



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Tuesday, October 31, 2023

Governor's Conference Room or Microsoft Teams – 8:00 am

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 701-328-0950,,382466815#](tel:+17013280950,382466815#)

- I. Office of the Industrial Commission – Karen Tyler, Reice Haase**
 - A. Consideration for approval of October 4th, 2023 meeting minutes**
(Attachment 1)
 - B. Consideration of special grant round for legislative-directed Carbon Capture and Utilization Education and Marketing project - Reice Haase**
(Attachment 2)
 - C. Report on 2023 Special Legislative Session – Reice Haase (Attachment 3)
 - D. Other Office of the Industrial Commission Business

(approximately 8:15 am)

- II. Bank of North Dakota – Todd Steinwand, Rob Pfennig, Craig Hanson, Lindsay Wagner**
 - A. DOSS Demonstration – Craig Hanson, Lindsay Wagner
 - B. Consideration of 2024 BND Holiday Schedule and change to approval process – Todd Steinwand (Attachment 4)**
 - C. Presentation of Third Quarter 2023 Performance Highlights – Todd Steinwand (Attachment 5)
 - D. Presentation of non-confidential meeting minutes:
 - i. Finance and Credit Committee August 16th, 2023 Meeting Minutes (Attachment 6)
 - ii. Leadership Development and Compensation Committee August 17th, 2023 Meeting Minutes (Attachment 7)
 - iii. BND Advisory Board August 17th, 2023 Meeting Minutes (Attachment 8)
 - E. Other Bank of North Dakota business

Meeting Closed to the Public for Executive Session Pursuant to NDCC 6-09-35, 44-04-18.4, 44-04-19.1 and 44-04-19.2

(approximately 8:45 am)

III. Bank of North Dakota Executive Session – Todd Steinwand, Kirby Evanger

- A. Presentation of confidential meeting minutes:
 - i. Finance and Credit Committee July 19th, 2023 Meeting Minutes (Confidential Attachment 9)
 - ii. Audit and Risk Committee July 27th, 2023 Meeting Minutes (Confidential Attachment 10)
 - iii. BND Advisory Board July 27th and August 17th, 2023 Meeting Minutes (Confidential Attachment 11)
 - iv. Finance and Credit Committee August 16th, 2023 Meeting Minutes (Confidential Attachment 12)
- B. Presentation of Non-Accrual Loans Quarterly Report (Confidential Attachment 13)
- C. Presentation of Problem Loans – Adversely Classified Quarterly Report (Confidential Attachment 14)
- D. Presentation of Loan Charge-Offs and Recoveries Year-to-Date (Confidential Attachment 15)
- E. Other BND Confidential Business

Meeting Returns to Public Session

(approximately 9:15 am)

IV. Formal actions taken in open session

(approximately 9:30 am)

V. North Dakota Outdoor Heritage Fund – Reice Haase, Bob Kuylen

- A. Presentation of Outdoor Heritage Fund Project Management and Financial Report – Reice Haase (Attachment 16)
- B. **Consideration of the following applications** – Bob Kuylen
 - i. **23-1 (C) Audubon Great Plains:** North Dakota Prairie Management Toolbox, \$747,400 (Attachment 17a)
 - ii. **23-2 (A) City of Mayville:** Mayville Dam #2 Reconstruction & Recreation Project, \$396,595.48 (Attachment 17b)
 - iii. **23-3 (D) City of Napoleon:** Napoleon Recreation Trail, \$750,000 (Attachment 17c)

- iv. **23-5 (C) McLean County Water Resource District:** Lost Lake Dam Fish Passage, \$66,735.53 (Attachment 17e)
- v. **23-6 (A) McLean County Water Resource District:** Painted Woods Lake Flood Protection & Recreation Project, \$50,250 (Attachment 17f)
- vi. **23-7 (C) North Dakota Natural Resources Trust:** Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement II, \$267,750 (Attachment 17g)
- vii. **23-8 (A) Pheasants Forever, Inc.:** MonDak Pheasants Forever 619 NWND 2024-2026 Habitat Project, \$250,000 (Attachment 17h)
- viii. **23-10 (D) Turtle Mountain Band of Chippewa:** TMBCI Fishing/Boat Access Project, \$109,800 (Attachment 17i)

C. Consideration of Contract Amendment Requests:

- i. **Contract 017-172 ND Game and Fish Department:** Red River Basin Wildlife and Water Quality Enhancement Pilot Program, request for amendment to decrease landowner cost-share from 50% to 40% (Attachment 18)

B. Consideration of Outdoor Heritage Fund Advisory Board-

recommended policy change: Increase of allowable labor costs for in-kind match (Attachment 19)

D. Other Outdoor Heritage Fund business

(approximately 10:00 am)

VI. North Dakota Mill and Elevator – Vance Taylor, Cathy Dub

- A. Presentation of FY 2023 Audit – Robyn Hoffmann, ND State Auditor’s Office (Attachment 20)
- B. Presentation of FY 2024 Q1 Performance Results (Attachment 21)
- C. Other Mill and Elevator Business

(approximately 10:15 am)

VII. Department of Mineral Resources – Lynn Helms, Ed Murphy, Mark Bohrer

A. Consideration of the following cases:

- i. **Order 32501 for Case 29896** regarding an application of Burlington Resources Oil & Gas Co. LP for an overlapping 2,560-acre spacing unit in Sections 23, 24, 25 and 26, T 153N, R 96W, McKenzie County, ND (Attachment 22)
- ii. **Order 32873 for Case 30263** regarding an application of Cobra Oil and Gas Corp. to remove 31 Operating, LLC as the operator of underground gathering pipeline systems and the Evanson #2 SWD

well located in Sections 30 and 31, T 162N, R 81W, Bottineau County, ND (Attachment 23)

- iii. **Case 30329** regarding a motion to supplement Department of Mineral Resources draft administrative rules with amendments to NDAC 43-02-03-19.3 (administrative approval of open top tanks for hydraulic fracturing), NDAC 43-02-08 (stripper well and stripper well property determination), NDAC 43-02-10 (certification of secondary and tertiary project rules) and adding a new section (NDAC 43-02-15) related to certification of restimulation wells (Attachment 24)
- B. Oil and Gas Division Quarterly Report – Mark Bohrer (Attachment 25)
- C. Update on federal regulatory matters:
 - i. BLM Resource Management Plan
- D. O&G related matters reasonably expected to require comments:
 - i. BLM Venting and Flaring
 - ii. Presidential Executive Order 14008 related to climate change
- E. Other Department of Mineral Resources Business

(approximately 11:15 am)

VIII. Industrial Commission Legal Update* – Phil Axt, Matt Sagsveen, Lynn Helms, Ryan Norrell, John Reiten

- A. Litigation Update
 - i. Northwest Landowners v. NDIC – Phil Axt
 - ii. Liberty v. NDIC – Lynn Helms
 - iii. NDIC v. DOI Quarterly Federal Lease Sales – Lynn Helms
- B. Federal Rulemaking
 - i. BLM Leasing Rule – Lynn Helms
 - ii. DAPL DEIS – Ryan Norrell, John Reiten
- C. Other Industrial Commission Legal Updates

* Possible Executive Session under N.D.C.C. 44-04-19.1(9) & 44-04-19.2 for attorney consultation

(approximately 11:30 pm)

IX. Building Authority - DeAnn Ament

- A. Presentation of Building Authority June 30, 2023 Audit – Mindy Platz (Attachment 26)
- B. **Appointment of Authorized Officer for NDBA** (Attachment 27)
- C. Other Building Authority Business

X. North Dakota Public Finance Authority – DeAnn Ament

- A. **Consideration of approval for the following loan application:**
 - i. City of Fargo – Drinking Water - \$6,400,000 (Attachment 28)

- B. Presentation of a memo of State Revolving Fund loans approved by Advisory Committee: (Attachment 30)
 - i. City of Berthold – Clean Water - \$1,050,000
 - ii. City of Berthold – Drinking Water - \$731,000
- C. Other Public Finance Authority business

XI. Adjournment

Next Meeting – November 28th, 2023, 9:00 pm
Governor’s Conference Room, Bismarck, ND

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on October 4, 2023 beginning at 9:00 a.m.

Governor's Conference Room – State Capitol

Present: Governor Doug Burgum, Chairman

Attorney General Drew H. Wrigley

Agriculture Commissioner Doug Goehring

Also Present: This meeting was open through Microsoft Teams so not all attendees are known.

Agency representatives joined various portions of the meeting.

Governor Burgum called the meeting of the Industrial Commission to order at approximately 1:05 pm.

OFFICE OF THE INDUSTRIAL COMMISSION

Ms. Karen Tyler presented for consideration of approval the September 7, 2023 Industrial Commission meeting minutes.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the September 7, 2023 Industrial Commission meeting minutes.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Ms. Tyler gave a presentation on the Budget Section of the Outdoor Heritage Fund. It reads as follows:

Mr. Chairman and members of the Budget Section, my name is Karen Tyler and I am the North Dakota Securities Commissioner and the Interim Executive Director for the North Dakota Industrial Commission. Thank you for the opportunity to present a report on the Outdoor Heritage Fund (OHF) pursuant to the requirements of NDCC 54-17.8 - 07. The Outdoor Heritage fund was created by the legislature in 2013. It is overseen by the Industrial Commission, with the assistance of the OHF Advisory Board.

A list of the current makeup of the 12-member Board, plus 4 ex-officio technical advisers, is at the bottom of this first page of testimony. Management and administration of the OHF grant program is handled by Deputy Executive Director Reice Haase, and Grant Program Specialist Brenna Jessen. Their contact information is provided on the last page of my written report.

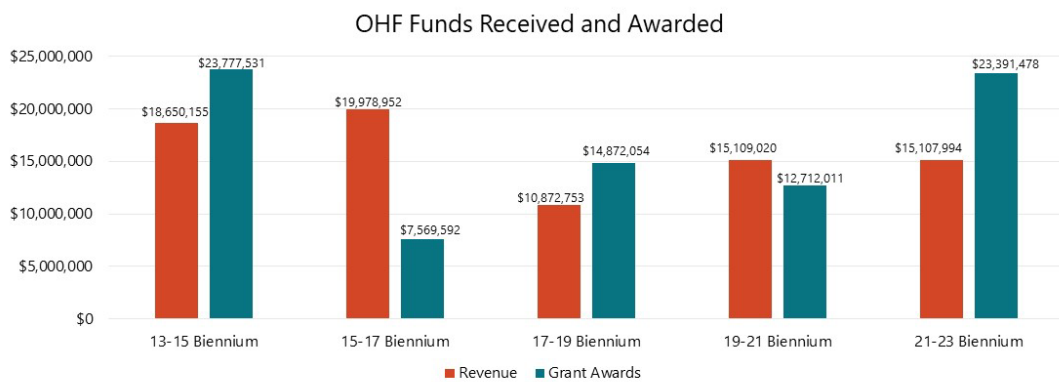
Since its inception in 2013, the Fund has received \$79,718,874 in income, which includes legislative appropriations and interest income. During the 2021-2023 biennium, income included \$15 million in deposits from the Oil and Gas Gross Production Tax formula and \$107,994 in interest. The legislature again appropriated \$15 million from the Oil and Gas Gross Production Tax formula for the 23-25 biennium.

Twenty-two (22) grant rounds have been completed since 2013 with a total of \$81,687,666 awarded to 224 projects located across the state. The reason the amount awarded exceeds the total revenue received by the program is that some projects come in under budget and therefore return a portion of

their commitment which can then be reallocated and awarded to new projects. Returned commitments since inception totaled \$3,532,206 at the end of the 2021-2023 biennium. At the time of this report, \$1,128,091 is available in the fund for future commitments, and as previously mentioned an additional \$15 million is anticipated to be received in the 2023-2025 biennium based on the legislature’s appropriation for the program. I have included a chart that reflects the amount deposited into the Fund per biennium and the amount that was awarded:

OHF FUNDS RECEIVED AND AWARDED

- The Industrial Commission has awarded funding for 224 projects for a total of \$81,687,666
- Since its inception, the fund has received a total of \$79,718,874 in income
 - \$3,532,206 of commitments have been returned to date



The Outdoor Heritage Fund was established to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations to enhance conservation practices through four specific directives that are set forth in statute. I will briefly review each directive and provide you with an example of a previously funded project under that directive.

Directive A: Providing access to private and public lands for sportspersons, including projects that create fish and wildlife habitat and provide access for sportspersons.

- *GR 20: Sheyenne River State Forest Access Improvement Project, North Dakota Forest Service* – This project will develop and improve trails and establish an informational trailhead area with restrooms, trail archways, and an informational kiosk within the Sheyenne River State Forest. OHF provided \$45,000 of a \$62,000 project. (\$8,173 paid \$36,836 left)

Directive B: Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching.

- *GR 20: Grazing Resiliency in the Bakken, ND Natural Resources Trust* – This project is developing water supply systems, implementing fencing for rotational grazing systems, and using cover crops to provide drought resiliency and environmental enhancements for tens of thousands of acres in western North Dakota. OHF provided \$1,970,000 of a \$3,280,000 project.

(\$145,394 paid \$1.8 mill left)

Directive C: Developing, enhancing, conserving, and restoring wildlife and fish habitats on private and public lands.

- *GR 20: Southwest ND Pheasant Initiative, Hettinger Research Extension Center* – This project cooperates with landowners to create, enhance, and restore habitat for pheasants through the establishment of new grassland plantings, food plots, and enhancement of existing grassland acres. OHF provided \$74,297 of a \$99,280 project. (no payments made)

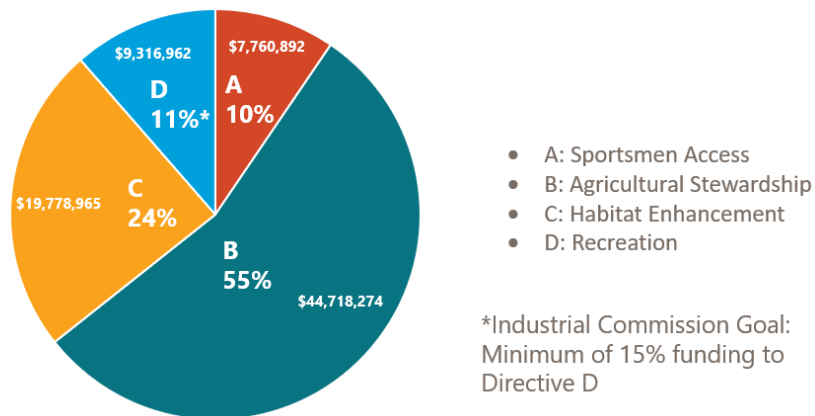
Directive D: Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

- *GR 19: Playground Equipment Replacement, City of Coleharbor* – This project improved the city park with new commercial grade playground equipment, renovated picnic shelters, permanent garbage receptacles, benches, and picnic tables. OHF provided \$10,000 of a \$59,842 project.

(project complete all funds paid)

The chart below illustrates the amount of funding that has been awarded for each directive to date. An application may meet more than one directive. The applicant is asked to elect the primary directive for each project.

OHF FUNDING BY DIRECTIVE

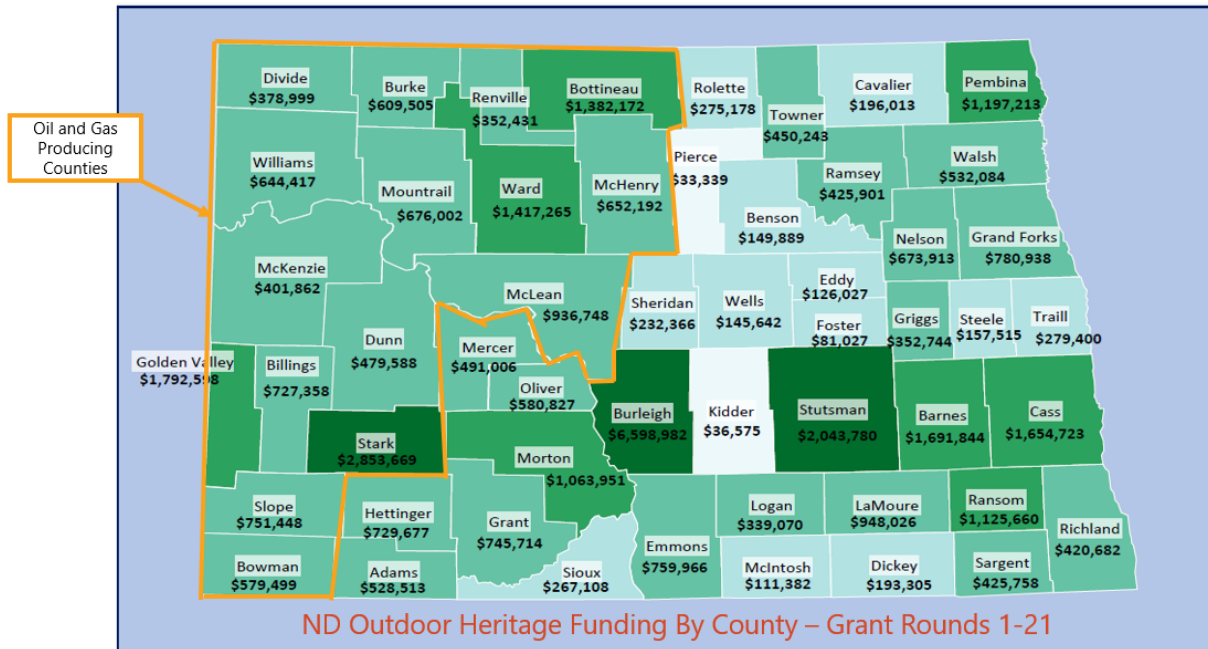


The percentage and amount of funds awarded for each directive is as follows:

- A: 10% - \$7,760, 892
- B: 55% - \$44,718,274
- C: 24% - \$19,778,965
- D: 11% - \$9,316,962

The following map shows the amount of funds awarded by county for location specific projects:

STATEWIDE BENEFITS FROM OIL AND GAS REVENUES



There are typically 4 grant rounds held each biennium. The application deadline for Grant Round 23, the current grant round, was September 8th, and we received 11 applications totaling \$4.5 million in requests representing \$26.1 million in total project value. These applications are currently under review, and the Advisory Board will meet October 26 and pass their funding recommendations on to the Industrial Commission for final action.

The OHF program is a reimbursement-based program, and each grant recipient must provide regular status reports that accompany reimbursement requests. These reports are posted on the OHF website at <http://www.nd.gov/ndic/outdoor-infopage.htm> and available to the public. The website also provides information about the Advisory Board, the application process, and a list of awards.

Mr. Haase gave a presentation of the Industrial Commission Project Management Report regarding grant programs.

- Lignite Research:
 - 254 cumulative projects
 - 28 active projects
 - \$134.8 million granted
 - \$2.7 billion project value
- Oil and Gas Research:
 - 115 cumulative projects
 - 25 active projects
 - \$90 million granted
 - \$524.5 million project value
- Renewable Energy:

- 69 cumulative projects
- 18 active projects
- \$23.5 million granted
- 154.7 million project value
- Outdoor Heritage Fund:
 - 224 cumulative projects
 - 88 active projects
 - \$81.6 million granted
 - \$210.7 million project value
- Clean Sustainable Energy Authority:
 - 14 cumulative projects
 - 10 active projects
 - \$52.7 million granted
 - \$473 million loaned
 - \$5 billion project value

Under other business, Mr. Haase gave a brief update on any impact on the Industrial Commission of the Supreme Court decision regarding SB 2015.

DEPARTMENT OF MINERAL RESOURCES

Mr. Ed Murphy gave a presentation of the Geological Survey Quarterly Report.

Wilson M. Laird Core and Sample Library

During the second quarter of 2023, geologists and engineers from the Department of Mineral Resources and EERC as well as the University of North Dakota students and professors studied 13,622 feet of core. In June, another 2,871 feet of core was shipped to Bismarck to be studied in the AAPG core workshop. The quarterly total, 16,493 feet, is the most core they have moved in one quarter over the last five years. Additionally, they photographed 7,022 feet of core generating 10,864 standard photographs for the subscription site.

AAPG Conference in Bismarck

The annual meeting of the Rocky Mountain Section of the American Association of Petroleum Geologists (RMS-AAPG) was held in Bismarck on June 4-6. It had been 35 years since the meeting was last held in North Dakota.

Critical Minerals Report

On July 11, they released their eighth critical minerals report in the last six years, Report of Investigation No. 134, "Critical Mineral Enrichment in Lignites Beneath the Rhame Bed (Paleocene) of the Slope Formation in the Williston Basin of North Dakota." The 267-page report contains 768 sample analyses from 165 geologic sections from the upper part of the Slope Formation and the basal part of the overlying Bullion Creek Formation.

The full report is available on the website.

