,804.00	\$2,107,079.00	\$4,614,883.00	1364
2004	\$2,507,804.00	\$1,862,275.00	\$4,370,079.00	1413
2003	\$2,453,738.00	\$1,891,639.00	\$4,345,377.00	1369
				8339
ARRA 4/1/2009-3/30/2012 -	\$25,266,330.00			
Average Cost per Unit -	\$5,147.00			
Total ARRA Units -	3493			

We just received the LIHEAP funding for 2011 and 2012 and some are still finishing up DOE 2011 so number of units will change shortly when they are reported complete.

Attachment #5

ND State Energy Conservation Program Budget = \$8,000,000.00

Weatherization Subgrantee Allocation

Average cost/home = \$6,000

State Admin = \$152,000.00

State T & TA = \$133,333.33

	Total	By Region	Region per month - 24 months
Production	\$5,472,000.00	\$684,000.00	\$28,500.00
Health & Safety	\$1,368,000.00	\$171,000.00	\$7,125.00
Training and Technical Assistance	\$266,666.67	\$33,333.33	\$1,388.89
Administration	\$608,000.00	\$76,000.00	\$3,166.67
Total	\$7,714,666.67	\$964,333.33	\$40,180.56
Units using 0% H&S	1140	143	6
Units using 100% H&S	912	114	5

The way we run the DOE and LIHEAP Weatherization budgets are as follows:

5% comes off the top for Training and Technical Assistance (T&TA) -
Of the \$400,000.00 the State keeps 1/3 and the Agencies get 2/3 -

$\$8,000,000.00 \times .05 = \$400,000$
State - \$133,333.33 Agencies - \$266,666.67

10% comes off what is left for Administration
Of the \$760,000.00 the State keeps 20% and the Agencies get 80% -

$\$7,600,000.00 \times .10 = \$760,000.00$
State - \$152,000.00 Agencies - \$608,000.00

Agencies are allowed to budget up to 20% Health and Safety which does not enter into the Average cost/home -

$\$6,840,000.00 \times .20 = \$1,368,000.00$

If the Agencies don't use any of the Health and Safety allowance -

$\$6,840,000.00 / \$6,000.000 = 1140$

If the Agencies use all of the Health and Safety allowance -

$\$5,472,000.00 / \$6,000.000 = 912$

PROPOSED AMENDMENTS TO SENATE BILL NO. 2219

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to an energy conservation revolving loan program; to provide a continuing appropriation; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is created and enacted as follows:

Energy conservation revolving loan program - Continuing appropriation.

1. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose of making loans to low-income and moderate-income homeowners or to homeowners with low-income or moderate-income renters for the installation or implementation of energy conservation measures in homes determined by the department of commerce, in consultation with local agencies, to be eligible for energy conservation alterations or measures.
2. The energy conservation revolving loan fund consists of all moneys transferred into the fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund. The moneys in the fund are appropriated on a continuing basis for disbursement under the requirements of this chapter.

Loan guidelines adopted by department of commerce - Loan application.

The department of commerce shall develop policies and guidelines for granting loans under this chapter. The guidelines must establish income eligibility criteria for homeowners or renters of homeowners at equal to or less than one hundred fifty percent of the federal poverty guidelines. The guidelines must provide that a loan granted under this chapter to an eligible homeowner may not exceed six thousand dollars. An application for a loan under this chapter must be made to the department. If the department approves the application of a qualified applicant, the department shall forward the application to the Bank of North Dakota for further review.

Loan terms and conditions.

The Bank of North Dakota may make a no-interest loan to an eligible applicant in consideration of the homeowner contracting with the Bank and granting the Bank a mortgage or other security interest to secure the loan. The contract with the homeowner must provide that the loan must be repaid in full within ninety days of the sale of the property or the death of the homeowner. The contract with a homeowner renting the property to an eligible low-income or moderate-income renter must also provide that the loan must be repaid in ten equal annual payments. The Bank shall allow the homeowner the option of repaying the loan earlier. The Bank may take any

action necessary to negotiate a loan under this chapter and to preserve security under this chapter, including any right of redemption. The Bank may deduct annually, as a service fee for administering the loan fund, one-half of one percent of the principal balance of the outstanding loans from the energy conservation revolving loan fund and may recover from the fund any amounts actually expended by the Bank for legal fees to effect a redemption.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the energy conservation revolving loan fund as provided under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds two new sections:

- To replace a North Dakota state energy conservation program administered by the Department of Commerce with an energy conservation revolving loan program administered by the Bank of North Dakota. This amendment provides \$1 million in funding from the general fund.
- To establish the criteria for an energy conservation revolving loan program.

13.0697.01007
Title.

Prepared by the Legislative Council staff for
Representative Holman
April 22, 2013

#1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2219

That the House recede from its amendments as printed on pages 1210 and 1211 of the Senate Journal and pages 1270 and 1271 of the House Journal and that Senate Bill No. 2219 be amended as follows:

Page 1, line 9, after the period insert "As a term of receipt of funds distributed under this section for energy conservation services, the department of commerce may require a recipient to meet identified requirements and may require the recipient pay back all or a portion of the funds if the requirements are not met."

