

July 17, 2020 Special City Council Meeting

MINOT CITY COUNCIL – SPECIAL MEETING – JULY 17, 2020 AT 12:00 P.M.

ROLL CALL

Members Present:

Evans, Jantzer, Olson (phone), Pitner, Podrygula, Ross, Sipma

Members Absent:

None

PLEDGE OF ALLEGIANCE

Mayor Sipma presiding and led the City Council in the Pledge of Allegiance.

WDEA DAKOTA ACCESS PIPELINE AMICUS BRIEF

Mayor Sipma apologized for the short notice calling the meeting but said he recently received the request from the Western Dakota Energy Association (WDEA) and the amicus brief needs to be filed before the deadline.

Acting City Manager Lakefield explained, he was contacted by Geoff Simon, Executive Director of WDEA, who is asking political subdivisions particularly in western North Dakota to sign on as affected parties in an amicus brief in support of the Dakota Access Pipeline. The brief is outlining additional economic impacts and social impacts that may be a result of shutting down the pipeline that may not have been considered in the Court's decision. It is not taking a position on the underlying issue of the pipeline but just whether or not the pipeline should be allowed to operate while the decision is taking place. Minot is impacted in many ways through revenues in oil production in the state, through Hub City funding received through oil tax revenues, funding for many water projects and flood protection projects. In addition, there are secondary impacts including loss of jobs and prolonged furloughing in the delay of recovery in the energy sector and impacts from decreased sales tax revenues. The decision before the Council is whether they want the City of Minot to be listed in this amicus brief or if they want to stay on the sidelines.

Mayor Sipma referenced the refiguring of Hub City allocations which are calculated on the premise of oil prices at \$52-\$54 per barrel. The formula would provide Minot with an additional \$3 million annually and \$6 million for the biennium to be used toward oil impacted infrastructure. He said, they need to discuss and decide whether to sign on in support of Western Dakota Energy Association or not.

At the request of Alderman Pitner, Mayor Sipma then opened up for discussion from the public.

Tawny Trottier Cale approached the Council with a greeting in Lakota.

She said she heard there would be a Council meeting to discuss whether or not to support the Dakota Access Pipeline. She questioned whether the City feels this is something they should spend time on. She said she doesn't think they can separate the issues of economic and social impacts from the pipeline itself. The pipeline is interwoven with many social movements right now. What it boils down to is the ability to recognize the indigenous sovereignty of the Oceti Šakowinŋ people, the Seven Council Fires or the great Sioux Nation. If the Federal Government had taken time to recognize their sovereignty, they would not be having this discussion. She said, she hopes the Council votes to show their support to Standing Rock.

Mayor Sipma acknowledged the emails sent to Council in opposition and support.

Alderwoman Evans moved the City Council decline support of the amicus brief and remain neutral on the issue. Motion seconded by Alderman Podrygula.

Alderman Podrygula said, although he agrees that pipelines are the safest way to transport petroleum products, he believes this is a technical issue for the court and is not something the City should be involved in. He said, they have not signed onto briefs in the past and believes there is nothing the City of Minot can add to the amicus brief that has not already been covered.

Mayor Sipma reminded, the amicus brief was presented to them regarding whether or not there is an impact to Minot and other cities in western North Dakota. He said he believes there is an impact to Minot which is why he called the special

July 17, 2020 Special City Council Meeting

meeting. Minot receives Hub City funding, there would be impacts to sales tax revenue, and will impact day to day as we work on revenue projections.

Alderman Jantzer also reminded the Council to focus on what they are being asked, which is, if the pipeline were to shut down, would it impact Minot? He said the answer is, yes. Oil revenue provides funding for water projects including flood control. They would not be out of line to let the court know that Minot would be impacted by the pipeline's closure.

Geoff Simon, Executive Director of Western Dakota Energy Association, elaborated on the request. He said, other cities including Dickinson, Williston, and Watford City have signed on as parties to the brief. There would be no further obligation on behalf of the City of Minot. They want to make sure the court understands that the potential shutdown goes far beyond the companies who use it to ship crude oil. The oil extraction and production tax distribution formulas support the communities through Hub City funding, the Common Schools Trust Fund, and the Resources Trust Fund to name a few. The concern is that if the pipeline shuts down, so does the restart of the industry and there could be long term ramifications for Minot and the entire state. Putting this crude on rail would be far less safe and much more expensive. He said a shut down would be devastating to the state and all the communities that depend on the industry. He then explained that the amicus brief is being filed in support of the motion made by the Department of Justice on behalf of the Corps of Engineers. They maintain that they did everything properly and the environmental assessment of the pipeline and the integrity of the crossing was quite thorough. They argue that it is beyond the authority of the court to shut down a project that has been operating safely for three years. He said, they are supporting that motion in their brief. The stay has been granted based upon the motion filed by Energy Transfer, Dakota Access but it is only there until the court decides if the decision to shut down the pipeline was warranted. After that they will determine if an environmental impact statement is justified under the National Environmental Policy Act. He said, the primary purpose of this is for the court to understand the ripple effects that a shut down would have.