Dr. Lynn Helms presented for consideration of approval of the following cases:

- i. **Order 31794 for Case 29227 consolidated with Case 29226** regarding a complaint filed by Hess Bakken Investments II, LLC against Vitesse Energy, LLC and Vitesse Oil, LLC regarding post-production charges.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 31794 issued in Case No. 29227 consolidated with Case No. 29226 determining that all produced water costs are under the Commission's jurisdiction, that oil and gas costs prior to the first custody transfer are related the drilling and operation of a well on a spacing unit and are under the Commission's jurisdiction, and that oil and gas costs after the point of first custody are post-production costs and are under District Court jurisdiction.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- ii. **Order 32806 for Case 30122** regarding an application of DCC West Project LLC for the geologic storage of carbon dioxide from the Milton R. Young Station in Oliver County, ND

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32806 issued in Case No. 30122 approving the application of DCC West Project LLC requesting consideration for the geologic storage of carbon dioxide in the Broom Creek Formation from the Milton R. Young Station and other sources in the storage facility located in Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 29, 30, 31, and 32, Township 141 North, Range 84 West, Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26, 27, and 36, Township 141 North, Range 85 West, Sections 19, 20, 21, 28, 29, 30, 31, 32, 33, and 34, Township 142 North, Range 84 West, and Sections 24, 25, 33, 34, 35, and 36, Township 142 North, Range 85 West, Oliver County, North Dakota pursuant to North Dakota Administrative Code Chapter 43-05-01, and/or such further relief.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- iii. **Order 32807 for Case 30123** regarding amalgamation of storage reservoir pore space to be operated by DCC West Project LLC in Oliver County, ND.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32807 issued in Case No. 30123 approving the amalgamation of the storage reservoir pore space, in which the Commission may require that the pore space owned by nonconsenting owners be included in the geologic storage, as required to operate the DCC West Project LLC storage facility located in Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 29, 30, 31, and 32, Township 141 North, Range 84 West, Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26, 27, and 36, Township 141 North, Range 85 West, Sections 19, 20, 21, 28, 29, 30, 31, 32, 33, and 34, Township 142 North, Range 84 West, and Sections 24, 25, 33, 34, 35, and 36, Township 142 North, Range 85 West, Oliver County, North Dakota, in the Broom Creek Formation, pursuant to North Dakota Century Code Section 38-22-10, and/or such further relief.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- iv. **Order 32808 for Case 30124** regarding the determination of the amount of financial responsibility for the geological storage of carbon dioxide to be operated by DCC West Project LLC in Oliver County.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32808 issued in Case No. 30124 approving the amalgamation of the storage reservoir pore space, in which the Commission may require that the pore space owned by nonconsenting owners be included in the geologic storage, as required to operate the DCC West Project LLC storage facility located in Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 29, 30, 31, and 32, Township 141 North, Range 84 West, Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26, 27, and 36, Township 141 North, Range 85 West, Sections 19, 20, 21, 28, 29, 30, 31, 32, 33, and 34, Township 142 North, Range 84 West, and Sections 24, 25, 33, 34, 35, and 36, Township 142 North, Range 85 West, Oliver County, North Dakota, in the Broom Creek Formation, pursuant to North Dakota Century Code Section 38-22-10, and/or such further relief.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- v. **Order 32817 for Case 30207** regarding an application for Oasis Petroleum North America LLC to establish two 1,600-acre spacing units in McKenzie County, ND.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32817 issued in Case No. 30207 denying an application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Elk-Bakken Pool, McKenzie County, ND, to establish two overlapping laydown 1600-acre spacing units described as the E/2 of Section 14, All of Section 13, T.152N., R.102W., and All of Section 18, T.152N., R.101W.; and the E/2 of Section 23, All of Section 24, T.152N., R.102W., and All of Section 19, T.152N., R.101W., and authorize four horizontal wells to be drilled on each such unit, or granting such other relief as may be appropriate.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- vi. **Order 32823 for Case 30213** regarding the confiscation of equipment and oil at State 1-16 well, NESE Section 16, T.141N., R.100W., Whiskey Joe Field, Billings County, ND.
- vii. **Order 32824 for Case 30214** regarding the confiscation of equipment and oil at the WJ BN 1-15 well, NENE Section 15, T.141N., R.100W., Whiskey Joe Field, Billings County, ND.
- viii. **Order 32825 for Case 30215** regarding the confiscation of equipment and oil at the US 3-22 well, SENW Section 22, T.141N., R.100W., Whiskey Joe Field, Billings County, ND.
- ix. **Order 32826 for Case 30216** regarding the confiscation of equipment and oil at the BN 2-27 well, SWNE Section 27, T.141N., R.100W., Whiskey Joe Field, Billings County, ND.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32823 issued in Case No. 30213 approving the confiscation of all production-related equipment and salable oil at the State 1-16 well (File No. 7120), NESE Section 16, T.141N., R.100W., Whiskey Joe Field, Billings County, ND, operated by Norton Frickey, or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9; and Order No. 32824 issued in Case No.

30214 approving the confiscation of all production-related equipment and salable oil at the WJ BN 1-15 well (File No. 7145), NENE Section 15, T.141N., R.100W., Whiskey Joe Field, Billings County, ND, operated by Norton Frickey, or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9; and Order No. 32825 issued in Case No. 30215 approving the confiscation of all production-related equipment and salable oil at the US 3-22 well (File No. 7459), SENW Section 22, T.141N., R.100W., Whiskey Joe Field, Billings County, ND, operated by Norton Frickey, or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9; and Order No. 32826 issued in Case No. 30216 approving the confiscation of all production-related equipment and salable oil at the BN 2-27 well (File No. 8214), SWNE Section 27, T.141N., R.100W., Whiskey Joe Field, Billings County, ND, operated by Norton Frickey, or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- x. Order 32860 for Case 30250 regarding the termination of the Northeast Foothills-Madison Unit in Burke County, ND.**

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32860 issued in Case No. 30250 approving the termination of the Northeast Foothills-Madison Unit, Burke County, ND, operated by Scout Energy Management LLC.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- xi. Order 32620 for Case 30011 regarding the termination of the Bauman Drain-Madison Unit in Bottineau County, ND.**

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32620 issued in Case No. 30011 approving the termination of the Bauman Drain-Madison Unit, Bottineau County, ND, operated by Cobra Oil and Gas Corporation, and/or such further relief.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- xii. Order 32877 for Case 30267 regarding an application of Marathon Oil Co. for an exception to NDAC 43-02-03-28 and authorization to locate heater treaters closer than 125 feet to process vessels.**

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32877 issued in Case No. 30267 approving the application of Marathon Oil Co. for an order authorizing treaters to be located closer than 125 feet to process vessels as an exception to the provisions of NDAC § 43-02-03-28 on well pads operated by Marathon Oil Co., or granting such other relief as may be appropriate.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- xiii. **Corrections to Order 31584 for Case 29030** related to an incorrect definition of a confining zone for a geologic storage facility.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves corrections to Order No. 31584 issued in Case No. 39030 to accurately define the confining zone for a geologic storage facility located in Sections 35 and 36, T.142N., R.84W., Sections 19, 20, 21, 22, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35, T.142.N, R.83W., Sections 1, 2, 12 and 13, T.141N., R.84W., Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20 and 21, T.141N., R.83W., Oliver County, ND.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- xiv. **Order 32875 for Case 30265** regarding an application of Phoenix Operating LLC for an overlapping 3,840-acres spacing unit in Williams and Divide Counties, ND.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32875 issued in Case No. 30265 approving the application of Phoenix Operating LLC for an order amending the applicable orders for the Burg, Green Lake and/or Smoky Butte-Bakken Pools to establish an overlapping 3840-acre spacing unit described as Sections 5 and 6, T.159N., R.99W., Williams County, ND and Section 1, T.159N., R.100W., Williams County, ND and Sections 31 and 32, T.160N., R.99W., Divide County, ND and Section 36, T.160N., R.100W., Divide County, ND and to authorize 1 horizontal well to be drilled on such unit and granting such other relief as may be appropriate.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- xv. **Case 29835** regarding an Industrial Commission complaint against WW Oilfield Services, LLC.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves the default Order in Case No. 29835 assessing a penalty of \$25,111 and recovery of investigation costs of \$33 against WW Oilfield Services, LLC in accordance with N.D.R.Civ.P. 4(c)(1)(D) and N.D.C.C. § 10-01.1-13(3) and (5).

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

There was an update on federal regulatory matters:

- i. BLM Resource Management Plan – We have responded to their request, has not been signed yet – MOU pending.
- ii. BLM Conservation and Landscape Rule – Comments and oppositions were submitted on July 5, 2023.
- iii. PHMSA Pipelines Safety – Comments and oppositions were submitted on August 16, 2023.
- iv. USFW Endangered Species Act Rules – We signed on with Alabama’s opposition letter on August 1, 2023.

There was an update on Oil and Gas related matters reasonably expected to require comments:

- i. BLM Venting and Flaring – anticipating to see this come up in October or November of this year.
- ii. Presidential Executive Order 14008 related to climate change – this order directs federal agencies to review their rules and regulations in the context of climate change, which is leading to a large number of rule changes

There was an Industrial Commission Legal Update

A. Litigation Update

- i. Northwest Landowners vs. NDIC – pore space litigation- December 12th deadline for the summary judgement motions
- ii. Northern Oil and Gas v NDIC – Trial is slated for Stanley, ND, May 7-9, 2024
- iii. Blue Appaloosa – Related to a judgement submitted against Blue Appaloosa for \$183,000
- iv. Liberty v. NDIC – Briefing is complete. Waiting on a decision from McKenzie County
- v. NDIC v. DOI Quarterly Federal Lease Sales – A response was filed for their status report. We will be back in Judge Trainor’s court later this month (October) to talk about how they are progressing

B. Federal Rulemaking

- i. BLM Leasing Rule – a request for an extension of comment period was denied and comments were filed on September 22, 2023.
- ii. DAPL DEIS – On September 8, 2023 the army corps of engineers released their draft environmental impact statement. Numerous stakeholders are engaged in providing new or updated comments during this comment period, including many state agencies. The comment period ends November 13, 2023 and there will be two public meetings on November 1st and November 2nd in downtown Bismarck.
- iii. CEQ NEPA Rules – the Biden Administration issued a rule seeking to change the need for procedure to a substantive rule. There was a letter signed by 17 Governors, largely in the Western states, the attorneys general, including Iowa’s AG office, and 22 other states with their respective Departments of Transportation adding comments. The State of ND itself also filed its own comments specific to concerns related to how the proposed rules would affect us.

STATE ENERGY RESEARCH CENTER

Mr. Haase presented for consideration of approval the authorization to contract with EERC for legislative-directed rare earth minerals study - \$1,500,000

House Bill 1014 directs the Industrial Commission to distribute the \$1,500,000 from the fund to the State Energy Research Center to conduct the study. Section 3 requires:

The study must include a review of in-state mineral accumulations including coal deposits, ore bodies, oil and gas reservoirs, produced water from oil and gas development activities, saltwater zones, and shale formations. While conducting the study, the state energy research center shall collaborate with the North Dakota geological survey and active mineral lessors and developers.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission authorize the Office of the Industrial Commission to enter into a contract with the Energy and Environmental Research Center, acting as the State Energy Research Center, to approve funding of \$1,500,000 from the state energy research fund for a study of rare earth minerals as directed by Section 14 of House Bill 1014 passed by the 68th Legislative Assembly, contingent upon receipt of a proposal to include total project costs not to exceed \$1,500,000, with \$500,000 provided to the North Dakota Geological Survey for subsurface coal investigations, project participants to include active mineral lessors and developers, quarterly reports, a project timetable within the 2023-2025 biennium, and a scope of work to include reviews of: ore bodies, oil and gas reservoirs, produced water from oil and gas development activities, saltwater zones, and shale formations.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Mr. Haase presented for consideration of approval the authorization to contract with EERC for legislative-directed underground energy storage research project - \$11,236,070.88

Section 15 of House Bill 1014 appropriated \$6,000,000 from SIIF to the State Energy Research Fund for the purpose of constructing a salt cavern as a component of an underground energy storage research project. Additionally, the legislature directed the Industrial Commission to distribute the \$6,000,000 as well as the remaining balance of ARPA funds from the de-committed Bakken Energy CSEA project to the State Energy Research Center to complete the project. The full amount equals \$11,236,070.88.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission authorize the Office of the Industrial Commission to enter into a contract with the Energy and Environmental Research Center, acting as the State Energy Research Center, to approve funding not to exceed \$11,236,070.88 for an underground energy storage research project as directed by Section 15 of House Bill 1014 passed by the 68th Legislative Assembly, contingent upon receipt of a proposal to include total project costs not to exceed \$11,236,070.88, project participants with demonstrated financial support from at least one nonstate entity, scope of work meeting the requirements of House Bill 1014, quarterly reports, and a project timetable within the 2023-2025 biennium.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

BANK OF NORTH DAKOTA

Mr. Todd Steinwand, President and CEO of the Bank of North Dakota presented his retirement announcement to the Industrial Commission, indicating a retirement date sometime in the second quarter of 2024, and the intention to be available to assist with the transition of the new bank president. Lori Leingang shared a memo with the Commission summarizing the discussion between the bank Advisory Board and the Commission at the joint meeting held July 28, 2023, pertaining to the hiring of a new bank president.

Ms. Tyler presented for consideration of approval the recommendation of the appointment of a search committee for the position of Bank of North Dakota President and CEO.

The recommendation memo reads as follows:

“Mr. Todd Steinwand, BND President and CEO, has communicated to the Industrial Commission his plan to retire in the second quarter of 2024. The Industrial Commission members and the BND Advisory Board discussed the plan for this transition at the July 28, 2023, Industrial Commission meeting, and guidance was given to the Advisory Board on the search and hiring of the next executive for this role.

Pursuant to Commission guidance, and to the plan summary and timeline presented to the Commission by BND Chief Administrative Officer, Lori Leingang, at the October 4th, 2023 meeting, I recommend the following committee composition be put in place to carry out the executive search plan:

- **Each Industrial Commission member or their designee**
- **Two members of the BND Advisory Board appointed by the Advisory Board Chair**
- **BND Chief Administrative Officer, Lori Leingang**
- **Industrial Commission Interim Executive Director, Karen Tyler, Committee Chair “**

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the following committee composition be put in place to carry out the executive search plan:

- **Each Industrial Commission member or their designee**
- **Two members of the BND Advisory Board appointed by the Advisory Board Chair**
- **BND Chief Administrative Officer, Lori Leingang**
- **Industrial Commission Interim Executive Director, Karen Tyler, Committee Chair**

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Mr. Steinwand presented the non-confidential meeting minutes for the following:

- i. Finance and Credit Committee June 14th and July 19th, 2023 meeting minutes
- ii. Advisory Board June 14th and July 27th meeting minutes
- iii. Audit and Risk Committee July 27th, 2023 meeting minutes

HOUSING FINANCE AGENCY

Ms. Jennifer Henderson gave a report on Emergency Solutions Grant and ND Homeless Grant awards.

During the 68th Legislative Assembly, the administrative authority for the federal Emergency Solutions Grant (ESG) and the state North Dakota Homeless Grant (NDHG) was transferred to North Dakota Housing Finance Agency (NDHFA) from the North Dakota Department of Commerce Division of Community Services. NDHFA accepted applications for funding on June 22, 2023, and by mid-August, all agencies that were selected for funding received a financial award.

Emergency Solutions Grant

The Emergency Solutions Grant program is authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378). The program authorizes the Department of Housing and Urban Development (HUD) to make grants to States, units of general-purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for people

experiencing homelessness, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters, street outreach to people experiencing homelessness, and for homelessness prevention and rapid re-housing assistance. HUD limits expenditures on emergency shelter, street outreach, and essential services related to emergency shelter to 60 percent of the grant award.

Emergency Solutions Grant activities are categorized by component. A HUD quick reference guide of eligible activities was provided to the Commission.

North Dakota received an allocation of \$486,494 and provided \$120,000 state emergency solutions grant match for a total allocation of \$606,494. HUD allows 7.5% (ND-\$36,487.05) of the federal allocation to be used for administration. A total of 24 applications were received requesting \$2,032,335 in funding. Nine agencies were selected and awarded a total of \$570,006.95. A list of the funded applications was provided.

North Dakota Homeless Grant (NDHG)

NDHFA was allocated a total of \$2.5 million for the biennium. A total of \$1.25 million was made available for the first year. NDHG is administered similar to the Emergency Solutions Grant with the same eligible activities and uses minus some of the federal administrative requirements. In an attempt to build homeless provider capacity, NDHFA does require all NDHG awardees to utilize coordinated entry and the homeless management information system (HMIS) reporting software.

For the application round a total of 23 applications were received, requesting \$2,825,388 in funding. NDHFA awarded 22 applications and funded \$1.25 million.

Ms. Kayla Axtman gave a report on 2023 Series DE Bond Issue pricing as follows:

HOME MORTGAGE FINANCE PROGRAM BONDS
NDHFA Bond Sale 2023DE

	Priced July 11, 2023		Priced January 10, 2023	
	Tax Exempt	Taxable	Tax Exempt	Taxable (swap)
	2023D	2023E	2023A	2023BC
Bonds Issued	125,000,000	75,000,000	125,000,000	40,000,000
Bond Premium	3,291,197	819,408	3,916,418	450,072
Debt Service Reserve	(3,750,000)	(2,250,000)	0	(1,200,000)
Total Proceeds	124,541,197	73,569,408	128,916,418	39,250,072
Bond Yield	4.26%	5.49%	4.224%	4.957%
Cost of Issuance & Underwriters Discount (Agency)	1,108,143	667,780	1,129,394	321,340
Average Loan Amount	204,184	288,829	194,230	302,093
Estimated Number of Loans	610	255	664	130
Interest Rates Offered (30 Year Fixed rates adjusted daily):				
Government (1.5 Points*)	5.900%	7.250%	5.500%	6.250%
Conventional (1.5 Points*)	6.150%	7.500%	5.750%	6.500%
(*1% Orig. Fee & 1/2 Point)				
Eligible Loans include: FHA Insured, Conventional Insured, USDA RD RHS Guaranteed, VA Guaranteed, Uninsured			Commentary: Since the beginning of 2023 the Federal Reserve has raised interest rates 4 times bringing the fed funds rate to 5.25% - 5.50%. During this same time the Agency has moved the tax exempt 30 year mortgage rate 8 times and still is well below the current market rate for a 30 year conventional loan. The average 30 year FHA mortgage rate is 7.08% and the average 30 year conventional mortgage right now is 7.62%. For the past two months the Agency is averaging just over \$9million a week in First Home (tax exempt) reservations and approximately \$5.5million in Roots (taxable) reservations. Currently, the average total payment (principal, interest, taxes and insurance) for a First Home borrower is \$1,191 and for a Roots borrower it is \$1,932.	
Home Sales Price Limits: (One Unit) All Counties 481,176 <i>Higher Limits applicable to 2 - 4 Unit Residences</i>				
Borrower Income Limits: 100,400 to 126,040 (Limits vary by county and household size)				
Underwriters Discount Components: \$/M Bonds				
Management Expense 0.75				
Take-Down 9.02				
TOTAL 10.56				
Miscellaneous : Annual (Basis Points on Loans Outstanding) 20				

NORTH DAKOTA TRANSMISSION AUTHORITY

Mr. Claire Vigesaa presented for consideration of approval the IJA Resilience Grant Award Process.

As part of the Bipartisan Infrastructure Law – Section 40101(d), the U.S. Department of Energy’s (DOE’s) Grid Development Office has allocated funds to the State of North Dakota, through the North Dakota Transmission Authority (NDTA). NDTA is seeking to fund grid modernization projects that result in a more resilient electrical grid and promote a clean and equitable energy economy in North Dakota. Special attention will be given to disadvantaged, vulnerable, and underserved communities, as designated by the Justice40 Initiative and other U.S. government directives. NDTA has identified the following objectives and associated metrics for evaluating proposed projects.

Objective 1: Reduce the magnitude and duration of grid outages caused by major disruptive storm and non-storm events.

Metrics:

- Magnitude of interruptions to the critical customers (for storm and non-storm events, separately)
- Length of time for restoration/recovery after extended outages
- Number of personnel trained to manage the resilience project once it is finished

Objective 2: Reduce the frequency and impacts of grid outages caused by major disruptive storm and non-storm events.

Metrics:

- Frequency of interruptions to critical customers
- Qualitative assessment of the physical durability of the grid (how much the grid can withstand: both initial and frequent disruptions of 1 hour or more)
- Qualitative assessment of the grid operational flexibility (how adaptable the grid is in terms of damage)
- Restoration/recovery times after frequent outages of 1 hour or more

Objective 3: Implement grid modernization projects to develop energy solutions that provide lower-cost energy access to disadvantaged or underserved communities, and promote energy sufficiency and energy justice in these communities while providing clean energy in alignment with the Biden Administration's Justice40 Initiative. Renewable energy (RE) and distributed energy resources (DERs) that are installed and managed locally give disadvantaged communities the opportunity to meet the energy needs of their community, take control of their energy resources, and enjoy the long-term environmental and economic advantages of these resources. These initiatives not only offer a source of clean, local, renewable energy but also reduce energy costs, generating savings that can be reinvested into the community.

Metrics:

- The number and type of RE/DER installations under grid modernization initiatives
- The financial impact to households as a result of avoided outages
- The number of workforce development programs developed for the disadvantaged/underserved communities
- The number of energy businesses/jobs created for the disadvantaged/underserved communities from new RE/DER installations

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves the grant award process proposed by the North Dakota Transmission Authority for the issuance of subawards under Section 40101(d) of the Infrastructure Investment and Jobs Act.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

NORTH DAKOTA PIPELINE AUTHORITY

Mr. Justin Kringstad presented for consideration of approval a letter of support for Northern Border Pipeline Company Bison XPress Project FERC application.

"RE: Northern Border Pipeline Company Bison XPress Project, Docket CP23-544

Dear Chairman Phillips:

The purpose of this letter is to express our support of the Northern Border Pipeline Company Bison XPress Project (Project). The Project will add much needed gas transmission capacity in the U.S. Williston Basin, support regional gas capture infrastructure expansions, and limit the requirement for gas flaring. The interests of shippers, royalty owners, gas processors, producers, and the State of North Dakota will be supported through the incremental transmission capacity provided by the Project.

Thanks to the Bakken and Three Forks formations in the Williston Basin, the State of North Dakota is currently the third largest producer of crude oil in the United States. Natural gas produced in association with crude oil has continued to grow at a faster rate than oil production through naturally occurring increases in the gas-oil ratio. North Dakota has been setting new production records nearly every month, with current natural gas production at more than 3.28 billion cubic feet per day.

In the U.S. Energy Information Administration (EIA) *Annual Energy Outlook 2023*, the “reference” case oil production forecast has the Northern Great Plains Region (i.e. U.S. Williston Basin) growing from 1.11 million BOPD in 2022 to more than 1.80 million BOPD in the year 2050. To facilitate the level of predicted oil production forecast by the EIA, while accounting for continued natural increases in gas-oil ratios, the region will need to significantly expand its natural gas transmission systems to maximize gas capture and minimize flaring.

The North Dakota Industrial Commission, acting as the North Dakota Pipeline Authority, respectfully recommends the timely and favorable consideration of the Northern Border Pipeline Company Bison XPress Project application. A timely approval will support critical energy expansion, enhance reliability, and aid in reducing emissions for our great state and nation.”

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves the letter of support, or a stronger letter, for Northern Border Pipeline Company’s application to the Federal Energy Regulatory Commission for its Bison XPress project.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

NORTH DAKOTA MILL AND ELEVATOR

Mr. Vance Taylor presented for consideration of approval the Mill and Elevator 2024 Strategic Plan.

The 5 Key objectives of the Mill and Elevator’s Strategic Plan are as follows:

- i. Promote and Support North Dakota Agriculture, Commerce, and Industry
- ii. Identify and Respond to Emerging Issues in the Flour Milling Industry
- iii. Maximize Profit Potential
- iv. Grow our Customer Base
- v. Invest in and Protect our Employees

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the North Dakota Mill and Elevator 2024 Strategic Plan

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

With no further business, Governor Burgum adjourned the meeting at 12:28 p.m.

North Dakota Industrial Commission

Brenna Jessen, Recording Secretary

Reice Haase, Deputy Executive Director

Karen Tyler, Interim Executive Director



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Memorandum

TO: Doug Burgum, Governor and Chairman
Drew Wrigley, Attorney General
Doug Goehring, Agriculture Commissioner

FR: Reice Haase, Deputy Executive Director

DT: October 31, 2023

RE: Special Grant Round for Carbon Capture and Utilization Education and Marketing

Section 10 of HB 1014 passed by the 68th Legislative Assembly included an appropriation of \$300,000 "to contract for carbon capture and utilization education and marketing". The lignite research fund, oil and gas research fund, and renewable energy development fund are directed to each contribute \$100,000 to the effort. The Commission is directed to develop the contract in consultation with each of the fund's respective research councils.

The next meetings of the respective councils are currently scheduled as follows:

- Renewable Energy Council: November 6th, 2023
- Lignite Research Council: November 9th, 2023
- Oil and Gas Research Council: December 2023

Each research program has a similar process for accepting grant applications, including a similar application, technical review, Council recommendation, and contracting with the Commission. A combined special grant round would facilitate a thorough review of applications and would allow the Commission to efficiently consult with all three councils prior to considering a contract that would meet the legislative intent of HB 1014.