Renumber accordingly

#/

PROPOSED AMENDMENTS TO SENATE BILL NO. 2219

That the House recede from its amendments as printed on pages 1210 and 1211 of the Senate Journal and pages 1270 and 1271 of the House Journal and that Senate Bill No. 2219 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to an energy conservation program; to provide a continuing appropriation; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is created and enacted as follows:

Energy conservation program - Revolving fund - Continuing appropriation.

1. A revolving fund must be maintained in the Bank of North Dakota for the purpose of making no interest loans to low-income and moderate-income homeowners or to homeowners with low-income or moderate-income renters for the installation or implementation of energy conservation measures in homes determined by the department of commerce, in consultation with local agencies, to be eligible for energy conservation alterations or measures.
2. The energy conservation revolving fund consists of all moneys transferred into the fund, interest upon moneys in the fund, and loan repayments made on loans granted under this chapter. The moneys in the fund are appropriated on a continuing basis for disbursement under the requirements of this chapter.

Loan guidelines adopted by department of commerce - Loan application.

1. The department of commerce shall develop policies and guidelines for granting loans under this chapter. The guidelines must:
 - a. Establish income eligibility criteria for homeowners or renters of homeowners at equal to or less than one hundred fifty percent of the federal poverty guidelines;
 - b. Provide that a loan under this chapter to an eligible homeowner may not exceed six thousand dollars; and
 - c. Establish contractual conditions, subject to the requirements of this chapter, regarding the forgiveness of a loan granted under this chapter.
2. An application for a grant under this chapter must be made to the department.

Security interest - Forgiveness of loans.

1. The department of commerce may grant a loan to an eligible applicant in consideration of the homeowner contracting with the department and granting a security interest to secure the loan.
2. In the case of a loan to a homeowner-occupied home, the contract with the homeowner must provide that the loan must be repaid in full within ninety days of the sale of the property or upon the sale or transfer of the property upon the death of the homeowner if there is no surviving spouse. If the homeowner or surviving spouse continues to live in the home beyond ten years after the execution of the contract for the loan, the department shall forgive the repayment of the loan.
3. A contract with a homeowner renting the property to an eligible low-income or moderate-income renter must provide that if the eligible renter is evicted without sufficient cause within twelve months after the execution of the contract, the homeowner must repay the loan within one year. Otherwise, the contract must provide that a loan to a homeowner renting the property must be repaid in ten equal annual payments with the first payment due twelve months from the date of execution of the contract.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the energy conservation revolving fund as provided under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. This funding is considered a one-time funding item."

Renumber accordingly

#1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2219

That the House recede from its amendments as printed on pages 1210 and 1211 of the Senate Journal and pages 1270 and 1271 of the House Journal and that Senate Bill No. 2219 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to an energy conservation program; to provide a continuing appropriation; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is created and enacted as follows:

Energy conservation program - Revolving fund - Continuing appropriation.

1. A revolving fund must be maintained in the Bank of North Dakota for the purpose of making no interest loans to low-income and moderate-income homeowners or to homeowners with low-income or moderate-income renters for the installation or implementation of energy conservation measures in homes determined by the department of commerce, in consultation with local agencies, to be eligible for energy conservation alterations or measures.
2. The energy conservation revolving fund consists of all moneys transferred into the fund, interest upon moneys in the fund, and loan repayments made on loans granted under this chapter. The moneys in the fund are appropriated on a continuing basis for disbursement under the requirements of this chapter.

Loan guidelines adopted by department of commerce - Loan application.

1. The department of commerce shall develop policies and guidelines for granting loans under this chapter. The guidelines must:
 - a. Establish income eligibility criteria for homeowners or renters of homeowners at equal to or less than one hundred fifty percent of the federal poverty guidelines;
 - b. Provide that a loan under this chapter to an eligible homeowner may not exceed six thousand dollars; and
 - c. Establish contractual conditions, subject to the requirements of this chapter, regarding the forgiveness of a loan granted under this chapter.
2. An application for a grant under this chapter must be made to the department.

Security interest - Forgiveness of loans.

1. The department of commerce may grant a loan to an eligible applicant in consideration of the homeowner contracting with the department and granting a security interest to secure the loan.
2. In the case of a loan to a homeowner-occupied home, the contract with the homeowner must provide that the loan must be repaid in full within ninety days of the sale of the property or upon the sale or transfer of the property upon the death of the homeowner if there is no surviving spouse. If the homeowner or surviving spouse continues to live in the home beyond ten years after the execution of the contract for the loan, the department shall forgive the repayment of the loan.
3. A contract with a homeowner renting the property to an eligible low-income or moderate-income renter must provide that if the eligible renter is evicted without sufficient cause within twelve months after the execution of the contract, the homeowner must repay the loan within one year. Otherwise, the contract must provide that a loan to a homeowner renting the property must be repaid in ten equal annual payments with the first payment due twelve months from the date of execution of the contract.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the energy conservation revolving fund as provided under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. This funding is considered a one-time funding item."

Renumber accordingly