Alderman Pitner asked if there have been any communities who have not signed on or have chosen to remain neutral in the matter.

Mr. Simon responded by saying, everyone they have asked has agreed to sign on including Dunn, Billings, Williams, McKenzie and Emmons counties as well as Williston, Dickinson, Watford City. Mountrail and Morton County's Commission meet Monday.

Alderwoman Evans stated it is unorthodox for a city to sign onto an amicus brief they have not seen. She suggested they delay approval until they have an opportunity to review it.

Mr. Simon stated, the deadline for submission is Monday so there isn't much time. He said, Mr. Lakefield has a news release from WDEA issuing a plea to the judge to reverse his decision and consider the economic ramifications of the immediate and the potentially long-term shutdown. The news release encapsulates what will be included in the brief. They won't go beyond economic and safety issues. One element addresses what would happen if the crude oil was transported by rail and how it would affect the agricultural community which depends on the railroad to move commodities. There could be harvest delays that would affect the prices of commodities.

Alderman Pitner asked when the brief would be completed, to which Mr. Simon responded by saying, they are working with a firm in D.C. and he has been promised a first draft no later than Monday morning. The absolute deadline however, is close of business Monday afternoon.

Alderman Pitner continued by asking if there would be any further legal obligation for the City of Minot and whether they are simply being asked if the City is economically impacted by the shutdown of the pipeline.

Mr. Simon assured there would not be any further obligation, legal or otherwise. The purpose of asking Minot to join the brief is to add weight to the points they are trying to make. They have concerns about the ramifications of a shutdown and they want to demonstrate that they have the Hub Cities and the largest oil-producing counties on board as well as support from the counties in which the pipeline crosses.

Mr. Lakefield asked Mr. Simon to comment on their previous conversations regarding cost and contributions.

Mr. Simon said, the cost to develop the brief is \$30,000 and the WDEA will pay for at least half. They have requested participants contribute the other half which equates to an amount not to exceed \$2,500. He said, when you consider the shutdown would have a multi-million effect on the state's economy, \$2,500 is not a lot.

July 17, 2020 Special City Council Meeting

Alderman Podrygula said he supports pipelines and understands the impacts but raised concerns about getting the City of Minot involved. He said the brief is very persuasive without including Minot and he doesn't believe the City should be dragged into this. He said, oil is important for the state and for the country but he is not comfortable signing Minot's name to it and feels pressured and rushed into a decision.

Mr. Simon stated, Minot is not being dragged into anything but they are already involved. This will affect everyone in the state and they are trying to make sure the local impact is considered in the decision. The State and Petroleum Council prepared marvelous briefs but looking back a few weeks, the State submitted other amicus briefs in support of a decision to keep the pipeline in operation. They were also done well but were ignored by the judge. He said, if the Minot Council is not comfortable making a financial contribution, it is not a requirement but they would like to put Minot in the amicus brief in support of their argument.

Alderman Pitner said, from his perspective, they have no legal obligation, there is no financial contribution required, they are simply being asked does the shutdown effect the City of Minot economically, and it does.

Alderwoman Evans withdrew her motion. Alderman Podrygula withdrew the second.

Alderwoman Evans moved the City Council postpone the issue until Monday morning when they have had an opportunity to read the amicus brief. Motion seconded by Alderman Podrygula.

After brief discussion, a vote was taken on the above motion by Alderwoman Evans, seconded by Alderman Podrygula and carried by the following roll call vote: Evans, Jantzer, Olson, Podrygula; nays: Pitner, Ross, Sipma.

Alderman Podrygula asked if a letter of support could satisfy their request without signing onto an amicus brief.

Alderwoman Evans responded by saying, a letter of support would not be added into the record. It would have to be included in the amicus brief along with all other secondary information.

The Council discussed a time for the Monday meeting and decided to hold a special Council meeting Monday at 10:00 am.

ADJOURNMENT

There being no further business, Alderwoman Evans moved the City Council meeting be adjourned. Motion seconded by Alderman Pitner and carried unanimously. Meeting adjourned at 12:40 pm.

ATTEST: _____
Kelly Matalka, City Clerk

APPROVED: _____
Shaun Sipma, Mayor