

WHERE THE RICHES OF THE EARTH ARE MADE USEFUL THROUGH THE INGENUITY OF PEOPLE

January 24, 2012

Energy Development and Transmission Committee
600 E. Blvd. Avenue
Bismarck, ND 58501

Dear Committee Members,

We would like to send our apologies for not being able to attend the hearing in person today.

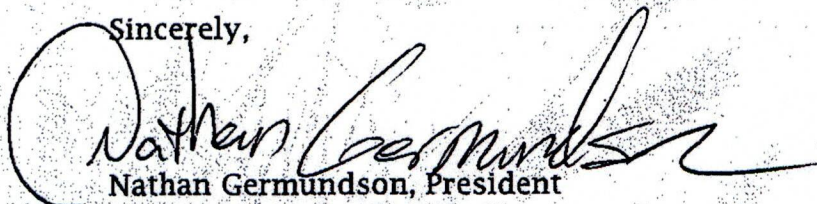
On behalf of the entire City of Tioga, I would like to sincerely thank you for the Energy Impact Grant we received in 2011. The City of Tioga was awarded \$7,751,426.00 in September and to date has spent approximately \$1,762,000.00. Last fall we were able to complete several projects that otherwise wouldn't have been possible without this funding. Thank you for helping our community grow during this unprecedented time.

I have enclosed a packet of information that highlights the projects that were completed in 2011, and what we have planned for 2012. We plan to use the remaining funds that we have been awarded in the 2012 construction season.

Like many other communities in Northwest North Dakota, we still have several issues that need attention. We hope that funding will be available in the future when we are prepared to solve these issues.

Again, thank you for your help and support in the past. We look forward to working together to make northwest North Dakota a better place to live and work.

Sincerely,



Nathan Germundson, President
Tioga City Commission

OIL CAPITAL OF NORTH DAKOTA

PO BOX 218 TIOGA, ND 58852 PH 701.664.2807 FAX 701.664.2543 CITYTIO@NCCRAY.COM

ENERGY INFRASTRUCTURE AND IMPACT OFFICE GRANT APPLICATION

City, county, township or other taxing district: X

Contact Person/Title: Jamie M. Eraas, City Administrator

Daytime phone: 701-664-2807

Address: PO Box 218

E-mail: citytio@nccray.com

City, State, Zip: Tioga, ND 58852

Application Date: 06-23-2011

If the information you entered here is different than the name and address we used on your most current correspondence **AND** if you want us to change our records to this information, please mark the next field with an "X" **X**

PART A:

What basic governmental service or function best describes this project? ("X" only one)

<input type="checkbox"/>	Education	<input type="checkbox"/>	Law Enforcement	<input type="checkbox"/>	Recreation
<input type="checkbox"/>	Emergency (fire, rescue, ambulance, etc)	<input checked="" type="checkbox"/>	Public Works (water, sewer, etc)	<input type="checkbox"/>	Transportation
<input type="checkbox"/>	Other ()				

What best identifies the focus of your project (i.e. a request for emergency services may be for vehicle or for equipment). ("X" only one)

<input type="checkbox"/>	Administration	<input type="checkbox"/>	Parks & Rec Facilities	<input type="checkbox"/>	Supplies/Materials
<input type="checkbox"/>	Airport Improvement	<input type="checkbox"/>	Personnel	<input type="checkbox"/>	Training
<input type="checkbox"/>	Building Construction	<input type="checkbox"/>	Planning/Engineering	<input type="checkbox"/>	Vehicles
<input type="checkbox"/>	Building Renovation	<input type="checkbox"/>	Rd/St Construction	<input checked="" type="checkbox"/>	Water, Sewer, Infrastructure Construction
<input type="checkbox"/>	Equipment	<input type="checkbox"/>	Rd/St Maintenance	<input type="checkbox"/>	Water, Sewer, Infrastructure Maintenance
<input type="checkbox"/>	Other ()				

What is the title of your project. (please limit this to just a couple words – there is a space for a full project description in Part D of this form)

Infrastructure Improvements

PART B:

Total anticipated cost of the project \$ **11,405,670**

Amount requested from the Energy Infrastructure and Impact Office \$ **11,405,670**

PART C: The following financial information must be provided to the department before a grant application can be acted upon.

- ☐ A copy of the most recent year end financial statements (audited if available), for the political subdivision applying. (townships, please provide a copy of page 1 of the annual Township Financial Report - Form F-66 (ND-3A)).
- ☐ A copy of the current budget for the political subdivision applying.
- ☐ Documentation showing the breakdown of all mills levied by the political subdivision applying during the current fiscal year, as well as the taxable valuation used to determine the mills levied.
- ☐ Documentation, if available, showing the projected cost of the project for which you are requesting a grant.

PART D:

The City of Tioga is located in the center of oil and gas exploration and production in northwestern North Dakota. Oil was first discovered in North Dakota at the Iverson Discovery Well, located just south of Tioga. Many of the top oil operators in North Dakota have facilities in Tioga. Among companies located in Tioga are: Hess Corporation; Continental Resources, Inc.; Murex Petroleum Corporation; EOG Resources, Inc.; Whiting Oil & Gas Corporation; Marathon Oil Company; XTO Energy, Inc.; Key Energy Services; and many others. The fact that the City of Tioga was recently ranked the number seven city in North Dakota Sales Tax is testimony to the large impact that the oil and gas industry has on this community.