Therefore, I recommend that the Commission authorizes a special grant round of the combined Renewable Energy, Lignite Research and Oil and Gas Research Councils for the purpose of soliciting proposals to conduct carbon capture and utilization education and marketing, during which the Commission would consider for approval only such applications that receive a positive recommendation from all three research councils.

SECTION 10. TRANSFER - FUNDS UNDER THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND - CARBON CAPTURE EDUCATION.

The sum of \$300,000, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from funds under the control of the industrial commission to the industrial commission fund to contract for carbon capture and utilization education and marketing in consultation with the lignite research council, the oil and gas research council, and the renewable energy council. Of the \$300,000, the industrial commission may transfer:

1. Up to \$100,000 from the lignite research fund;
2. Up to \$100,000 from the oil and gas research fund; and
3. Up to \$100,000 from the renewable energy development fund.



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Memorandum

TO: Doug Burgum, Governor and Chairman
Drew Wrigley, Attorney General
Doug Goehring, Agriculture Commissioner

FR: Reice Haase, Deputy Executive Director

DT: October 31, 2023

RE: Report on 2023 Special Legislative Session

During the 2023 Special Legislative Session, the Office of the Industrial Commission monitored bills related to the Commission's work. Three bills related to the Industrial Commission were passed:

- SB 2393 included a cash-management study which involves the Bank of North Dakota
 - Passed Senate 46-1, Passed House 82-7
- SB 2397 included a \$100 million line-of-credit from the Bank of North Dakota for the water infrastructure revolving loan fund
 - Passed Senate 47-0, Passed House 87-2
- HB 1546 directed the Clean Sustainable Energy Authority to develop a fertilizer incentive program with a \$125 million forgivable loan for a fertilizer facility which uses hydrogen produced by the electrolysis of water
 - Passed House 60-30, Passed Senate 40-7

BANK OF NORTH DAKOTA 2024 HOLIDAY SCHEDULE

The 2024 holidays will be observed by the Bank of North Dakota and the Federal Reserve Bank of Minneapolis and its Helena Branch on the following dates:

New Year's Day	Monday, January 1
Martin Luther King Jr. Day	Monday, January 15
Presidents Day	Monday, February 19
Memorial Day	Monday, May 27
Independence Day	Thursday, July 4
Labor Day	Monday, September 2
Columbus Day	Monday, October 14***
Veterans Day	Monday, November 11
Thanksgiving Day	Thursday, November 28
Christmas Day	Wednesday, December 25

***All Employee Event for BND. Employees can choose to take another day off.

Note: According to NDCC 1-03-01.1 state offices close at noon on Christmas Eve Day when it falls on a Monday-Thursday.

September 30, 2023



Bank *of* North Dakota

Performance Highlights



BANK OF NORTH DAKOTA
BALANCE SHEET - COMPARATIVE DATA
SEPTEMBER 30, 2023 - UNAUDITED

	(In thousands)				
	9/30/2023	Budget	Difference	% Change	9/30/2022
Cash and due from banks	\$ 296,519	\$ 217,620	\$ 78,899	36.26%	\$ 427,413
Federal funds sold	80,620	55,000	25,620	46.58%	24,845
Securities	3,884,193	3,951,304	(67,111)	-1.70%	4,431,752
Loans					
Commercial	3,452,992	3,520,342	(67,350)	-1.91%	2,923,170
Agriculture	728,694	718,543	10,151	1.41%	680,450
Residential	323,997	317,338	6,659	2.10%	362,043
Student Loans	1,078,226	1,106,592	(28,366)	-2.56%	1,119,198
	5,583,909	5,662,815	(78,906)	-1.39%	5,084,861
Less allow. for credit loss	(99,075)	(102,092)	3,017	2.96%	(108,981)
	5,484,834	5,560,723	(75,889)	-1.36%	4,975,880
Other assets	171,905	86,682	85,223	98.32%	142,896
Total assets	\$ 9,918,071	\$ 9,871,329	\$ 46,742	0.47%	\$10,002,786
Deposits -					
Non-interest bearing	\$ 632,336	\$ 425,000	\$ 207,336	48.78%	\$ 687,613
Interest bearing	8,068,605	8,043,366	25,239	0.31%	8,112,563
	8,700,941	8,468,366	232,575	2.75%	8,800,176
Federal funds purchased and repurchase agreements	177,095	225,000	(47,905)	-21.29%	257,790
Short-term Borrowings	50,000	0	50,000	0.00%	0
Off Balance Sheet Reserve Allowance	13,270	0	13,270	0.00%	0
Other liabilities	5,596	8,218	(2,622)	-31.90%	5,601
Total liabilities	8,946,902	8,701,584	245,318	2.82%	9,063,567
Equity	971,169	1,169,745	(198,576)	-16.98%	939,219
Total liabilities and equity	\$ 9,918,071	\$ 9,871,329	\$ 46,742	0.47%	\$10,002,786

BND's primary financial objective is to generate a consistent financial return to the State of North Dakota while maintaining the strength and financial integrity of the Bank. BND intends to produce strong returns while protecting its balance sheet by following strategies that focus on income generation, risk mitigation, and expense control.

- Third quarter 2023 assets were \$9.9 billion. On January 1, 2023, the Bank implemented FASB ASU 2016-13 known as the Current Expected Credit Loss (CECL) model. The variance in the allowance for credit loss and the off-balance sheet reserve allowance account compared from actual to budget reflects the change in presentation of the accounting standard. Total allowance for credit loss and off-balance sheet reserve is \$112.3 million for the quarter.
- The Securities portfolio is a source of both income and liquidity for BND. As the Bank identifies excess funds and the portfolio runs off, maturities can be reinvested, utilized to fund new loans, or reduce short and long-term borrowings.
- The loan portfolio grew to \$5.6 billion in the third quarter, but volumes have slowed from 2022 growth as the portfolio is down from budget. Commercial loans are down by \$67.4 million. Strong activity in the commercial participation and flex pace programs were offset by the pay down of state institution loans and timing of match program loans. Livestock Rebuilder program exceeded budget expectations helping drive growth in the Ag Portfolio. Residential loan runoff is slowing due to the rise in interest rates and overall volume of student loans is down. The student loan portfolio continues to focus on state-sponsored DEAL loans.
- Changes in the Bank's Equity position are a result of net income, changes in unrealized gain/loss positions, allocations of capital to various legislative programs, and distributions to the State's General Fund. For the nine months ended September, the Bank has transferred \$140 million to the General Fund, \$24.5 million to buydown programs and \$41.4 million to other state programs. During 2022, the Bank transferred \$28.8 million to buydown programs and \$1.57 million to other state programs.

BANK OF NORTH DAKOTA
INCOME STATEMENT - COMPARATIVE DATA
SEPTEMBER 30, 2023 - UNAUDITED

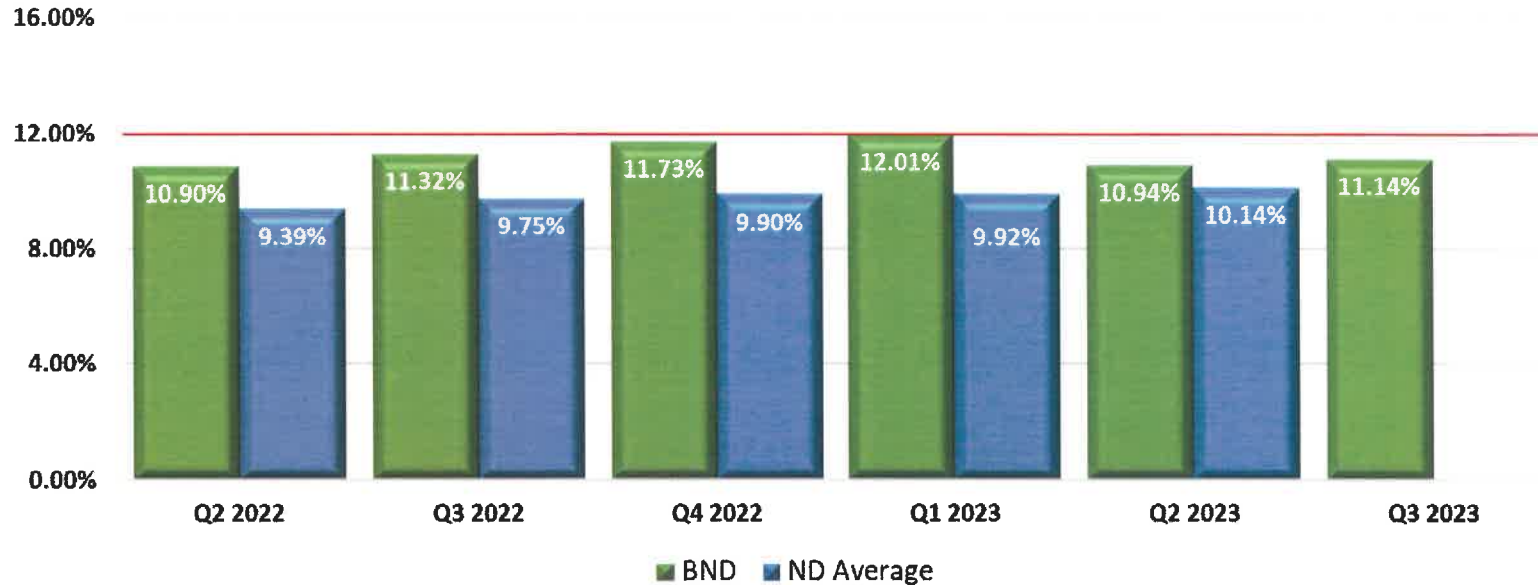
	(In thousands)				9/30/2022
	9/30/2023	Budget	Difference	% Change	
Interest Income	\$ 266,347	\$ 258,888	\$ 7,459	2.9%	\$ 180,516
Interest Expense	95,224	72,152	23,072	-32.0%	23,607
Net Interest Income	171,123	186,736	(15,613)	-8.4%	156,909
Provision for Credit Losses	7,153	4,500	2,653	-59.0%	0
Net Interest Income after Provision	163,970	182,236	(18,266)	-10.0%	156,909
Non-Interest Income	4,704	4,985	(281)	-5.6%	2,860
Non-Interest Expense					
Salaries and benefits	14,301	15,389	(1,088)	7.1%	13,090
Occupancy and equipment	633	607	26	-4.3%	528
IT & System Costs	5,340	7,793	(2,453)	31.5%	5,454
FHLB Prepayment	0	0	0	0.0%	1,171
Other operating expenses	4,686	4,530	156	-3.4%	4,415
	24,960	28,319	(3,359)	11.9%	24,658
Net Income	\$ 143,714	\$ 158,902	\$ (15,188)	-9.6%	\$ 135,111

BND's primary objective is to generate a consistent financial return to the State of North Dakota while maintaining the strength and financial integrity of BND.

Commentary:

- Net Income as of September 30, was \$143.7 million. Interest Income exceeded budget by \$7.5 million primarily due to higher rates at the Federal Reserve, larger than anticipated FHLB dividends, and higher rates and volumes in the commercial participation program. A combination of increased rates, short-term borrowing, and deposit balances contributed to the higher interest expense.
- The Bank implemented the CECL Accounting Standard in 2023. The primary driver to the variance in budget to actual with provision for credit losses was the level of commercial loan growth experienced year-to-date. The Bank continues to evaluate its loan portfolio and adequacy of the allowance for credit loss.
- Non-Interest Expense is \$3.4 million under budget due largely to the timing of IT projects and hiring of approved FTEs.

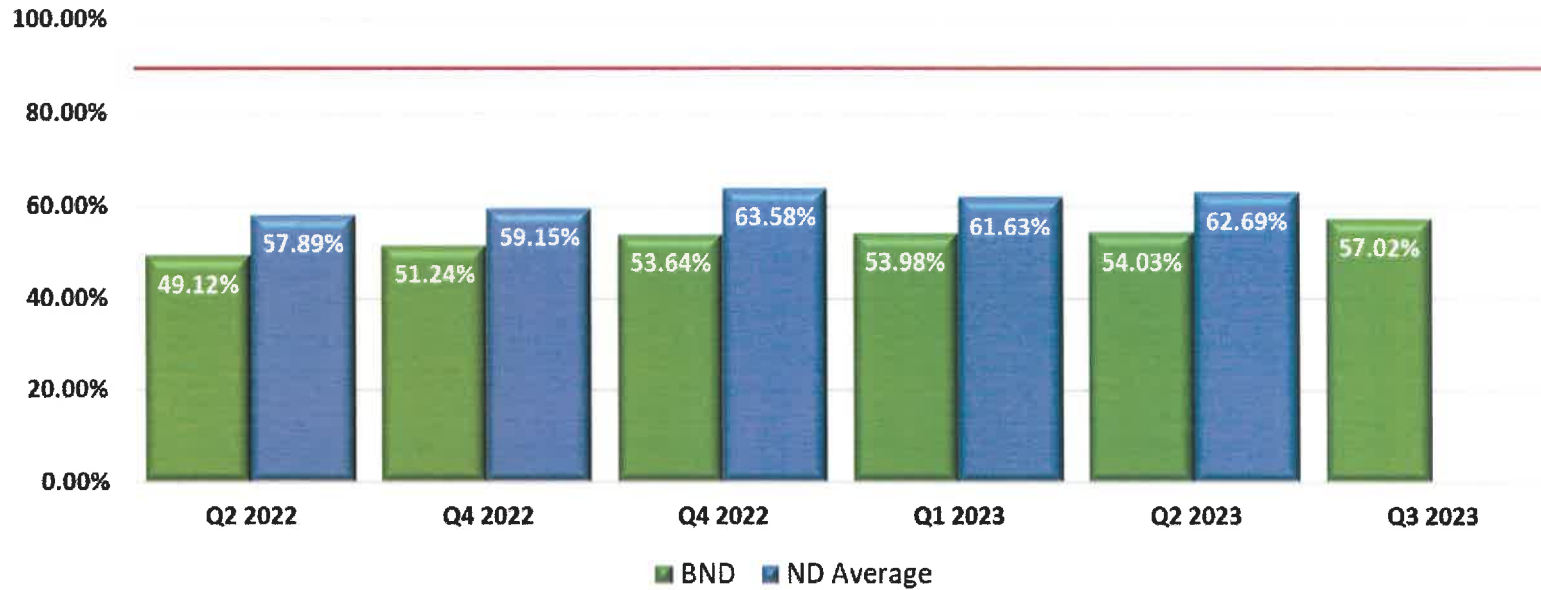
Leverage Ratio



- Leverage ratio is a measure of financial strength. It is calculated by dividing Tier One Capital by average assets for the quarter. As of September 30, 2023, average asset size is \$10.0 billion compared to \$9.9 billion one year ago. State dollars received from American Rescue Plan funding and increased state tax revenues in the state has attributed to the increased assets size over the last two years by providing liquidity to increase the security and loan portfolio. Tier One Capital is \$1.1 billion consistent with one year ago. Fluctuating quarterly ratios are the result of the Bank's quarterly earnings offset by capital transfers, including \$140 million to the General Fund, \$47.3 million to buydown programs and \$42.1 million to other state programs in the last 6 quarters.
- BND's current internal benchmark is 12.00% (red line). As of September 30, 2023, the Bank's leverage ratio increased to 11.14%.
- As of June 30, 2023, the leverage ratio for all insured commercial banks in the state is 10.14%.

The North Dakota average is obtained from the Federal Financial Institutions Examination Council (FFIEC) who tabulates input from commercial banks in North Dakota. Note: The North Dakota average for the current quarter has not yet been determined, as the FFIEC publishes this data approximately 60 days after the completion of each calendar quarter.

Net Loans to Earning Assets

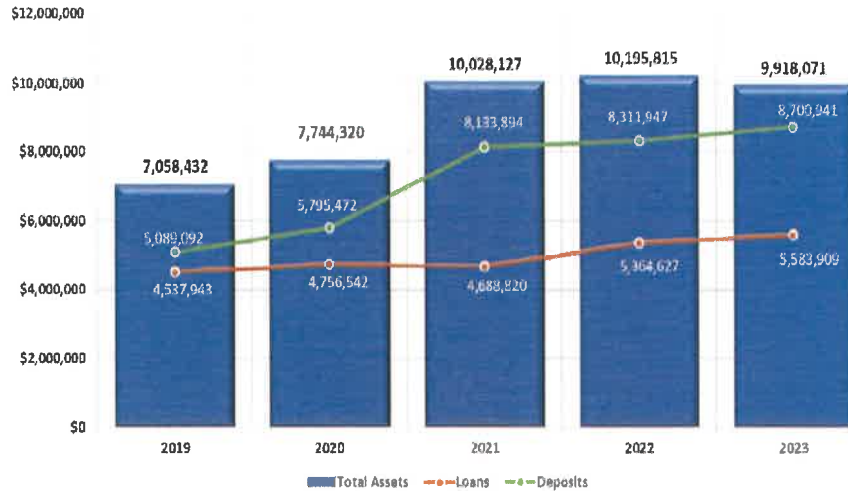


- Net Loans to Earning Assets is a ratio used to measure the liquidity of a financial institution.
- BND has established an internal guideline for the Net Loans to Earning Assets Ratio to be 90% or lower (red line).
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The North Dakota average is obtained from the Federal Financial Institutions Examination Council (FFIEC) who tabulates input from commercial banks in North Dakota. *Note:* The North Dakota average for the current quarter has not yet been determined, as the FFIEC publishes this data approximately 60 days after the completion of each calendar quarter.

Five-Year History

(In Thousands)



- The increase in asset and deposit size from 2020 to 2021 was primarily due to \$1.25 billion of Federal CARES ACT dollars, \$1.0 billion of American Rescue Plan funds and higher correspondent bank deposits related to government issued COVID-19 relief payments, and additional funds received by the state from increased oil and sales tax revenue.
- Asset size for the Bank in 2023 has fluctuated between \$10.4 billion and \$9.9 billion. Adequate liquidity has allowed the Bank to continue to grow its loan portfolio and reinvest in its investment portfolio as securities mature.
- The loan portfolio has grown 23% from \$4.5 billion in 2019 to \$5.6 billion as of third quarter 2023, continuing the Bank's mission to deliver quality, sound financial services that promote agriculture, commerce, and industry in North Dakota.

Bank of North Dakota Peer Group Comparison

Bank of North Dakota Peer Group Comparison			
	BND	Banker's Bank Peer Composite	ND Bank's Peer Composite
<i>As of 06/30/2023</i>			
Efficiency Ratio	13.77	82.61	69.65
NPLs/ Loans	0.88	0.35	0.35
ROAA	1.91	0.58	0.94
ROAE	18.27	5.18	10.89
Tier One Leverage Capital	10.94	12.46	9.44
Net Interest Margin	2.35	1.94	2.56

Banker's Bank Peer Group

Bankers' Bank
 First National Bankers Bank
 Pacific Coast Bankers' Bank
 TIB, National Association
 United Bankers Bank

ND Bank's Peer Group

Bell Bank
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- BND established a peer group for the purpose of measuring performance. Though a pure-play peer group does not exist, BND selected five national banker's banks with assets greater than \$1.0B and four North Dakota banks with assets greater than \$3.0B.
- BND's efficiency ratio exemplifies the Bank's ability to maintain low operating costs relative to its income.
- The Bank's ROAA and ROAE exceed the Peer Composite ratios as BND efficiently deploys capital and manages costs.
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Loan Originations

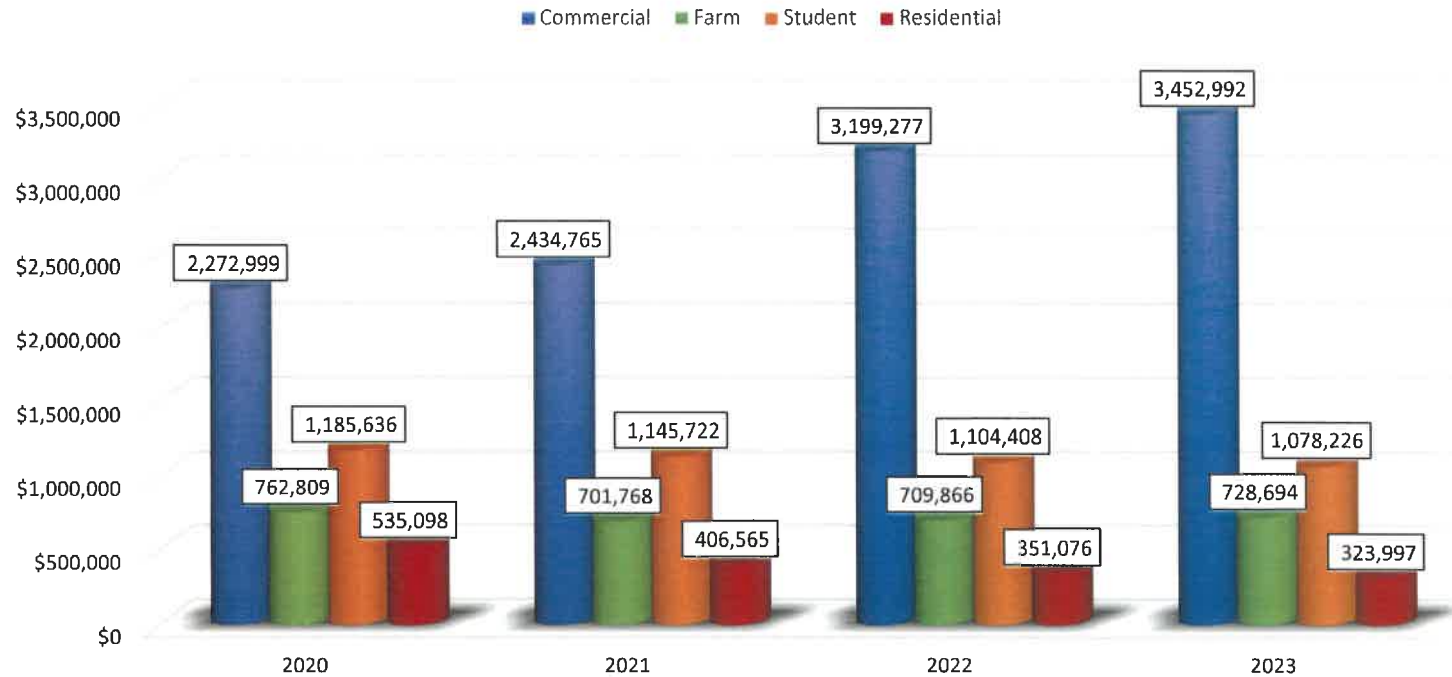
(includes renewals)