The City of Tioga has recently developed an industrial park creating lots primarily for oil related industrial business. All available lots have been sold even before the infrastructure (water, sewer, and streets) was completed. Several companies have constructed facilities in the industrial park. The City has also renovated a major sewer lift station with all new pumps, motors, piping, and electrical controls. This lift station serves the southern side of Tioga. The City of Tioga has invested heavily in expanding and maintaining the community infrastructure.

The Tioga City Commission recently completed an Infrastructure Planning process to identify the community needs for the near future and to set priority for the identified needs. The top priority includes constructing a new water storage reservoir and associated transmission piping. Another top priority includes providing water and sewer extension and street improvements to allow development and construction of a new commercial area. Following is an outline of the infrastructure needs for the City of Tioga identified for the next two years.

City of Tioga 2011 Infrastructure Needs**1. Water and Sewer Improvement District No. 2011-1**

This **urgent** phase has been bid and is scheduled to begin construction in July 2011. This phase includes a new water storage reservoir. Also this phase includes water transmission piping and sewer main trunk extension to serve a proposed apartment complex and proposed residential development. Three schedules of work are included:

A)	Water Storage Reservoir	\$984,550
B)	Water Transmission Piping	\$663,592
C)	Sewer Main/Trunk Extension	<u>\$281,858</u>
	Sub-Total	\$1,930,000

2) Wastewater Treatment Improvements

This phase of infrastructure improvement must be completed as soon as possible. The primary wastewater treatment pond was overfilled due to increased demand by recent growth. Recent extreme weather conditions resulted in dike erosion and potential breaching. The project is designed and ready for construction in June/July 2011.

Estimated Cost	\$97,500
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3) Water / Sewer / Street Infrastructure

This proposed phase of work will extend water, sewer, and street to a developing commercial district along the east side of Tioga. A motel is scheduled for construction in this commercial area beginning summer/fall 2011. The motel will help address the extreme housing shortage in Tioga. This project is in the design phase and will be ready to bid in July 2011 with construction summer/fall 2011.

Estimated Cost	\$689,170
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4) Water Main Replacement

The City of Tioga has completed infrastructure planning that has identified problematic areas of the municipal water distribution system, such as areas with under sized water mains, areas with a large number of water main breaks, and areas with cast iron water main pipe. Water supply from the R-T System flows through the city distribution system to serve the Hess Gas Plant. Preliminary design has been completed and detailed design is in process. This phase of infrastructure work will be ready to bid summer/fall 2011 with construction anticipated to begin fall 2011 with completion the summer 2012.

Estimated Cost \$2,435,000

5) Sewer Mains, Clean, CCTV, Slip Lining (CIPP)

Pace Construction, Inc. has completed cleaning and closed circuit televising of all the sanitary sewer mains. The final report is being reviewed and the detailed design process is underway. Final design will be completed this summer and the project will be ready to bid late summer or early fall 2011. Construction is scheduled to begin this fall with completion summer 2012.

Estimated Cost \$2,345,000

6) Street Renovation (Water and Sewer Replacement Areas)

This work is related to the proposed water main replacement and sewer main slip lining. After the underground work is completed, this phase of work will restore the street surfacing over the utility excavation areas. Design of this phase is concurrent with the water main replacement and the sewer main slip lining work. Design will be completed this summer with bidding fall 2011 and construction summer 2012.

Estimated Cost \$2,859,000

7) Extend Trunk Lines – Water and Sewer Mains

This phase of work includes extending the water and sewer trunk lines to allow residential development in the southwest part of Tioga. Several residential developments are either under construction or scheduled for construction this season. A deep sanitary sewer main extension to the southwest will allow additional residential development to help address the extreme housing shortage. Part of this phase has been designed and construction is scheduled for summer 2011. Remaining portions of this phase are in the final design phase and also scheduled for construction summer 2011.

Estimated Cost \$1,050,000

2011 Infrastructure Needs – Total \$11,405,670

City of Tioga 2012 Infrastructure Needs

8) Street Improvements • Truck Route Streets

The work under this phase includes reconstruction of designated truck routes through the community. The City of Tioga has established truck routes by city ordinance. Impact of heavy truck traffic has destroyed a number of streets in this community. Several streets and roads must be reconstructed and hard surfaced to provide safe durable streets and roads.

Estimated Project Cost \$6,182,610

2012 Infrastructure Needs – Total \$6,182,610

We certify that the information contained in this application is true and correct to the best of our knowledge as recorded in the official minutes of our **June 20, 2011** meeting, and we further certify that any funds received by **City of Tioga** as the result of this application will be expended according to the laws of the State of North Dakota for the purpose stated in this application.

Nathan Germundson

Signature

President, Tioga City Commission

Title (Mayor, Chairman, President, etc.)

Jamie M. Eraas

Signature

Tioga City Administrator

Title (Auditor, Clerk, Secretary, etc.)