Year to Date

	September 30, 2023		September 30, 2022		Variance	
	###	\$\$\$	###	\$\$\$	###	\$\$\$
Bank Participations - Commercial	170	840,779,595	224	1,030,803,638	(54)	(190,024,043)
State Institution	10	639,902,548	3	350,000,000	7	289,902,548
Bank Stock	38	66,722,674	68	105,265,354	(30)	(38,542,680)
Flex PACE	146	55,309,414	149	81,931,812	(3)	(26,622,398)
PACE	6	13,981,710	19	53,282,028	(13)	(39,300,318)
Business Development	29	8,792,823	26	5,516,975	3	3,275,848
Affordable Housing Flex PACE	4	4,957,611	5	5,299,546	(1)	(341,935)
PACE w / ADD buydown	2	3,551,941	0	0	2	3,551,941
Biofuels PACE w / ADD buydown	2	3,400,000	0	0	2	3,400,000
Small Business Administration	3	3,122,725	0	0	3	3,122,725
Bank Participations - Commercial w / ADD buydown	3	3,000,000	0	0	3	3,000,000
Accelerated Growth	1	2,997,000	1	2,250,000	0	747,000
Biofuels PACE	5	793,043	4	284,055	1	508,988
Flex PACE w / ADD buydown	1	409,150	0	0	1	409,150
Match	0	0	1	150,000,000	(1)	(150,000,000)
Political Subdivision	0	0	1	2,800,000	(1)	(2,800,000)
Total Commercial Loans	420	1,647,720,234	501	1,787,433,408	(81)	(139,713,174)
Farm & Ranch	86	106,987,188	75	93,095,055	11	13,892,133
Farm Disaster/Drought Programs	161	16,005,118	12	1,014,000	149	14,991,118
Beginning Farmer Real Estate	35	13,205,385	94	32,944,170	(59)	(19,738,785)
Established Farmer	12	8,568,620	21	9,345,817	(9)	(777,197)
Beginning Farmer Chattel	82	4,714,819	81	5,218,888	1	(504,069)
Ag Pace	52	4,572,694	71	6,528,233	(19)	(1,955,539)
Farm Service Agency	2	1,692,500	5	3,759,146	(3)	(2,066,646)
Farm Operating	13	1,690,095	17	1,790,500	(4)	(100,405)
Family Farm	1	186,300	6	801,550	(5)	(615,250)
Total Agricultural Loans	444	157,622,719	382	154,497,359	62	3,125,360
DEAL Loans	8,225	53,916,309	8,845	56,768,566	(620)	(2,852,257)
DEAL One	73	4,199,779	216	14,649,396	(143)	(10,449,617)
DEAL Consolidation	22	1,197,544	53	2,514,725	(31)	(1,317,181)
Purchased Student Loans	12	171,353	7	49,172	5	122,181
Total Student Loans	8,332	59,484,985	9,121	73,981,859	(789)	(14,496,874)
Total Bank of North Dakota Loans	9,196	1,864,827,938	10,004	2,015,912,626	(808)	(151,084,688)
Legislatively Directed Loan Programs						
School Construction	9	111,720,000	2	10,870,000	7	100,850,000
Infrastructure RLF	27	110,089,346	9	17,271,800	18	92,817,546
Clean Sustainable Energy	1	40,000,000	1	15,000,000	0	25,000,000
Fuel Production Facility/Value Add Guarantee	2	12,000,000	2	9,500,000	0	2,500,000
Innovation Loan Fund	6	5,000,000	12	6,498,790	(6)	(1,498,790)
Legacy Investment Technology Loan Fund	5	3,000,000	0	0	5	3,000,000
Beginning Entrepreneur Loan Guarantee	30	2,414,775	36	2,311,693	(6)	103,082
Department of Water Resources RLF	2	1,700,000	1	18,215,000	1	(16,515,000)
Bulk Propane Storage Tank RLF	2	263,500	0	0	2	263,500
Legislatively Directed	84	286,187,621	63	79,667,283	21	206,520,338

Consolidated Loan Portfolio

(In Thousands)



COMMERCIAL · The commercial loan portfolio increased by \$254 million YTD 2023 with BND funding and renewing \$1.6 billion of loans. The largest area of activity was in commercial participations with BND funding and renewing \$841 million. The commercial portfolio increased by 7.93% due to commercial participations and state institution loans.

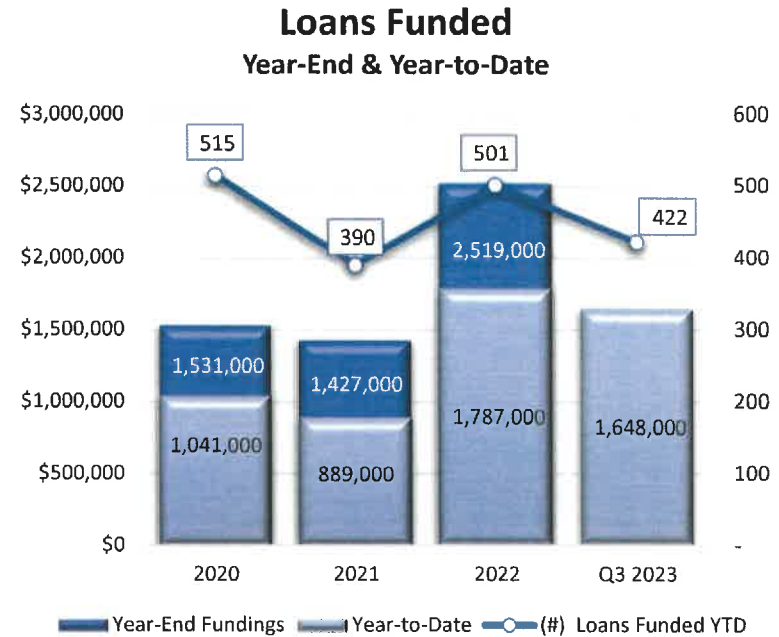
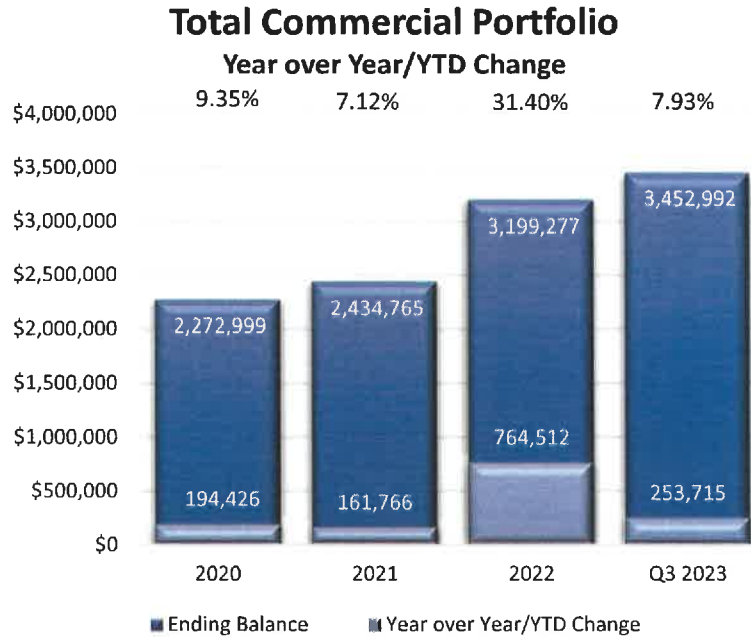
AGRICULTURE · The farm loan portfolio increased by \$19 million YTD 2023 with BND funding and renewing \$158 million of loans. Farm and Ranch loans led the way with \$107 million, followed by Farm Disaster/Drought Programs which funded \$16 million in loans.

STUDENT · The student loan portfolio decreased by \$26 million YTD 2023. BND disbursed \$59 million in DEAL loans in 2023. DEAL Loan origination has decreased due to more favorable federal rates.

RESIDENTIAL · Transition of all residential originations to Housing Finance Agency occurred on August 1, 2021, and the transition of nearly all residential servicing and collections to Housing Finance Agency occurred on October 1, 2021. As a result, the residential loan portfolio decreased by \$83 million since year end 2021.

Commercial Loan Portfolio

(In Thousands)

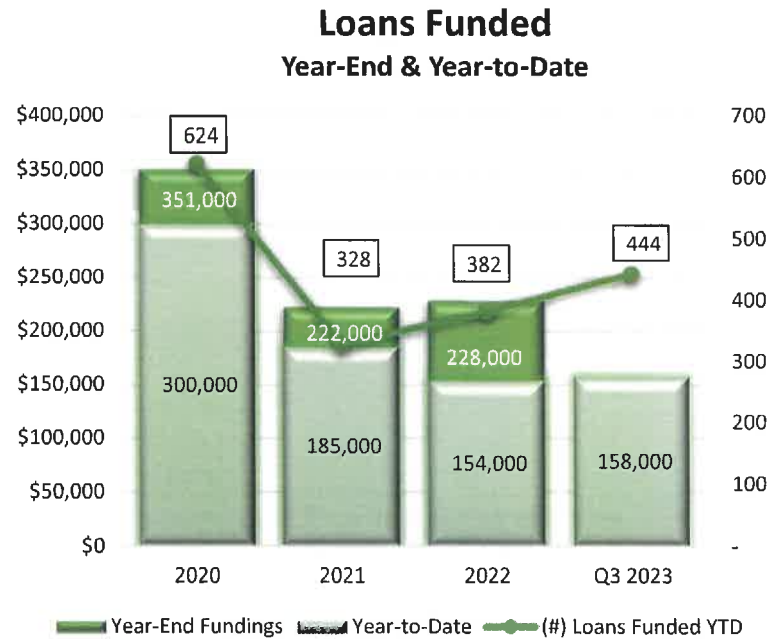
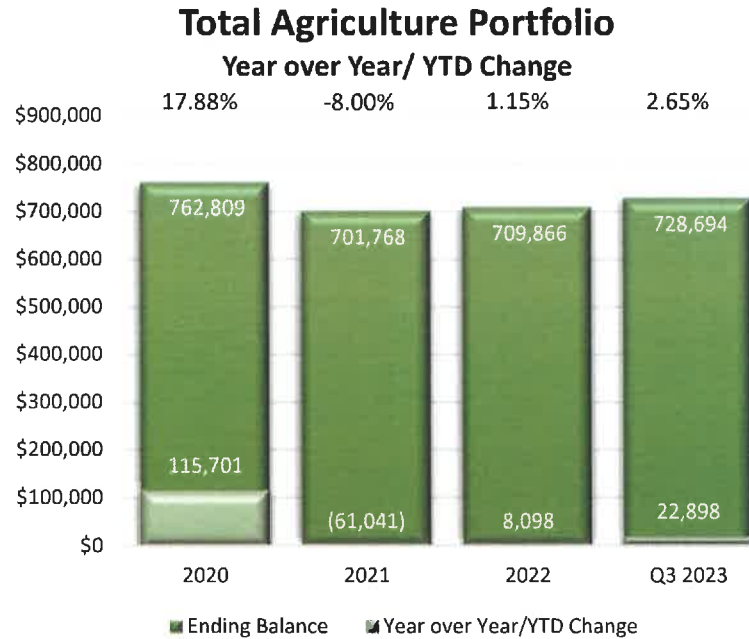


Portfolio Composition				
Loan Type	2020	2021	2022	2023
Bank Participation	53%	52%	55%	60%
PACE Loans	15%	15%	13%	14%
Bank Stock	12%	14%	11%	11%
State & Pol. Subs	8%	8%	8%	9%
Other	12%	11%	13%	6%

- The commercial loan portfolio increased by \$254 million with BND funding and renewing \$1.6 billion of loans YTD 2023.
- The largest area of activity was in commercial participation funding and renewing \$841 million in loans and state institution loans of \$640 million.

Agriculture Loan Portfolio

(In Thousands)

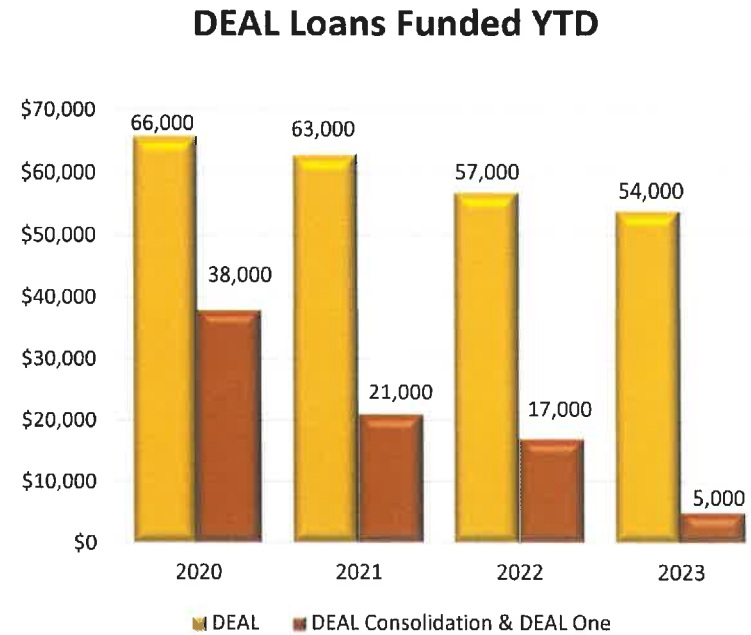
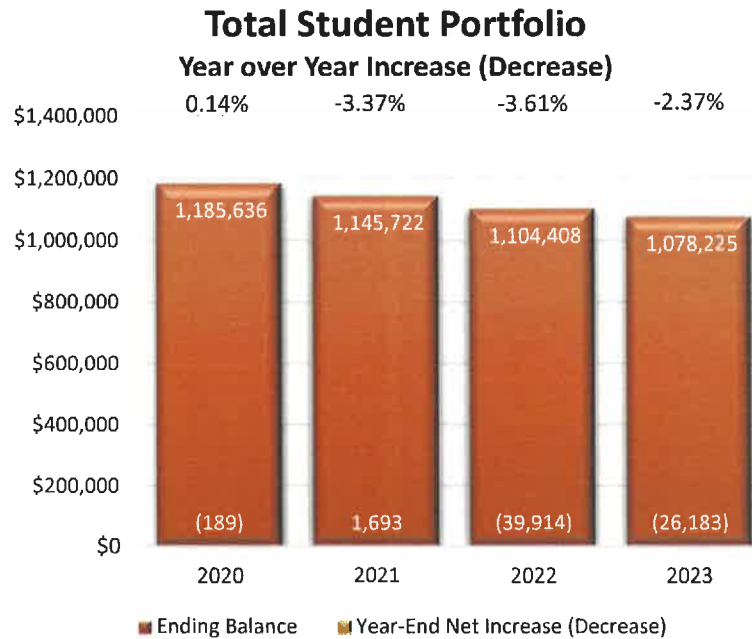


Portfolio Composition				
Loan Type	2020	2021	2022	2023
Farm & Ranch	17%	18%	19%	21%
Beginning Farmer	25%	28%	32%	31%
Established Farmer	24%	28%	26%	25%
Farm Financial Stability/Farm Disaster Loans	25%	19%	19%	17%
Other	9%	7%	4%	6%

- The agriculture portfolio increased by \$19 million with BND funding and renewing \$158 million of loans YTD 2023.
- The largest areas of activity were Farm and Ranch loans with \$107 million and \$16 million in Livestock Rebuilders YTD 2023. The increase in loan volume is due to funding 161 Livestock Rebuilder loans YTD. In total, BND has funded 190 Livestock Rebuilder Loans for \$18 million. Pending applications received prior to the 6/30/23 deadline which have not yet booked totaled 8 borrowers for \$330 thousand.

Student Loan Portfolio

(In Thousands)



Portfolio Composition				
Loan Type	2020	2021	2022	2023
DEAL	54%	54%	56%	57%
DEAL One	41%	41%	39%	38%
DEAL Consolidation	5%	5%	5%	5%

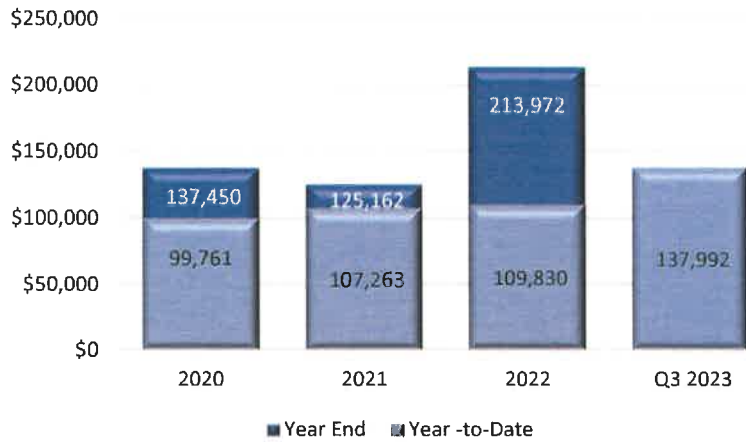
History of DEAL Rates (In-State)				
Interest Rate	2020	2021	2022	Current
Fixed	3.43%	3.98%	6.46%	6.81%
Variable	1.73%	1.71%	6.24%	6.48%

- The student loan portfolio decreased by \$26 million YTD 2023, with BND disbursing \$59 million in DEAL loans.
- BND's fixed rate is currently higher than the federal student loan rate for undergraduate students. The federal rate is set annually in July and the current rate is 5.50%, compared to BND's in-state fixed rate of 6.81% which is set quarterly.

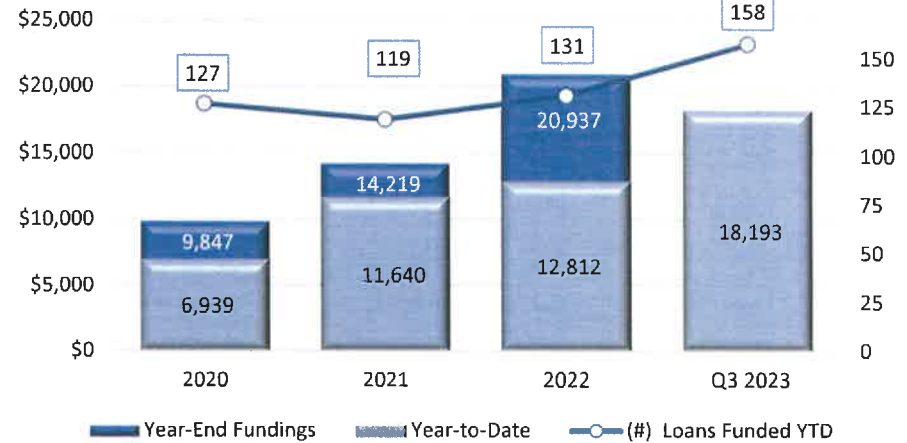
Commercial PACE

(In Thousands)

PACE Loan Amounts
Year-End & Year-to-Date



PACE Buydown Funded
Year-End & Year-to-Date



Loan Type	2020	2021	2022	2023
Pace	18%	19%	26%	25%
Flex Pace	54%	53%	56%	60%
Affordable Housing	18%	15%	12%	10%
Biofuels	6%	9%	3%	3%
Medical Pace	3%	4%	4%	2%

➤ A total of 138 Flex PACE loans were funded YTD 2023 for a total of \$83 million compared to 116 in 2022. Flex PACE buydown demand continues due to the financing of essential community services and community approved businesses throughout North Dakota.

➤ A total of 9 PACE loans were funded YTD 2023 for a total of \$36 million compared to 9 in 2022. Additional PACE loans funded were 7 Affordable Housing for \$17 million and 4 biofuels for \$2 million.

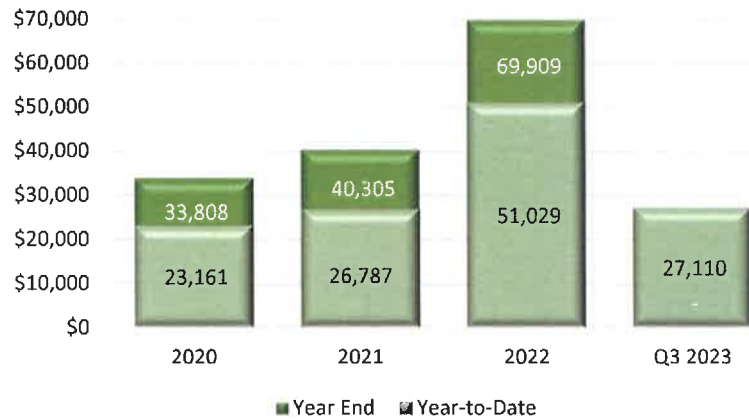
2023-2025 Biennium Buydown Funding (Commercial)					
	PACE	Flex	Housing	Biofuels	Total
Total available	\$18,000	\$20,000	\$1,000	\$1,000	\$40,000
Funded/Committed	\$899	\$3,671	\$0	\$269	\$4,839
Remaining Buydown*	\$17,101	\$16,329	\$1,000	\$731	\$35,161

*Remaining buydown may be transferred between funds as needed

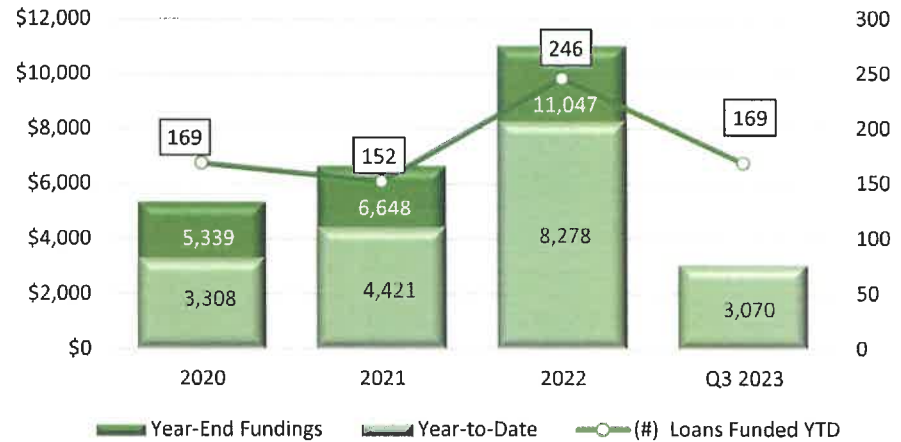
Ag PACE & Beginning Farmer

(In Thousands)

Loan Amounts
Year-End & Year-to-Date



Buydown Funded
Year-End & Year-to-Date

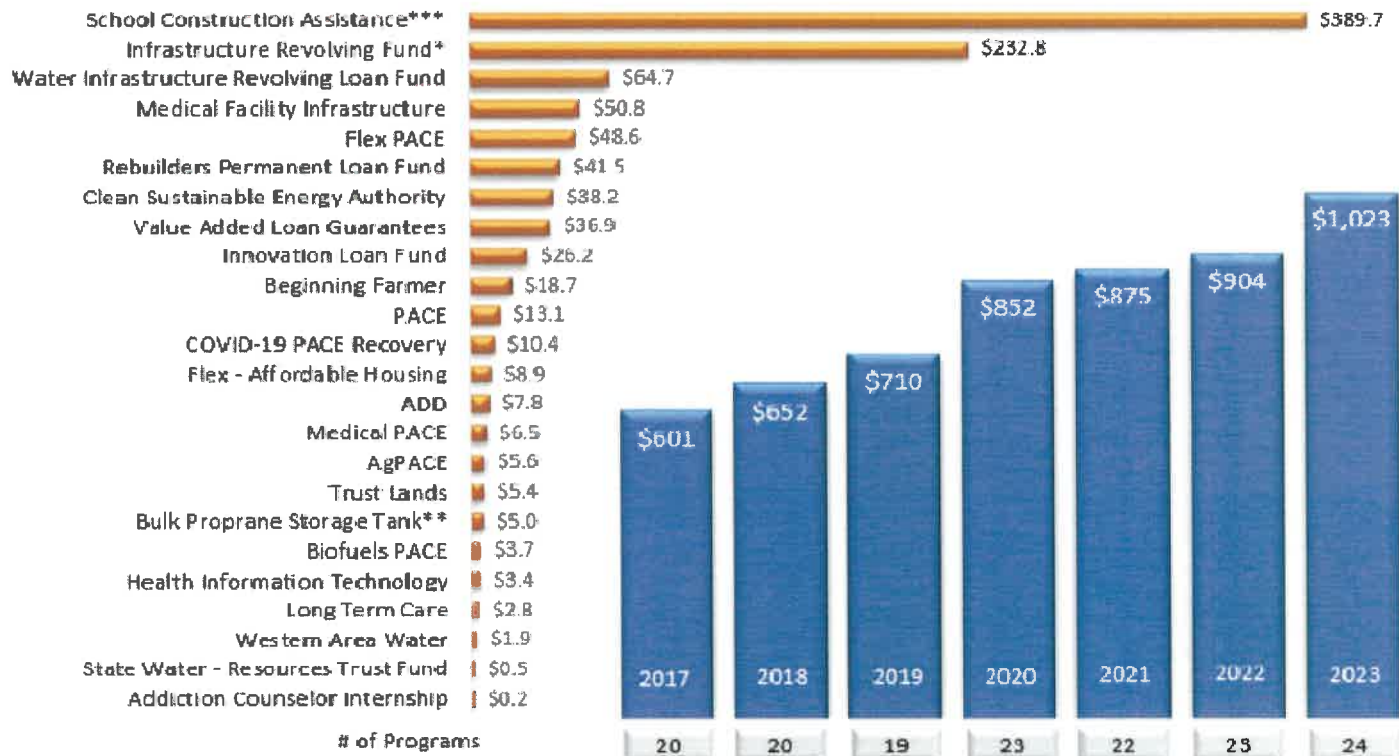


Loan Type	2020	2021	2022	2023
Ag Pace	27%	23%	26%	34%
Beginning Farmer – Real Estate	56%	67%	65%	49%
Beginning Farmer – Chattel	17%	10%	9%	17%

2023-2025 Biennium Buydown Funding (Agriculture)		
	Ag Pace	Beginning Farmer
Total Available	\$5,000	\$15,000
Funded/Committed	\$473	\$390
Remaining Buydown	\$4,527	\$14,610

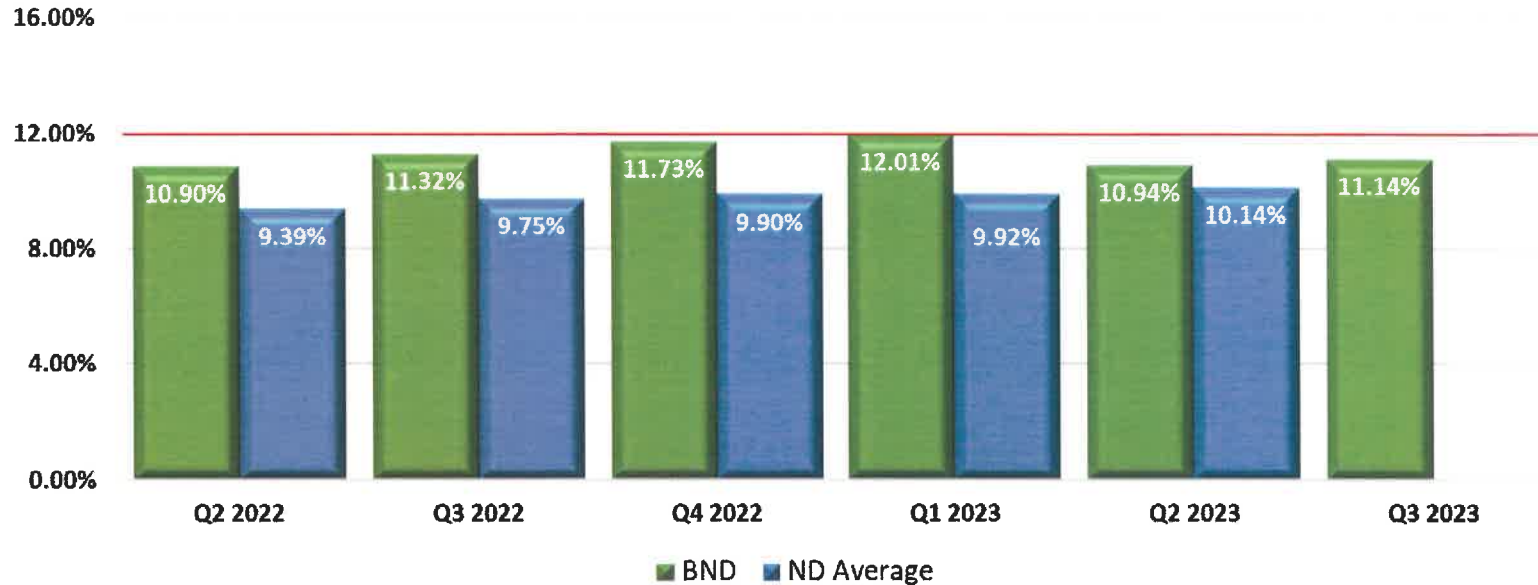
- There were 52 Ag PACE loans funded YTD 2023 compared to 71 in 2022. A change in the Ag PACE program to include the Production Enhancement Program (PEP) has also created more opportunity for field tiling projects.
- A total of 35 Beginning Farmer Real Estate loans were funded YTD 2023 compared to 94 in 2022.
- A total of 82 Beginning Farmer Chattel loans were funded YTD 2023 compared to 81 in 2022.

Legislatively Directed Loan Programs (Total Assets in Millions)



- BND currently administers \$1 billion in net assets for legislatively directed loan programs. These programs serve a wide range of purposes, including school construction, water projects, general and medical infrastructure, and disaster recovery.
- *Infrastructure Revolving Fund includes \$16 million to be transferred from BND’s capital. During the third quarter 2023, BND transferred a total of \$36 million in capital to the Fund.
- ** SB 2242 created the Bulk Propane Storage Tank Revolving Loan Fund (BPST) during the 68th Legislative Session. This special fund was established by transferring \$5 million in cash from the Strategic Investment and Improvements Fund (SIIF).
- ***SB 2282 appropriated \$75 million to be transferred from Foundation Aid Stabilization fund to the School Construction Assistance Revolving Loan Fund (SCARLF). This transfer was completed in July 2023.

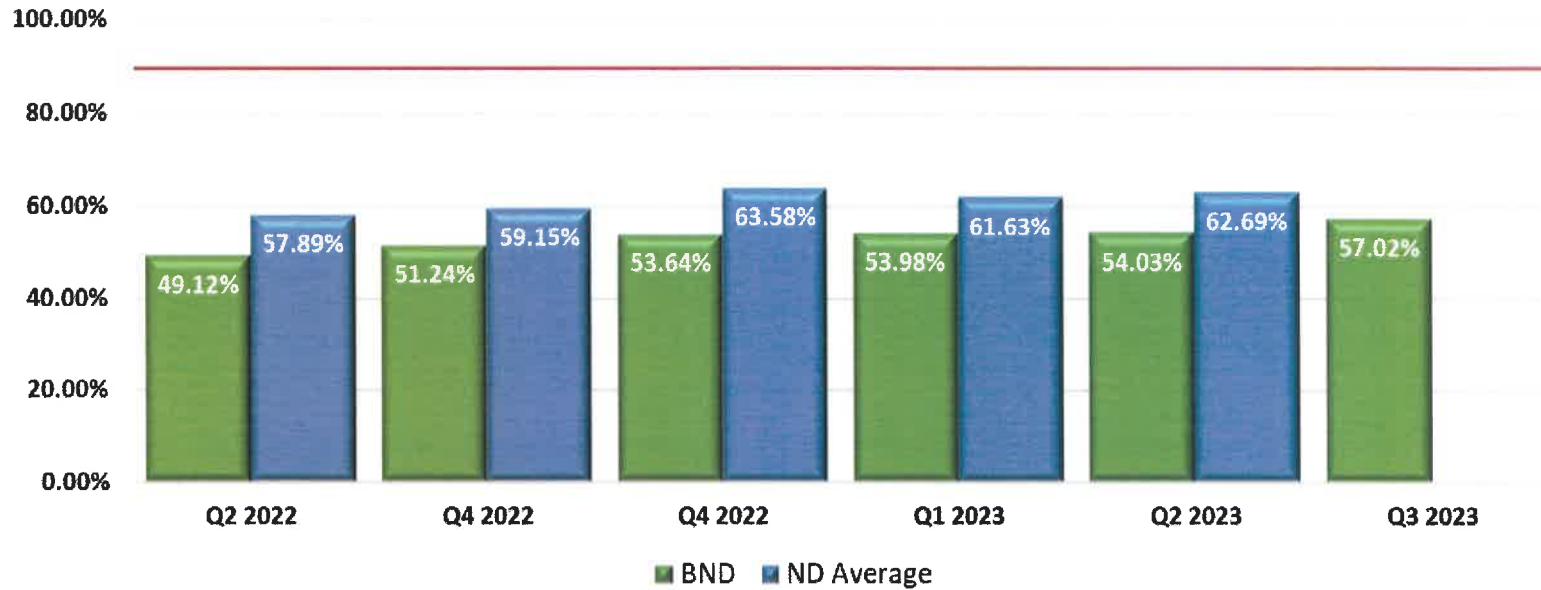
Leverage Ratio



- Leverage ratio is a measure of financial strength. It is calculated by dividing Tier One Capital by average assets for the quarter. As of September 30, 2023, average asset size is \$10.0 billion compared to \$9.9 billion one year ago. State dollars received from American Rescue Plan funding and increased state tax revenues in the state has attributed to the increased assets size over the last two years by providing liquidity to increase the security and loan portfolio. Tier One Capital is \$1.1 billion consistent with one year ago. Fluctuating quarterly ratios are the result of the Bank's quarterly earnings offset by capital transfers, including \$140 million to the General Fund, \$47.3 million to buydown programs and \$42.1 million to other state programs in the last 6 quarters.
- BND's current internal benchmark is 12.00% (red line). As of September 30, 2023, the Bank's leverage ratio increased to 11.14%.
- As of June 30, 2023, the leverage ratio for all insured commercial banks in the state is 10.14%.

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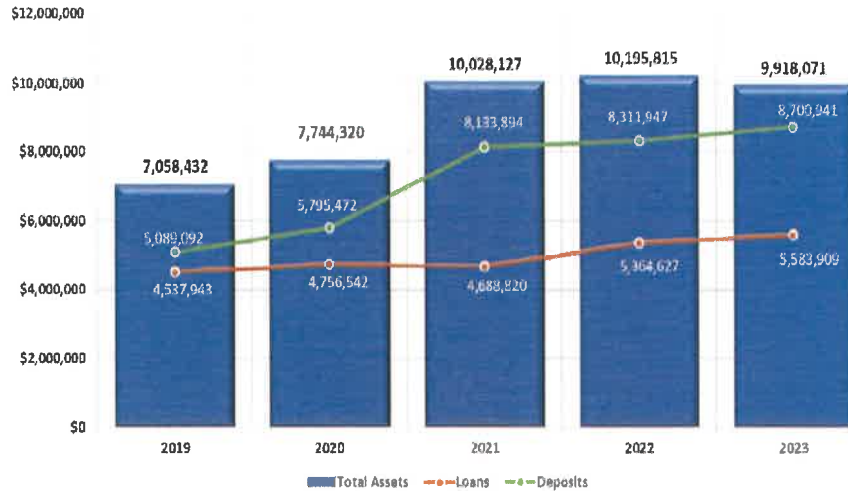


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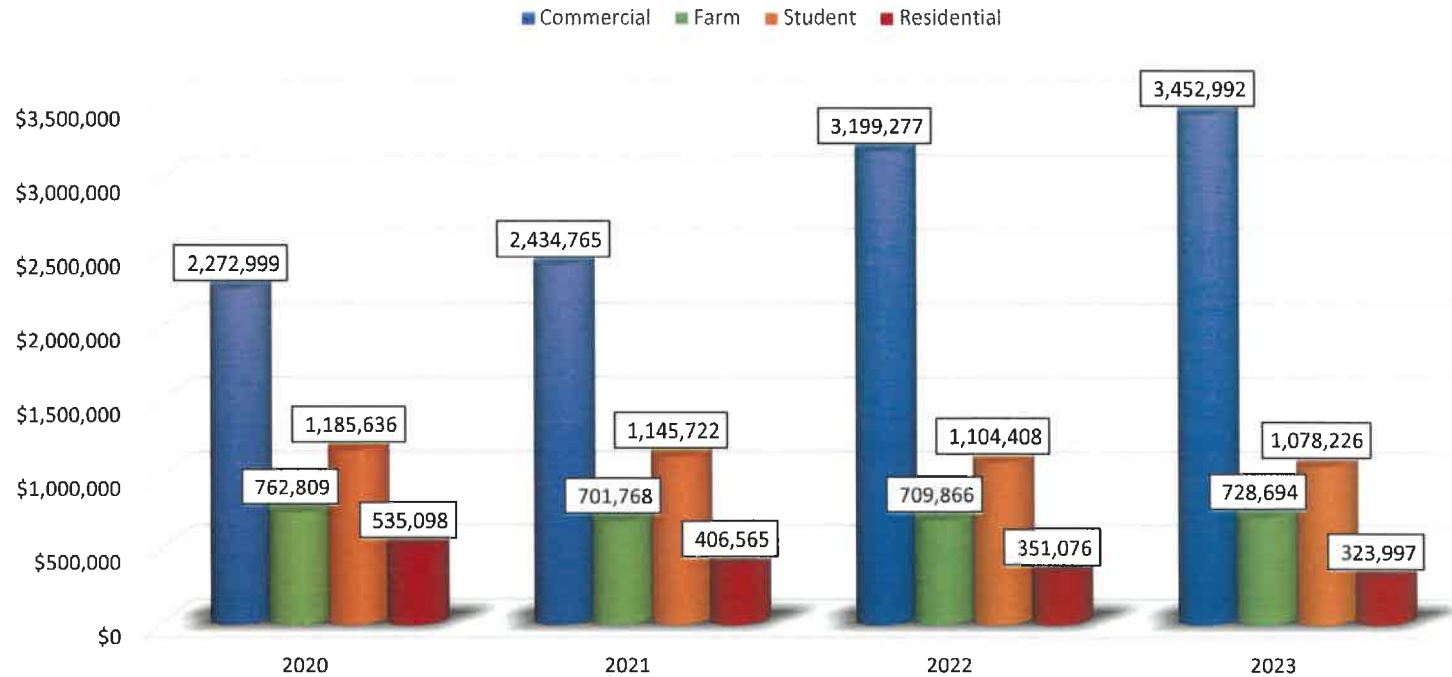
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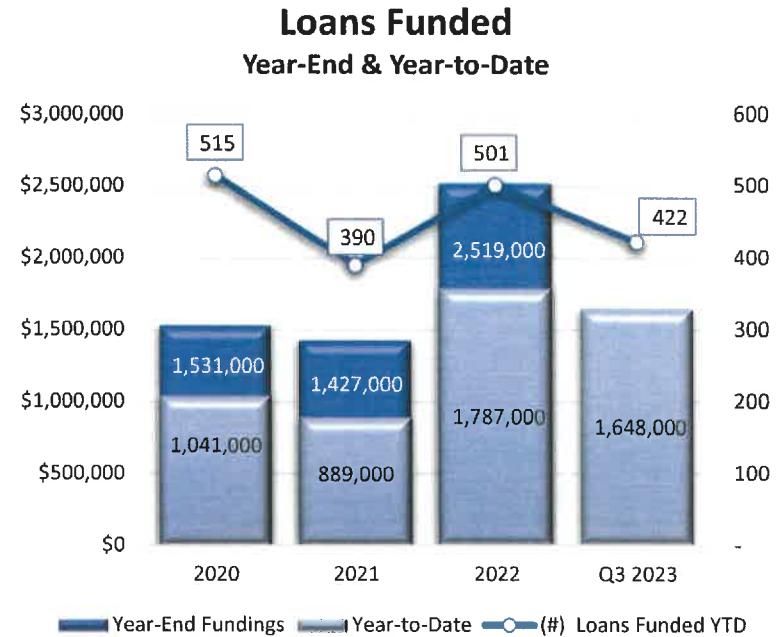
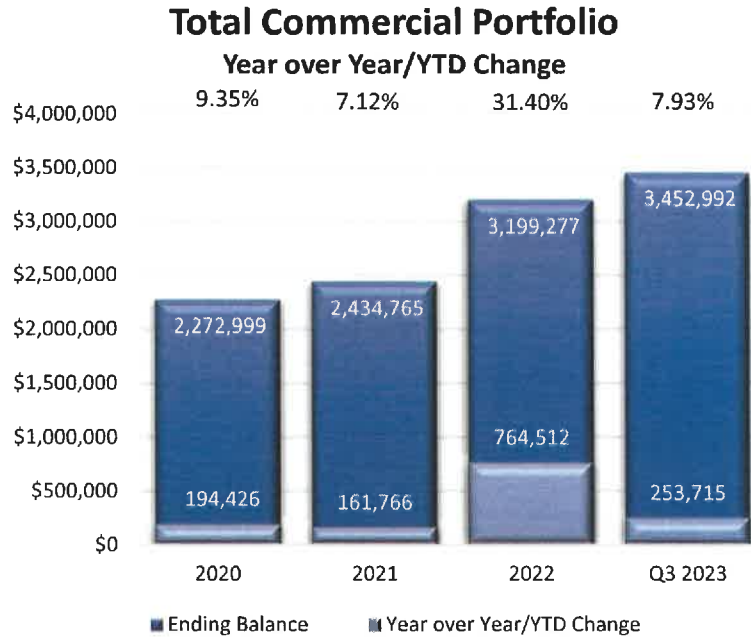
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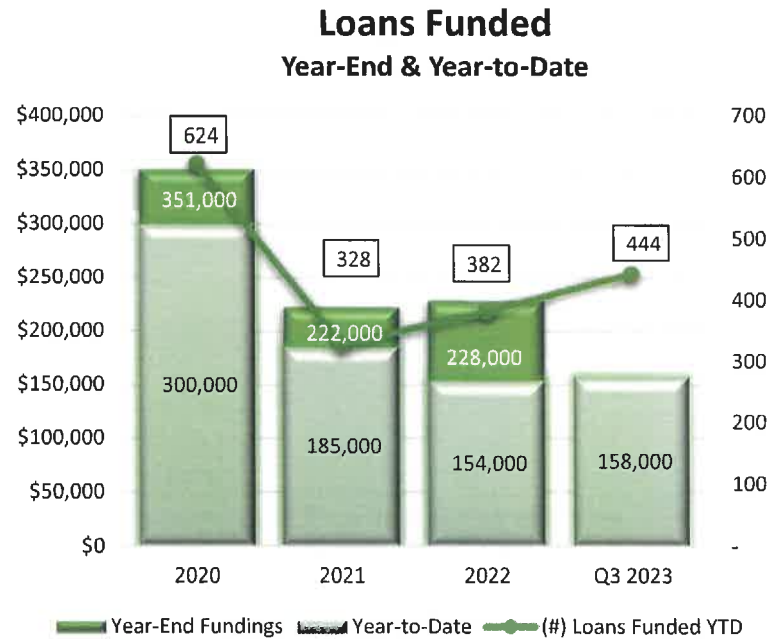
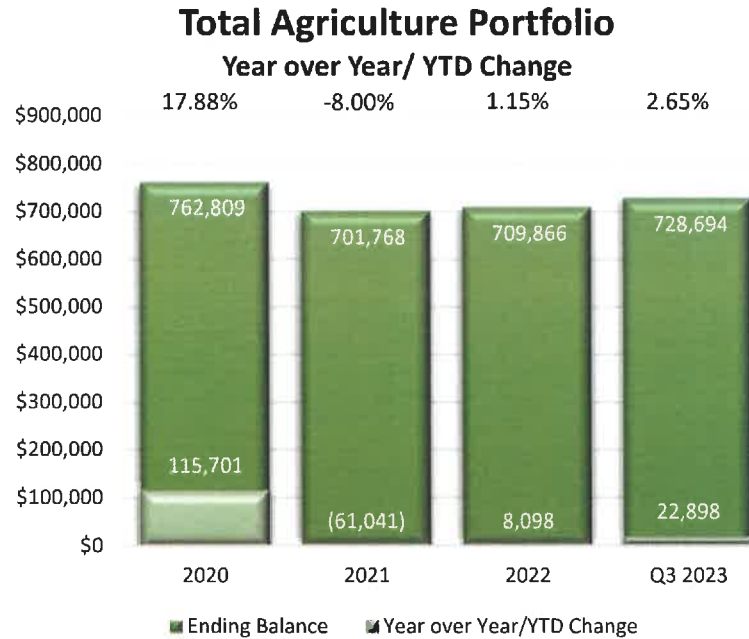


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Agriculture Loan Portfolio

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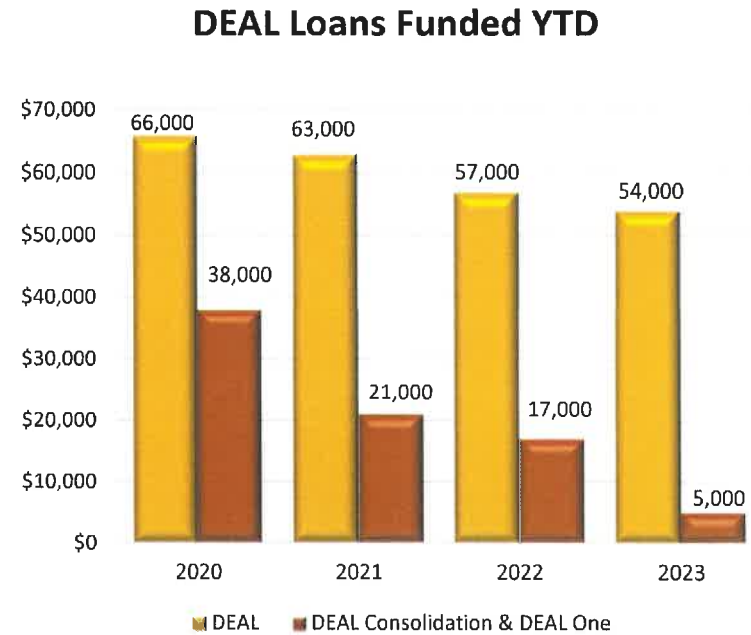
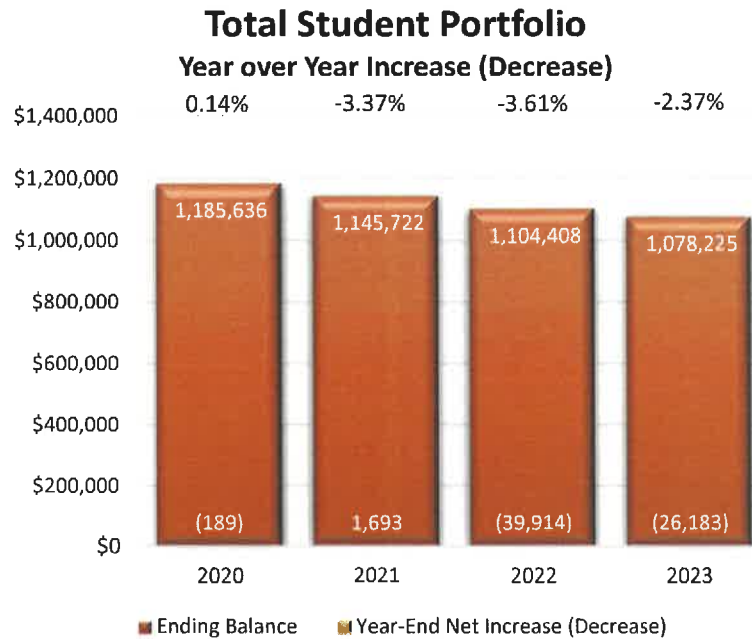


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Student Loan Portfolio

(In Thousands)



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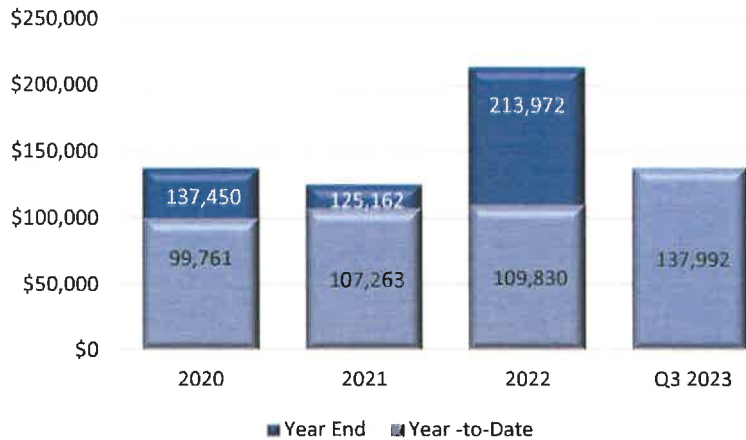
History of DEAL Rates (In-State)				
Interest Rate	2020	2021	2022	Current
Fixed	3.43%	3.98%	6.46%	6.81%
Variable	1.73%	1.71%	6.24%	6.48%

- The student loan portfolio decreased by \$26 million YTD 2023, with BND disbursing \$59 million in DEAL loans.
- BND's fixed rate is currently higher than the federal student loan rate for undergraduate students. The federal rate is set annually in July and the current rate is 5.50%, compared to BND's in-state fixed rate of 6.81% which is set quarterly.

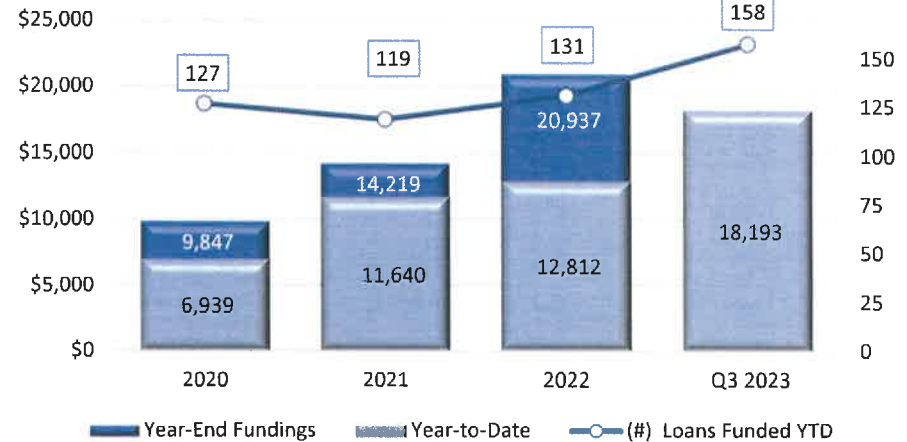
Commercial PACE

(In Thousands)

PACE Loan Amounts
Year-End & Year-to-Date



PACE Buydown Funded
Year-End & Year-to-Date



Loan Type	2020	2021	2022	2023
Pace	18%	19%	26%	25%
Flex Pace	54%	53%	56%	60%
Affordable Housing	18%	15%	12%	10%
Biofuels	6%	9%	3%	3%
Medical Pace	3%	4%	4%	2%

➤ A total of 138 Flex PACE loans were funded YTD 2023 for a total of \$83 million compared to 116 in 2022. Flex PACE buydown demand continues due to the financing of essential community services and community approved businesses throughout North Dakota.

➤ A total of 9 PACE loans were funded YTD 2023 for a total of \$36 million compared to 9 in 2022. Additional PACE loans funded were 7 Affordable Housing for \$17 million and 4 biofuels for \$2 million.

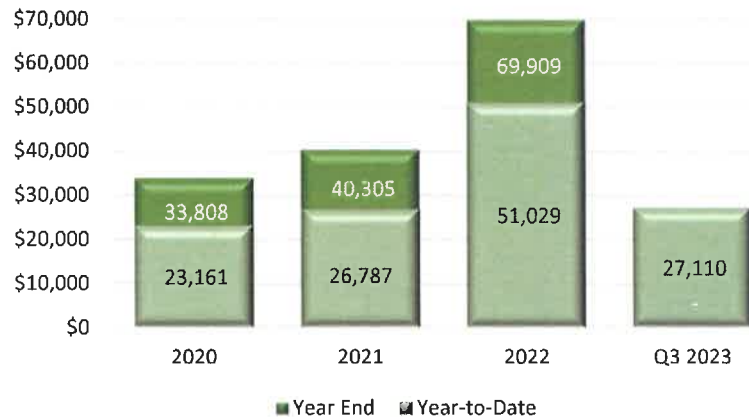
2023-2025 Biennium Buydown Funding (Commercial)					
	PACE	Flex	Housing	Biofuels	Total
Total available	\$18,000	\$20,000	\$1,000	\$1,000	\$40,000
Funded/Committed	\$899	\$3,671	\$0	\$269	\$4,839
Remaining Buydown*	\$17,101	\$16,329	\$1,000	\$731	\$35,161

*Remaining buydown may be transferred between funds as needed

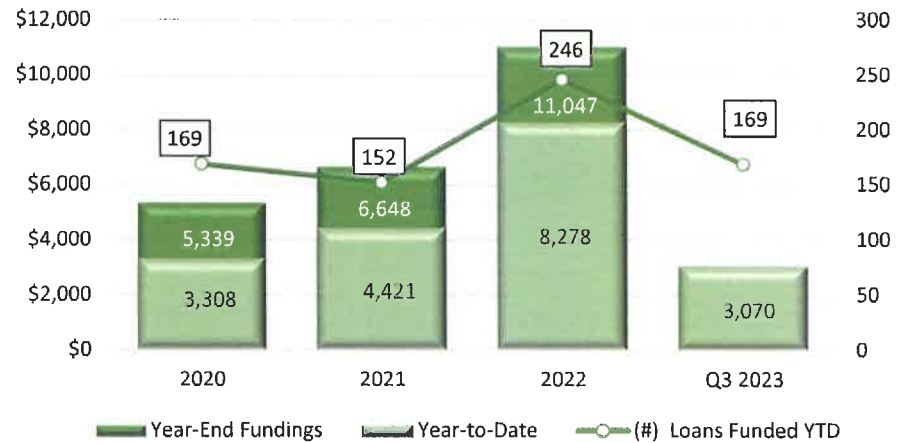
Ag PACE & Beginning Farmer

(In Thousands)

Loan Amounts
Year-End & Year-to-Date



Buydown Funded
Year-End & Year-to-Date

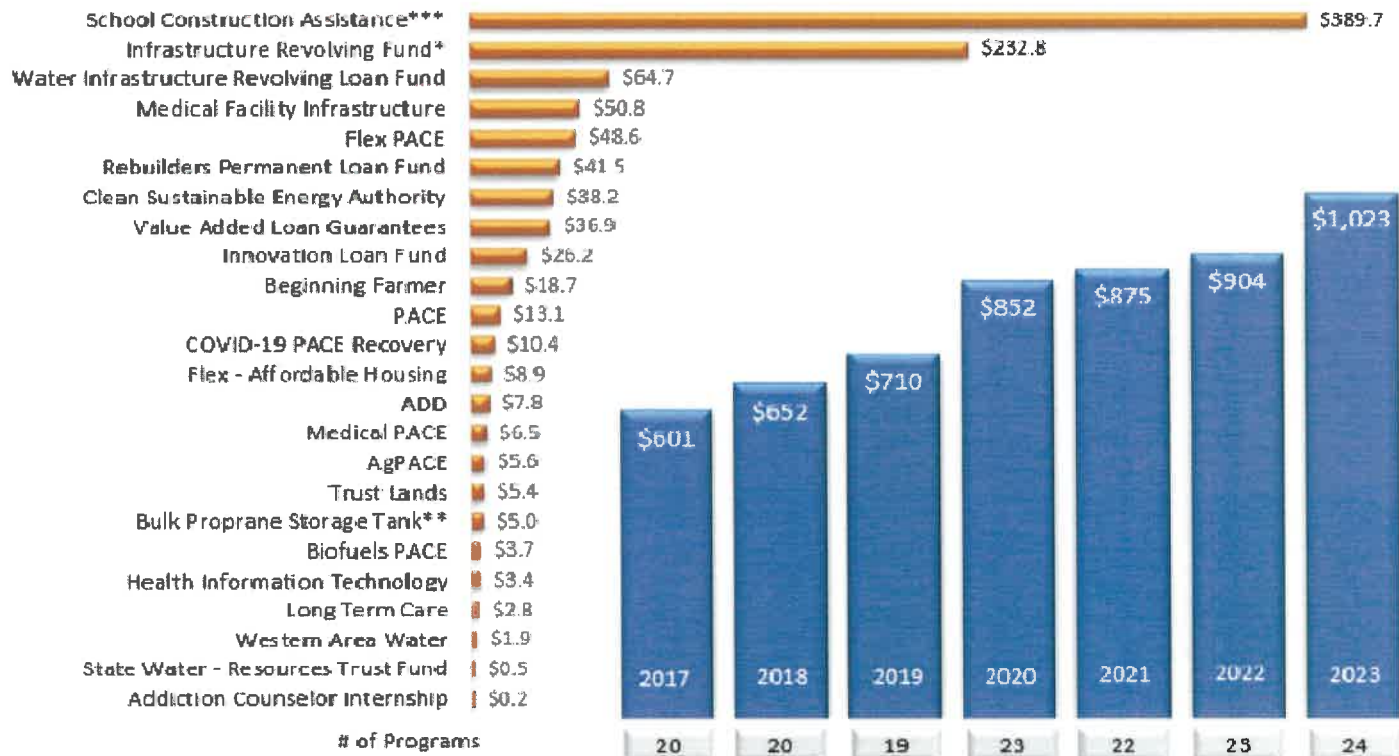


Loan Type	2020	2021	2022	2023
Ag Pace	27%	23%	26%	34%
Beginning Farmer – Real Estate	56%	67%	65%	49%
Beginning Farmer – Chattel	17%	10%	9%	17%

2023-2025 Biennium Buydown Funding (Agriculture)		
	Ag Pace	Beginning Farmer
Total Available	\$5,000	\$15,000
Funded/Committed	\$473	\$390
Remaining Buydown	\$4,527	\$14,610

- There were 52 Ag PACE loans funded YTD 2023 compared to 71 in 2022. A change in the Ag PACE program to include the Production Enhancement Program (PEP) has also created more opportunity for field tiling projects.
- A total of 35 Beginning Farmer Real Estate loans were funded YTD 2023 compared to 94 in 2022.
- A total of 82 Beginning Farmer Chattel loans were funded YTD 2023 compared to 81 in 2022.

Legislatively Directed Loan Programs (Total Assets in Millions)

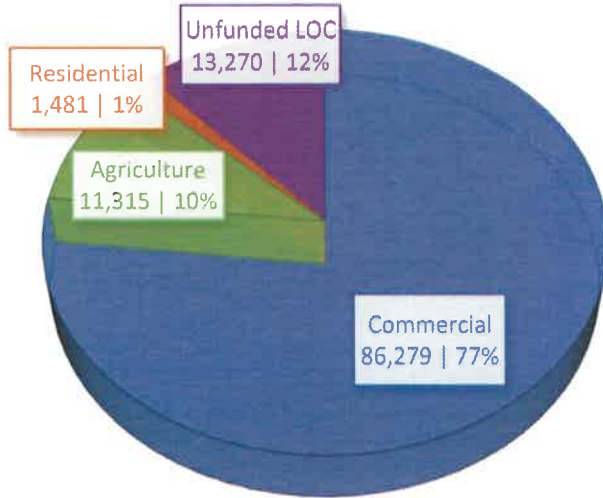


- BND currently administers \$1 billion in net assets for legislatively directed loan programs. These programs serve a wide range of purposes, including school construction, water projects, general and medical infrastructure, and disaster recovery.
- *Infrastructure Revolving Fund includes \$16 million to be transferred from BND's capital. During the third quarter 2023, BND transferred a total of \$36 million in capital to the Fund.
- ** SB 2242 created the Bulk Propane Storage Tank Revolving Loan Fund (BPST) during the 68th Legislative Session. This special fund was established by transferring \$5 million in cash from the Strategic Investment and Improvements Fund (SIIF).
- ***SB 2282 appropriated \$75 million to be transferred from Foundation Aid Stabilization fund to the School Construction Assistance Revolving Loan Fund (SCARLF). This transfer was completed in July 2023.

Credit Quality

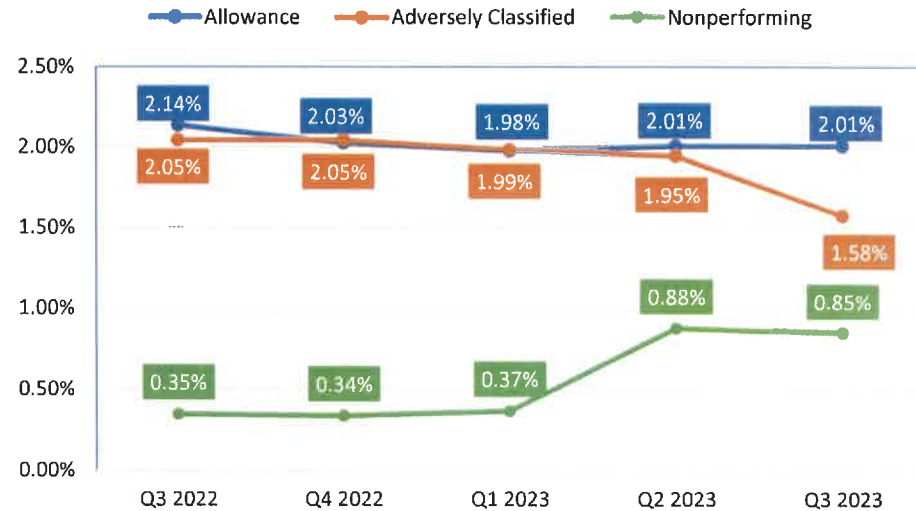
(In Thousands)

Allowance of \$112,345 on Portfolio of \$5,583,909 or 2.01%



Quarterly Credit Quality Ratios

(As a Percentage of Total Loans)



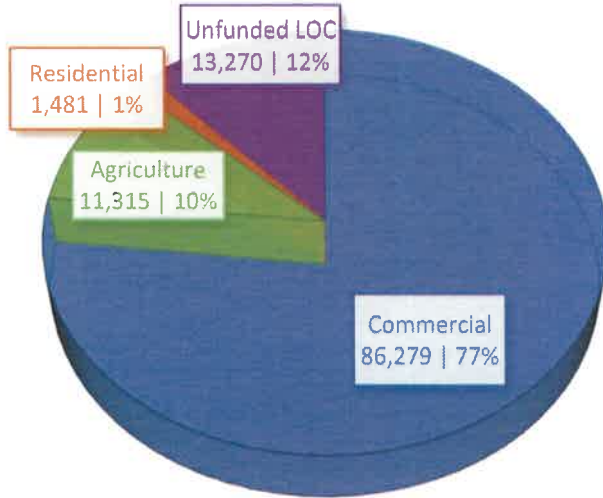
Quarter	Allowance for Credit Losses	Loan Portfolio	Allowance %	North Dakota Average
September 2023	\$112,345	\$5,583,909	2.01%	TBD
June 2023	\$110,652	\$5,509,863	2.01%	1.29%
March 2023	\$108,660	\$5,485,683	1.98%	1.38%
December 2022	\$108,752	\$5,364,627	2.03%	1.30%
September 2022	\$108,981	\$5,084,860	2.14%	1.35%

- BND adopted the CECL Accounting Standard as of January 1, 2023. As of September 30, 2023, BND's total allowance as a percentage of total loans is 2.01%, higher than the most recently posted North Dakota average of 1.29%. BND's allowance percentage can be attributed to the Bank's mission driven nature of our loan portfolio. BND continues to evaluate the need to adjust allowance provision based on the changing economic conditions.
- Excluding the DEAL Student Loan portfolio, which is reserved for separately through the Guarantee Agency, BND's total allowance as a percentage is 2.48%. BND's total allowance as a percentage of all non-guaranteed loans is 2.69%.
- As of September 30, 2023, the percent of non-performing loans is 0.85%, a slight decrease from last quarter, but higher than the most recently posted North Dakota average of 0.73%. Non-performing ratio adjusted to exclude the \$11.4 million of loans with government guarantees would decrease to 0.65%. Adversely Classified loans as a percentage of total loans equaled 1.58%, lower than last quarter but higher than the most recent North Dakota average of 1.36%.

Credit Quality

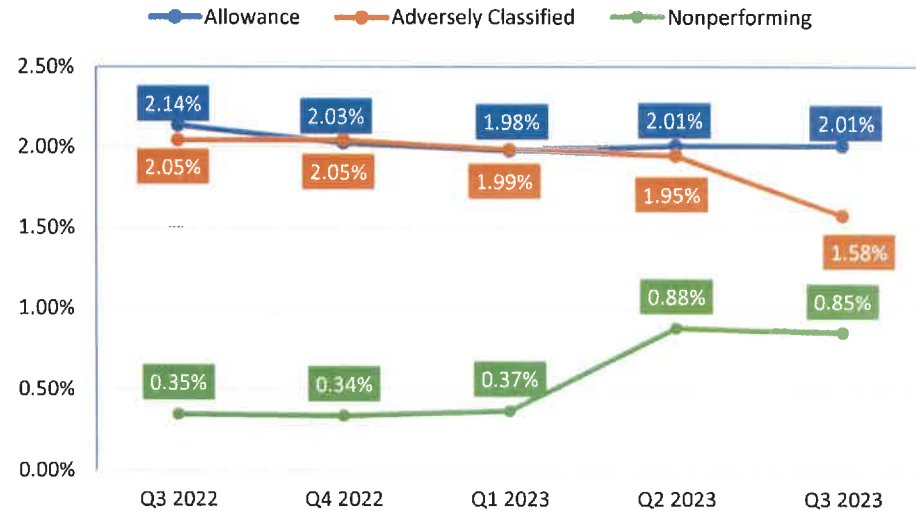
(In Thousands)

Allowance of \$112,345 on Portfolio of \$5,583,909 or 2.01%



Quarterly Credit Quality Ratios

(As a Percentage of Total Loans)



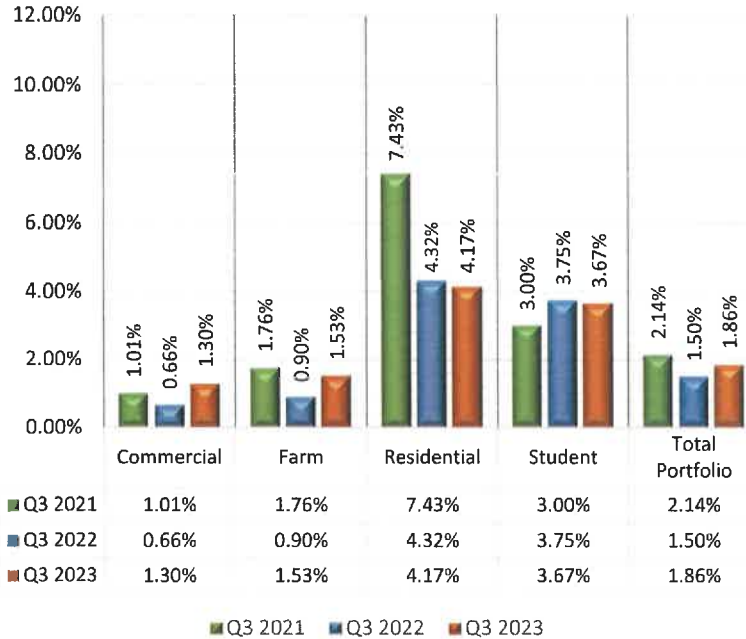
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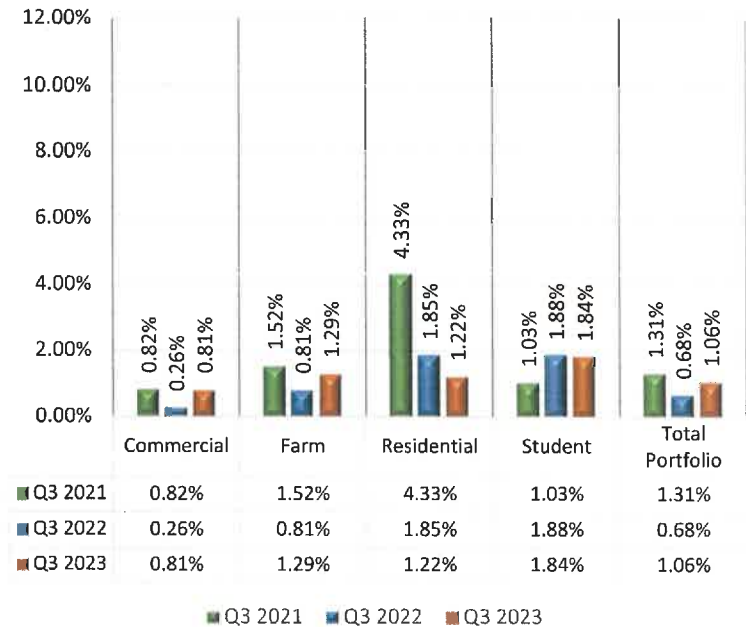
Credit Quality

(Year over Year)

Delinquencies over 30 Days



Delinquencies over 90 Days

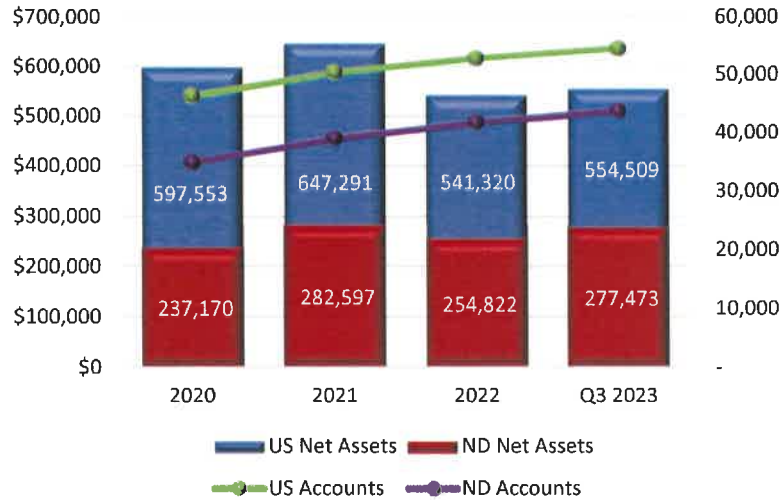


(In \$000's)	Q3 2023	Q3 2022	Q3 2023	Q3 2022
	> 30 days	> 30 days	> 90 day	> 90 day
Commercial	\$44,707	\$19,146	\$27,997	\$7,517
Farm	\$11,176	\$6,136	\$9,389	\$5,518
Residential	\$13,492	\$15,626	\$3,943	\$6,707
Student Loans	\$29,512	\$30,833	\$14,792	\$15,426
Totals	\$98,887	\$71,741	\$56,121	\$35,166

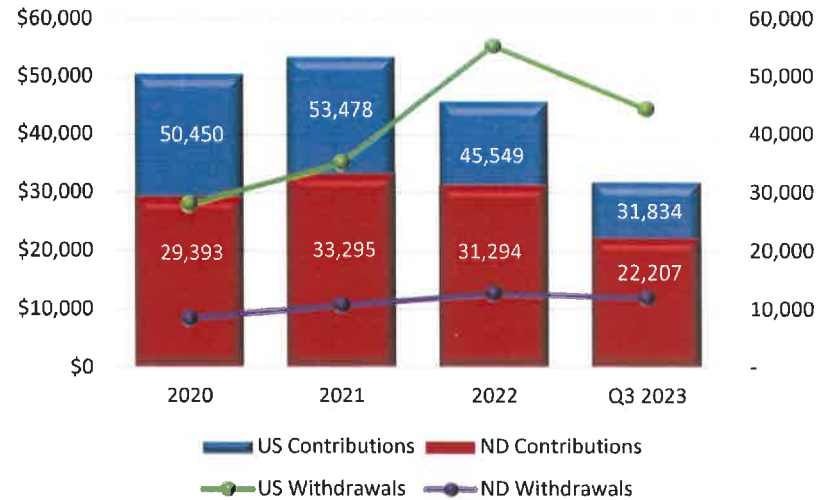
- Commercial delinquencies were 1.30% of which 0.81% were delinquent over 90 days. Adjusted to exclude guaranteed loan exposure delinquency rates decrease to 0.99% with 0.51% past due over 90 days. Delinquencies were higher than the North Dakota average of 0.82%.
- Farm delinquencies were 1.53% of which 0.81% were delinquent over 90 days. Delinquencies were higher than the prior year and higher than the North Dakota average of 0.68%. Delinquencies over 90 days are at 1.29% as compared to 0.81% as of September 30, 2022, and 1.52% as compared to June 30, 2021.
- Residential delinquencies were 4.17% of which 1.22% were delinquent over 90 days. FHA delinquencies of 6.64% are slightly lower than the North Dakota 30 day average of 7.22% and over 90 day delinquencies of 2.14% is lower than the average of 2.71%. Nearly all residential delinquencies represent federally guaranteed loans.
- The overall student loan portfolio has a delinquency rate of 3.67% with 1.84% of the loans being over 90 days. The \$14.8 million delinquent over 90 days is a decrease from \$15.4 million as of September 30, 2022.

College Save

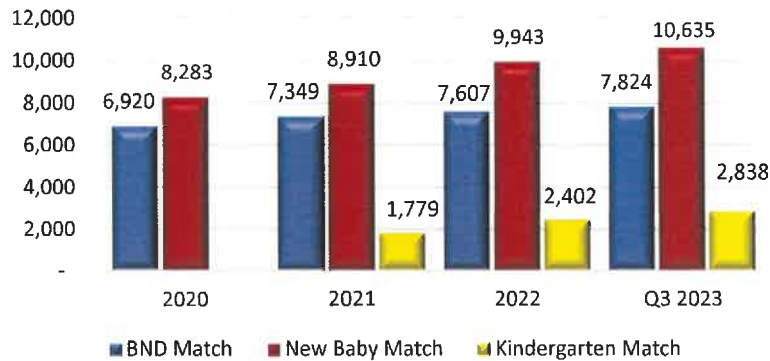
Net Assets (\$000) and Total Accounts (#)



Contributions & Withdrawals (\$000)



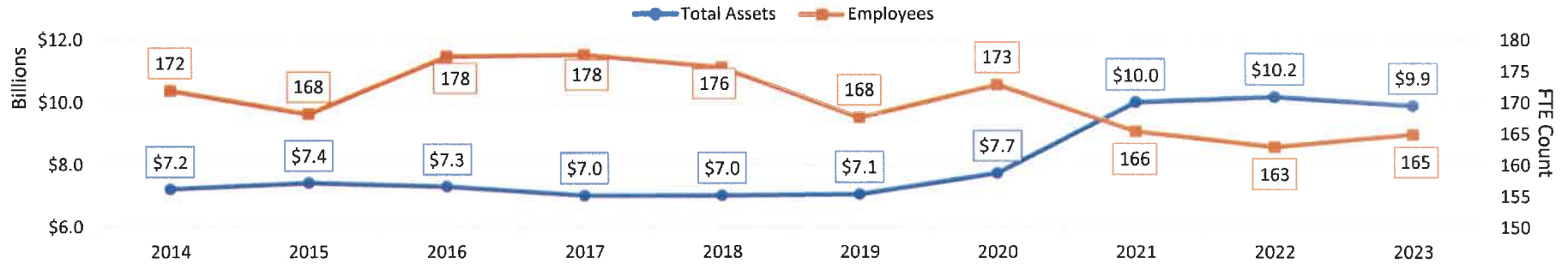
BND, New Baby, Kindergarten Match (# of Accounts)



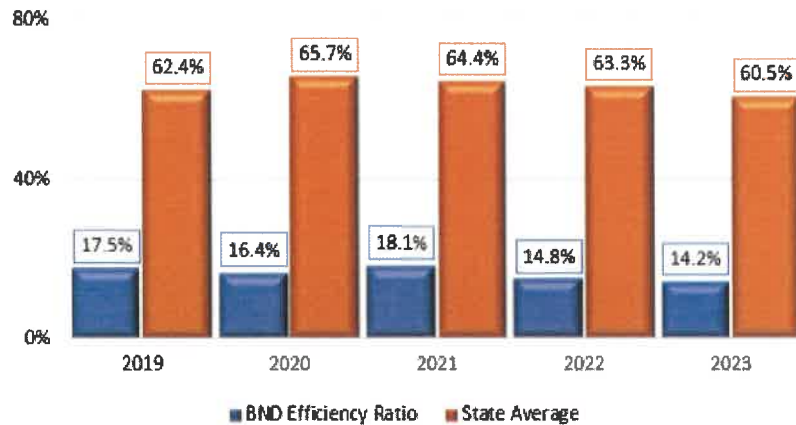
- North Dakota accounts make up 80% of all active accounts in the plan.
- For the first time in-state qualified withdrawals exceed \$10 million before the end of the third quarter.

Human Resources

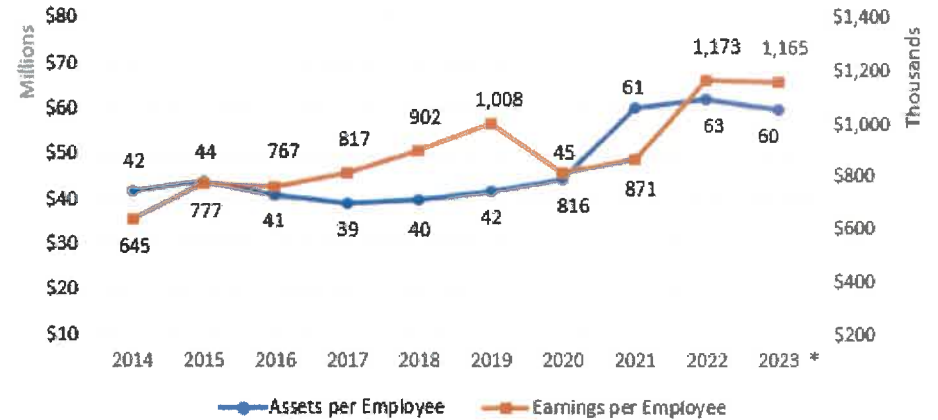
Total Assets & Employees



Efficiency Ratio - Comparative



Assets & Earnings per Employee



*Based on annualized earnings for 2023.

- From 2014 to present, assets have grown 37.4% to \$9.9 billion, annualized earnings increased 73% while total employees have declined by 4.1%. Earnings per employee have increased from \$645 thousand in 2014 to near \$1.2 million or 81%. The efficiency ratio measures a bank's overhead costs as a percentage of its revenue, the lower the ratio, the better. BND's efficiency ratio has historically been three to four times better than the state average.
- The Bank was authorized an additional 14 FTEs for the 2023-25 Biennium, bringing the total up to 187 FTEs.

**BANK OF NORTH DAKOTA
FINANCE AND CREDIT COMMITTEE TELECONFERENCE
NONCONFIDENTIAL MINUTES
Wednesday, August 16, 2023 – 1:00 p.m. CT**

MEMEBRS PRESENT

VIA PHONE: Brenda Foster, Chairman
Christie Obenauer
Bill Price

ALSO PRESENT

VIA PHONE: Sara Schumacher, BND
Rob Pfennig, BND
Kirby Evanger, BND
Kelvin Hullet, BND
Craig Hanson, BND

Chairman Foster called the meeting to order at 1:00 p.m.

Chairman Foster adjourned the nonconfidential portion of the meeting at 1:00 p.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

The Executive Session began at 1:00 p.m. and was attended by Brenda Foster, Christie Obenauer, Bill Price, Sara Schumacher, Rob Pfennig, Kirby Evanger, Kelvin Hullet, Craig Hanson, Courtney Heiser, Kylee Merkel, Rod Heit, Gus Staahl

The following items were considered during Executive Session:

- Recommendations of Loan Application to the Advisory Board Committee
- Problem Loans as of 07/31/2023
- Concentrations of Credit as of 06/30/2023

The Executive Session adjourned at 2:00 p.m.

Chairman Foster reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

- A recommendation will be made to the Advisory Board Committee to approve the loan application 1 as presented.
- A recommendation will be made to the Advisory Board Committee to approve the loan application 2 as presented.
- A recommendation will be made to the Advisory Board Committee to approve the loan application 3 as presented.
- A recommendation will be made to the Advisory Board Committee to approve the loan application 4 as presented.

Kirby Evanger presented the following items for review and discussion:

- Key Balance DEAL Fund 06/30/2023

Rob Pfennig presented the following items for review and discussion:

- July 2023 Monthly Financial Summary

Investment Portfolio Strategy was presented by Rob Pfennig.

NONCONFIDENTIAL FINANCE AND CREDIT COMMITTEE MEETING MINUTES

Wednesday, August 16, 2023

Consent Agenda

- Loan Portfolio Dashboard Report 06/30/2023

A recommendation will be made to the Advisory Board Committee to approve the consent agenda as presented.

The next Advisory Board Finance and Credit Committee meeting will be held Wednesday, September 27, 2023.

Being no further Bank of North Dakota business, Chairman Foster adjourned the nonconfidential portion of the meeting at 2:50 p.m.

Sara Schumacher, Executive Assistant

**BANK OF NORTH DAKOTA
LEADERSHIP DEVELOPMENT AND
COMPENSATION COMMITTEE TELECONFERENCE
NONCONFIDENTIAL MINUTES
Thursday, August 17, 2023 – 8:30 a.m. CT**

MEMEBRS PRESENT

VIA PHONE:

Karl Bollingberg, Chairman
Christie Obenauer
Jean Voorhees
Pat Clement (non-voting member)

ALSO PRESENT:

Todd Steinwand, BND
Sara Schumacher, BND
Lori Leingang, BND
Rob Pfennig, BND
Alison Anderson, BND
Kirby Evanger, BND
Christy Steffenhagen, BND
Kelvin Hullet, BND
Craig Hanson, BND
Allison Volk, BND

Chairman Bollingberg called the meeting to order at 8:30 a.m.

A discussion was held on Succession Planning.

First and Second Quarter 2023 Strategic Plan update was provided by Lori Leingang.

A discussion was held on the next steps for the SMART Plan.

A discussion was held on the next steps for the BND President search.

The next Advisory Board Leadership Development and Compensation Committee meeting will be held Thursday, November 16, 2023.

Being no further Bank of North Dakota business, Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 10:00 a.m.

Sara Schumacher, Executive Assistant

**BANK OF NORTH DAKOTA
ADVISORY BOARD TELECONFERENCE
NON-CONFIDENTIAL MINUTES
Thursday, August 17, 2023 – 10:00 a.m. CT**

MEMBERS PRESENT

VIA PHONE:

Karl Bollingberg, Chairman
Pat Clement
Christie Obenauer
Jean Voorhees
Bill Price
Brenda Foster

MEMBERS ABSENT:

Dennis Johnson

ALSO PRESENT:

Todd Steinwand, BND
Sara Schumacher, BND
Rob Pfennig, BND
Alison Anderson, BND
Kirby Evanger, BND
Lori Leingang, BND
Christy Steffenhagen, BND
Kelvin Hullet, BND
Craig Hanson, BND

Chairman Bollingberg called the meeting to order at 10:00 a.m.

Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 10:00 a.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

The Executive Session began at 10:00 a.m. and was attended by Karl Bollingberg, Pat Clement, Christie Obenauer, Jean Voorhees, Bill Price, Brenda Foster Todd Steinwand, Sara Schumacher, Rob Pfennig, Kirby Evanger, Lori Leingang, Christy Steffenhagen, Kelvin Hullet, Craig Hanson

The following items were considered during Executive Session:

- Recommendation of Loan Applications to the Bank of North Dakota
- Finance and Credit Committee Reports Recap
- Confidential Finance and Credit Committee Minutes (July 19, 2023)
- Confidential Audit and Risk Management Committee Minutes (July 27, 2023)
- Confidential Advisory Board Minutes (July 27, 2023)
- Confidential Investment Committee Minutes (July 06, 12, 19, 26, 2023)

The Executive Session adjourned at 10:40 a.m.

Chairman Bollingberg reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

- A motion was made by Ms. Obenauer to approve the application 1 as presented. Seconded by Mr. Price. Members Bollingberg, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.
- A motion was made by Ms. Voorhees to approve the application 2 as presented. Seconded by Ms. Foster. Members Bollingberg, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.
- A motion was made by Ms. Obenauer to approve the application 3 as presented. Seconded by

Mr. Price. Members Bollingberg, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

- A motion was made by Ms. Obenauer to approve the application 4 as presented. Seconded by Ms. Foster. Members Clement, Obenauer, Voorhees, Price, Foster voted aye. Mr. Bollingberg abstained. Motion carried.
- A motion was made by Ms. Foster to approve the consent agenda as presented. Seconded by Ms. Obenauer. Members Bollingberg, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

Finance and Credit Committee made a recommendation to approve the following:

- Consent Agenda (see Finance and Credit Committee agenda)

A motion was made by Ms. Voorhees to approve the items as presented. Seconded by Ms. Obenauer. Members Bollingberg, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

Brenda Foster provided a Finance and Credit Committee Reports Recap.

Karl Bollingberg provided a Leadership Development and Compensation Committee Reports Recap.

A discussion on the new committee structure was held.

BND Advisory Board Members presented a report of activity in their region of ND.

BND Executive Team provided services area updates.

Consent Agenda:

- Nonconfidential Finance and Credit Committee Minutes July 19, 2023)
- Nonconfidential Audit and Risk Management Committee Minutes (July 27, 2023)
- Nonconfidential Advisory Board Minutes (July 27, 2023)
- Nonconfidential Investment Committee Minutes (July 06, 12, 19, 26, 2023)

A motion was made by Ms. Foster to approve the consent agenda as presented. Seconded by Mr. Price. Members Bollingberg, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

An Advisory Board Discussion was held.

The next Advisory Board meetings will be held:

- Finance and Credit Committee Meeting – Wednesday, September 27, 2023, 1:00 p.m., Grand Forks, ND
- Group Advisory Board Meeting – Wednesday, September 27, 2023, 1:00 p.m., Grand Forks, ND

Being no further Bank of North Dakota business, Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 12:00 p.m.

Sara Schumacher, Executive Assistant



OUTDOOR HERITAGE FUND PROJECT MANAGEMENT REPORT

Reice Haase, Deputy Executive Director, NDIC

October 31, 2023



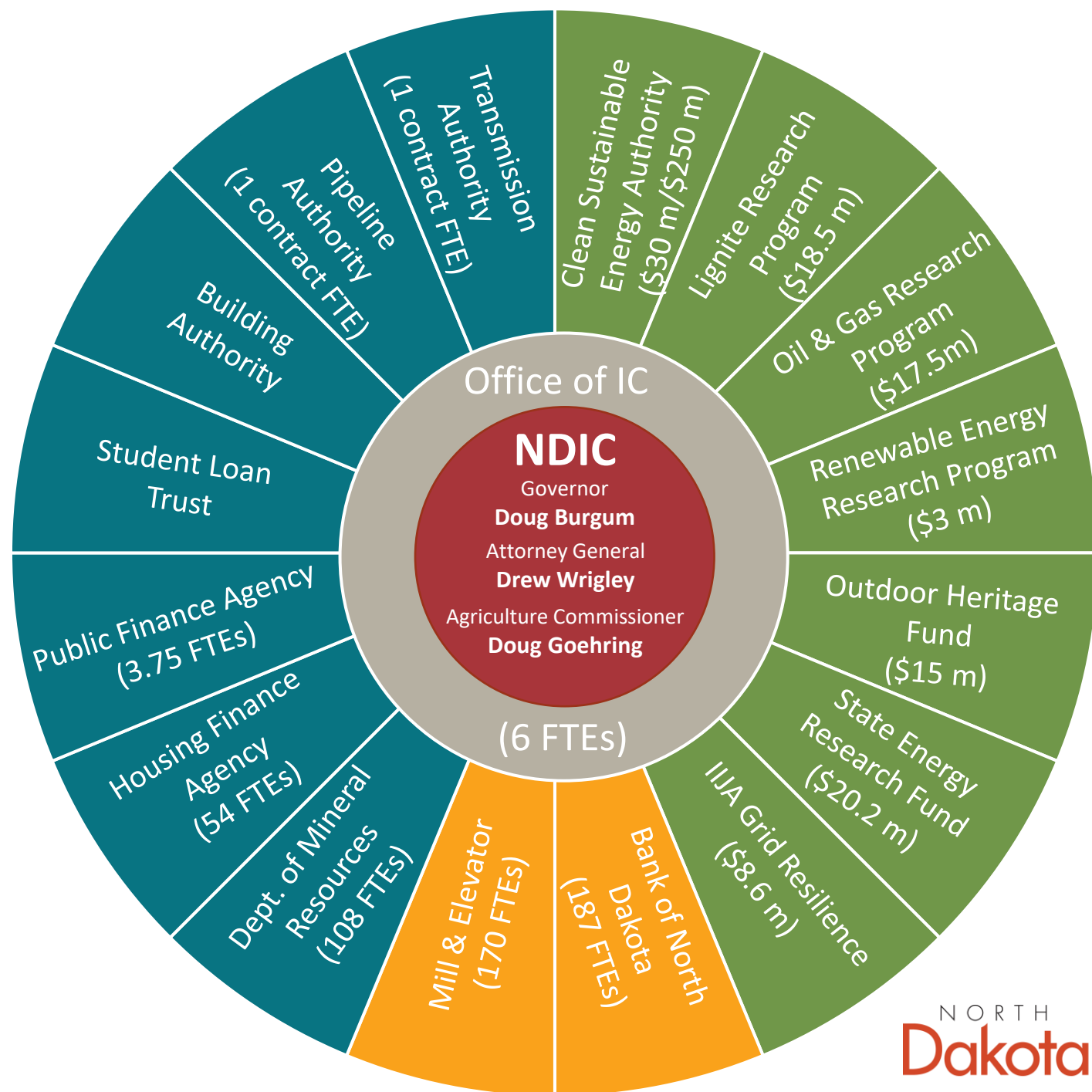
NORTH
Dakota

Be Legendary.™

Industries, Agencies, and Programs

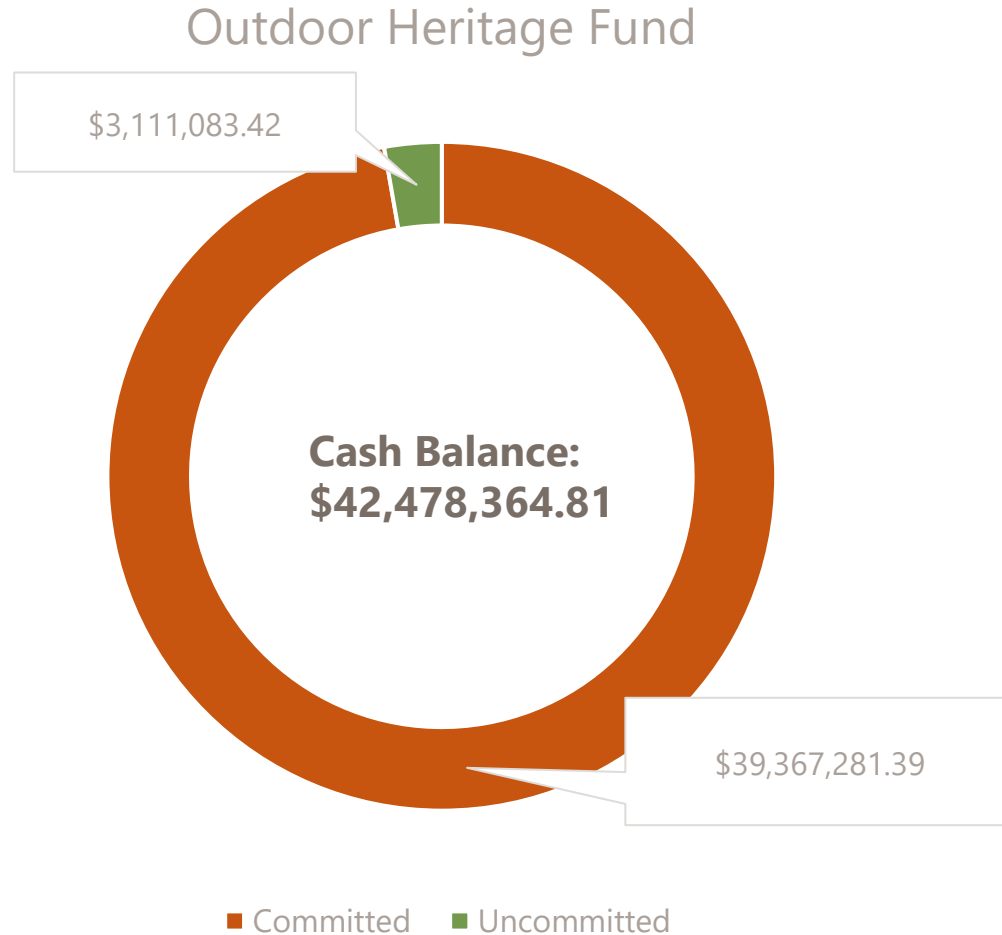
Legend

- Commission
- Office of IC
- Agency Role
- Grant Program
- State-Owned Enterprise



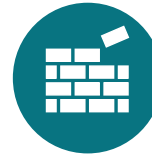
Updated to reflect 68th Legislative Assembly changes

OUTDOOR HERITAGE FUND BALANCE OCTOBER 26TH, 2023



Funding Source:

- \$15 million oil production taxes



224 Cumulative Projects



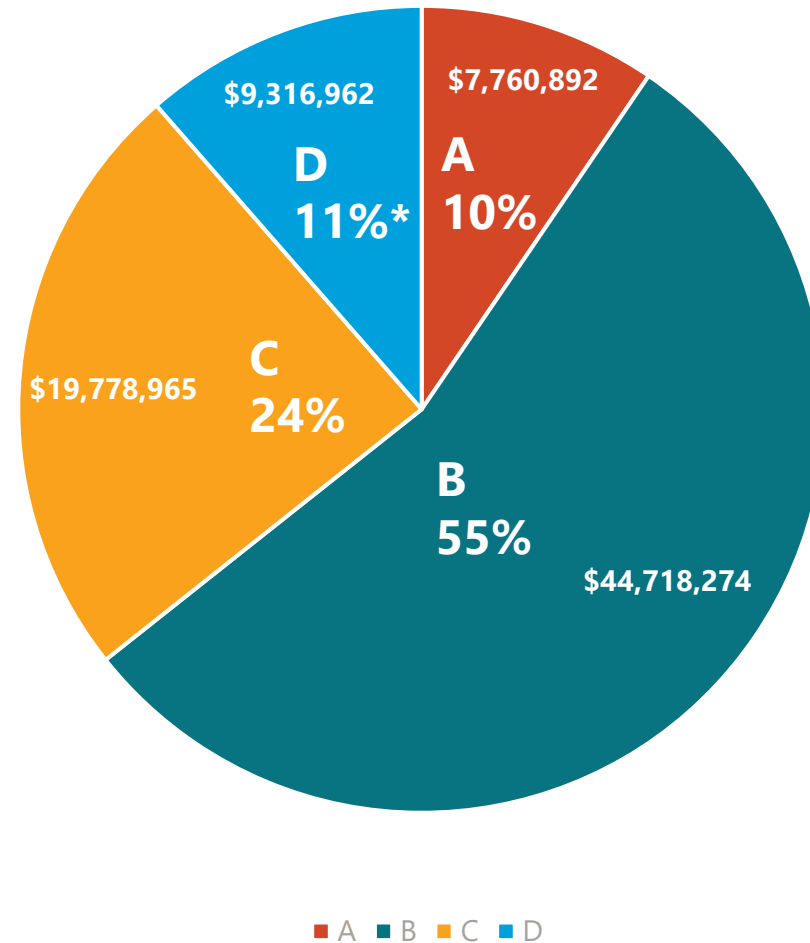
88 Active Projects



Cumulative Value:

- \$81.6 million granted
- \$210.7 million project value

OHF FUNDING BY DIRECTIVE



- A: Sportsmen Access
- B: Agricultural Stewardship
- C: Habitat Enhancement
- D: Recreation

*Industrial Commission Goal:
Minimum of 15% funding to
Directive D

Outdoor Heritage Fund Grant Round 23

Number	Major Directive	Title	Applicant	OHF Funding Recommendation	Total Project Cost	Summary	OHF Advisory Board Vote
23-1	C	North Dakota Prairie Management Toolbox	Audubon Great Plains	\$ 747,400	\$ 1,206,512	Provide financial assistance to private landowners in eastern ND and collaborate to implement regenerative grassland management practices including invasive woody vegetation removal on 600 acres and grazing infrastructure on 4,400 acres.	8-4
23-2	A	Mayville Dam #2 Reconstruction & Recreation Project	City of Mayville	\$ 396,595	\$ 3,050,000	Remove the failed low head dam, reestablish the eroded riverbank, and construct a new dam in the form of rock riffle structures to facilitate fish passage, enable more natural sediment transport and reduce sediment buildup, develop fish	11-1
23-3	D	Napoleon Recreation Trail	City of Napoleon	\$ 750,000	\$ 1,400,000	Develop a recreation trail to connect facilities and provide a safe route. The trail parallels a creek and wildlife educational plaques will be displayed along the trail.	9-3
23-5	C	Lost Lake Dam Fish Passage	McLean County Water Resource District	\$ 66,736	\$ 88,981	Removing four barriers to fish migration in the lower portion of the Painted Woods Creek with a 305 mile watershed.	11-1
23-6	A	Painted Woods Lake Flood Protection & Recreation Project	McLean County Water Resource District	\$ 50,250	\$ 4,900,000	Construct a parking lot and kayak/canoe launch, build a new dam, and construct two box culverts to facilitate walk-in access across the creek channel and a gravel access path that leads to the dam within the Painted Woods Lake Wildlife Development Area (WDA).	11-1
23-7	C	Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement II	North Dakota Natural Resources Trust	\$ 267,750	\$ 520,500	Assist landowners with approximately 20 wetland dam creations, dam repairs, and drain ditch plugs throughout the state impacting 112 surface acres of wetland habitat.	11-0
23-8	A	MonDak Pheasants Forever 619 NWND 2024-2026 Habitat Project	Pheasants Forever, Inc.	\$ 250,000	\$ 400,000	Incentivize 2,500 acres of new grass plantings and an additional 2,500 acres of new CRP enrollments with hunting access to increase new wildlife habitat development and hunting access in Williams and Divide counties.	10-2
23-10	D	TMBCI Fishing/Boat Access Project	Turtle Mountain Band of Chippewa	\$ 109,800	\$ 146,400	Purchase seven handicapped accessible fishing/boat access docks to be installed at five tribal lakes for the purpose of expanding recreational opportunities as well as providing lake access for water quality testing.	12-0
				\$ 2,638,531	\$ 11,712,393		

Outdoor Heritage Fund
Grant Round 23
Application Summary Page
GR 23-1

Project Title: North Dakota Prairie Management Toolbox
Applicant: Audubon Great Plains
Primary Contact: Joshua Lefers
Total Project Costs: \$1,206,512.26
OHF Request: \$747,400

Match Amount	Funding Source	Match Type
\$190,512.26	Audubon	Indirect
\$35,000	Audubon	Cash-Staff Costs
\$273,600	Landowners	In-Kind/Cash Share for Project Costs
\$499,112.26	Total	

Percentage of Matching Funds: 38%

Project Duration: January 1, 2024 – December 31, 2027

Major Directive: C

Additional Directive: A & B

Summary of Project: Provide financial assistance to private landowners in eastern ND and collaborate to implement regenerative grassland management practices including invasive woody vegetation removal on 600 acres and grazing infrastructure on 4,400 acres.

Technical Committee Comments:

- Definition of “brush management” vs. “maintenance” is not clear, warrants further discussion by the Board
- Committee recommends strong language in their contracts with landowners to ensure that management is permanent and will not be requesting additional funding in 10-15 years
- Committee notes that natural woody encroachment may be to blame, not necessarily landowners’ fault

Technical questions from the OHF Advisory Board members:

- None

Funded Projects: Audubon					
Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
003-048	\$148,789.00	Urban Woods and Prairies Initiative	\$82,218.00	\$82,218.00	Completed
006-088	\$425,316.00	Alkali Lake Habitat Enhancement	\$135,169.00	\$135,169.00	Completed
009-112	\$250,420.00	Grand Forks County Prairie Management Tools	\$121,220.00	\$97,352.73	Completed
011-129	\$1,677,871.00	Stutsman County Prairie Management Toolbox	\$943,489.00	\$480,634.99	Final Report: 11/1/2023
011-130	\$786,913.00	Urban Woods and Prairies Initiative Expansion	\$530,000.00	\$342,142.18	Final Report: 11/1/2023
013-141	\$1,089,932.00	Central Coteau Prairie Management Toolbox	\$529,874.00	\$212,138.55	Final Report: 12/31/2023
015-158	\$1,924,821.00	Grand Forks Area Prairie Management Toolbox Phase II	\$78,730.00	\$58,791.21	Final Report: 10/31/2023
017-169	\$10,107,177.00	North Dakota Conservation Forage Program	\$6,918,306.00	\$327,523.31	Final Report: 1/31/2026
018-192	\$828,120.00	Urban Woods and Prairies Initiative Expansion Phase II	\$591,200.00	\$72,991.25	Final Report: 1/31/2027
021-207	\$499,080.00	Monarch Core Area Prairie Management Toolbox	\$301,825.00	\$0.00	Final Report: 12/31/2025
021-208	\$202,054.00	Urban Woods and Prairies: Urban Pollinator Plots Project	\$142,058.00	\$0.00	Final Report: 9/30/2027

Total OHF funds awarded to date: \$10,374,089.00

Total OHF funds spent to date: \$1,808,961.22

OHF Advisory Board Recommendation

Contingencies: None

Conflicts of Interest: Amundsen

Funding Vote: 8-4

Funding Amount Vote: \$747,400

Outdoor Heritage Fund Grant Application



Instructions

After completing the form, applications and supporting documentation may be submitted by e-mail to ndicgrants@nd.gov. It is preferred that only electronic copies are submitted.

You are not limited to the spacing provided, except in those instances where there is a limit on the number of words. If you need additional space, please indicate that on the application form, answer the question on a separate page, and include with your submission.

The application and all attachments must be received by the application deadline. You may submit your application at any time prior to the application deadline. **Applicants are strongly encouraged to submit applications prior to the deadline for staff review in order ensure that proposals will be complete when submitted on deadline date.** Incomplete applications may not be considered for funding.

Please review the back of this form to determine project eligibility, definitions, budget criteria, and statutory requirements.

Project Name: North Dakota Prairie Management Toolbox

Name of Organization: Audubon Great Plains

Federal Tax ID#: 13-1624102

Contact Person/Title: Joshua Lefers, Working Lands Program Manager

Address: 3002 Fiechtner Dr S, Ste A

City: Fargo

State: North Dakota

Zip Code: 58012

E-mail Address joshua.lefers@audubon.org, lindsey.lee@audubon.org

Web Site Address (If applicable) greatplains.audubon.org

Phone: 701-298-3373

List names of co-applicants if this is a joint proposal

MAJOR Directive:

Choose only one response

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive:

Choose all that apply

Directive A.

Directive B.

Directive C.

Directive D.

Type of organization:

State Agency

Political Subdivision

Tribal Entity

Tax-exempt, nonprofit corporation.

Abstract/Executive Summary.

Summarize the project, including its objectives, expected results, duration, total project costs and participants. (no more than 500 words)

The North Dakota Prairie Management Toolbox (NDPMT), led by Audubon Great Plains (AGP), will provide financial assistance to private landowners in eastern North Dakota as a strategy to improve grassland habitat health on 5,000 acres. Project planning and coordination will be led by AGP range ecologists who will provide technical assistance to landowners through development of ranch-level habitat management plans (HMP).

Employing the lessons learned from past successful toolbox projects, NDPMT will provide cost-share and technical assistance for woody species removal and grazing infrastructure. This project will build on past successful Prairie Management Toolbox projects within eastern North Dakota.

For this OHF grant application, Audubon is seeking \$747,400 from the North Dakota Outdoor Heritage Fund, largely directed at financial assistance for landowners. Across the three-year project period, Audubon will collaborate with private landowners to implement regenerative grassland management practices including invasive woody vegetation removal on 600 acres and grazing infrastructure on 4,400 acres.

Project Duration:

Indicate the intended schedule for drawing down OHF funds.

January 1, 2024 to December 31, 2027

Year one will focus on landowner engagement and agreement development. Most funds are anticipated to be spent in years 1-3, with approximately 1/3 of funds anticipated to be spent each year.

Amount of Grant request: \$ 747,400

Total Project Costs: \$ 1,206,512.26

Note: in-kind and indirect costs can be used for matching funds.

Amount of Matching Funds: \$ 499,112.26

A minimum of 25% Match Funding is required. Indicate if the matching funds will be in-kind, indirect or cash. Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Amount of Match	Funding Source	Type of Match (Cash, In-kind or Indirect)
\$ 190,512.26	Audubon	Indirect
\$35,000	Audubon	Cash-Staff costs
\$273,600	Landowners	In Kind and cash share for project costs

Certifications

X I certify that this application has been made with the support of the governing body and chief executive of my organization.

X I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted in the back of this application.

Narrative

Organization Information

Audubon Great Plains is the regional program for North Dakota, South Dakota, and Nebraska within the National Audubon Society. Since 1905, the National Audubon Society has been focused on conserving bird habitat, promoting avian education, and engaging individuals and communities in a variety of activities and opportunities. Audubon Dakota as a North Dakota state program was instituted in 1997, however Audubon's role in the Dakotas spans back to the mid-1970s.

The mission of the National Audubon Society is to protect birds and the places they need, today and tomorrow, throughout the Americas using science, advocacy, education, and on-the-ground conservation.

Audubon seeks partnerships that advance its habitat conservation goals, including supporting grassland habitat projects and the ranching industry. Audubon has six full time staff members in North Dakota, and Audubon Great Plains' Advisory Board includes eight North Dakota citizens. Currently, Audubon directly manages roughly 5,000 acres within the state and partners with landowners to inform management on an additional 150,000 acres in North Dakota. In all of our programs, the efforts and cooperation of our supporters is crucial to our success and the conservation of bird habitat in the Great Plains.

Purpose of Grant

NDPMT is a continuation of past successful toolbox projects, which provide financial and technical assistance for conservation focused agricultural practices to improve grassland diversity and structure for wildlife and pollinators. This project will build on past successful Prairie Management Toolbox projects in eastern North Dakota over the next four years, through December 2027.

NDPMT will implement grazing systems on approximately 4,400 acres of grazing land. This goal meets Directives B and C by enabling landowners to switch from season-long grazing to rotational grazing or to enhance rotational grazing systems to allow for improved management. Fencing and adequate water infrastructure directly benefit producers through increased forage production, profitability, and forage quality. Rotational grazing also provides a diversity of structure for grassland birds and other wildlife. Financial assistance allows producers to quickly adopt and adapt to rotational grazing systems. Audubon is always looking towards innovation in grazing systems and is working with producers to identify implementation options for virtual fencing in North Dakota as the technology becomes available. An early opportunity is working with a North Dakota based company, 701x, that provides livestock tracking resources through GPS-enabled ear tags. Acres with grazing systems provided through the Toolbox will be covered by a 10-year non-conversion agreement with Audubon Great Plains. Landowners will select the type of fencing and water infrastructure that best meets their needs based on OHF allowable reimbursement on current NRCS cost share payment rates and NRCS practice scenario guidance.

NDPMT will provide woody invasive species control for at least 600 acres of grasslands. Currently at least 9 landowners are waiting for funding, representing 500 acres of conservation work growing out of previous Toolbox projects. This goal meets Directives B and C by restoring open grassland conditions favored by grassland birds and pollinators as well as protecting rangelands as open space for livestock production. Controlling invasive woody species is critical, as species like Russian olive, Siberian Elm, eastern red cedar, and other invasive woody vegetation are proven to have numerous negative impacts on the diversity of grassland ecosystems. In the 1950s and 60s, species such as RO and Siberian elm were introduced for use in shelter belts where they were very successful. Only now are we realizing the damage these trees can do to our grasslands when they spread from their intended areas. The qualities

that made them great when first introduced, being fast growing and quick spreading, are the reasons they are now such a problem. Russian olives easily crowd out native plant species and even alter soil chemistry, modifying the native plant community (Zouhar 2005). Though eastern red cedar is native to North America, it has become a notorious encroaching species in the North American Great Plains and is driving a large-scale woodland transition, and an associated suite of social-ecological consequences (Twidwell et al. 2013b), including reduced livestock forage and displaced native grasses and forbs (Smith 2011, Meneguzzo and Liknes 2015). Ongoing research at University of Nebraska-Lincoln shows that early action against woody species is the best and most cost-effective way to conserve the benefits associated with large-scale open grasslands. The research recommends a multi-pronged approach, which includes returning fire to the landscape, early control of juvenile trees, and mechanical removal of mature encroaching woody species to reduce seed dispersion. Though cattle will occasionally consume the leaves of invasive trees, overall they provide little to no forage value. Clark and Wilson (2001) established that mechanical removal of invasive woody vegetation in prairies and associated prairie wetlands results in an increase in flowering forbs that pollinators and grassland birds rely on. In recent years, conservation practitioners have become aware of the dire threat that they pose to bird habitat and the livelihood of ranchers; however, many find the expense to remove these trees prohibitive for the average producer. Control of these species is a major challenge for landowners to achieve, thus financial and technical assistance is critical to ensure timely and effective removal of these nuisance species. These acres will be covered by a 10-year non-conversion agreement with Audubon Great Plains.

Citations:

- Clark, D.L., Wilson, M.V. Fire, mowing, and hand-removal of woody species in restoring a native wetland prairie in the willamette valley of oregon. *Wetlands* **21**, 135–144 (2001). [https://doi.org/10.1672/0277-5212\(2001\)021\[0135:FMAHRO\]2.0.CO;2](https://doi.org/10.1672/0277-5212(2001)021[0135:FMAHRO]2.0.CO;2)
- Meneguzzo, Dacia & C. Liknes, Greg. (2015). Status and Trends of Eastern Redcedar (*Juniperus virginiana*) in the Central United States: Analyses and Observations Based on Forest Inventory and Analysis Data. *Journal of Forestry*. 113. 10.5849/jof.14-093.
- Smith, S. 2011. Eastern Red-Cedar: Positives, Negatives, and Management. The Samuel Roberts Noble Foundation. 8 pp. <http://www.waterandenergyprogress.org/library/nfwf1101.pdf>
- Twidwell D, [Rogers WE](#), [Fuhlendorf SD](#), [Wonkka CL](#), Engle DM, Weir JR, [Kreuter UP](#), Taylor CA. The rising Great Plains fire campaign: Citizens' response to woody plant encroachment *Frontiers in Ecology and the Environment*. 11: e64-e71. DOI: [10.1890/130015](https://doi.org/10.1890/130015)
- Zouhar, K. 2005. *Elaeagnus angustifolia*. In: Fire Effects Information System, [Online]. U.S. Department of Agriculture, Forest Service, Rocky Mountain Research Station, Fire Sciences Laboratory (Producer). Available: <https://www.fs.fed.us/database/feis/plants/tree/elaang/all.html>

Is this project part of a Comprehensive Conservation Plan? Yes X No

Management of Project

Audubon Great Plains will provide management, coordination, and administration to the NDPMT grant from the Audubon Great Plains office in Fargo, ND.

NDPMT will focus on grassland acres in the project area and 5,000 acres will be impacted within the project period through grazing infrastructure installation and invasive woody species removal. Landowners interested in additional cost share or public access incentives will be directed to the Private Lands Open To Sportsmen (PLOTS) program through the North Dakota Game and Fish Department. If PLOTS is not of interest to the landowner, Audubon Great Plains will provide a North Dakota Wildlife Federation “Ask Before You Enter” metal sign to open project acres for public access.

Audubon Great Plains staff will provide tracking and reporting for all project agreements following grant guidelines. The Audubon Great Plains staff members associated with the project will be Josh Lefers, Juli Bosmoe, Charlene Prodzinski, and Lindsey Lee.

Josh Lefers is the Working Lands Program Manager and provides implementation guidance and strategy for Prairie Management Toolboxes.

Juli Bosmoe is Audubon Great Plains' Senior Range ecologist and provides on-the-ground technical assistance to landowners enrolled in the Prairie Management Toolbox.

Charlene Prodzinski is Audubon Great Plains' western North Dakota range ecologist and provides on-the-ground technical assistance to landowners enrolled in the Prairie Management Toolbox.

Lindsey Lee is Audubon Great Plains' operations manager and is responsible for administrating the Prairie Management Toolbox project contracts and payment requests.

Evaluation

The NDPMT project will be considered successful if, during the project period, acreage goals for each project objective are met, and landowners are approving and supportive of the services provided. Each enrolled landowner will collaborate with an Audubon Great Plains employee to develop a habitat management plan, detailing land management goals over the life of the project. Strategies to improve grassland productivity are incorporated into the habitat management plan and are evaluated through site and cattle health monitoring reports by the landowner and Audubon staff.

Financial Information

Project Budget

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Livestock and wildlife friendly grazing systems	\$351,000	\$	\$	\$	\$234,000	\$585,000
Brush Management	\$356,400	\$	\$	\$	\$39,600	\$396,000
Cultural resource surveys	\$5,000	\$	\$	\$	\$	\$
Staff	\$35,000	\$35,000	\$	\$	\$	\$
Indirect	\$	\$	\$	\$190,512.26	\$	\$
Total Costs	\$747,400	\$35,000	\$0	\$190,512.26	\$273,600	\$1,206,512.26

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

Budget Narrative

Livestock and Wildlife Friendly Grazing Systems: Grazing system development support request is \$351,000 and will follow the NRCS Office Tech Guidelines for Allowable Cost. Fencing will be provided to landowners at 60% cost-share payment based on NRCS cost-share payment rates. The water developments will use these rates for agreement development but will pay 60% cost-share based on actual costs. The landowners will provide the remaining 40% cost-share on both fence and water.

Invasive Species Control: Landowner financial assistance for invasive woody control: \$356,400. Project expense rate is based upon the average estimate rates Audubon Great Plains received from local tree service contractors (\$660/ac., 250 acres), which are comparable to NRCS FOTG rates (\$660.23/acre). Landowners will be responsible for 10% of contractor costs for invasive species removal, for a total cash match of \$39,600. Enrolled landowners will be responsible for post treatment enhancement, including brush management through chemical application or removal of cut trees.

Contractual Services: Project expense rate was based upon industry average for cultural resource surveys of \$1,250/survey. Audubon expects to need to contract 4 surveys over the course of the project period.

Staff Time: A portion of the staff expenses to implement project activities, including site visits, contracts management, and reporting.

Indirect rate: Audubon will contribute indirect rate match of \$190,512.26. This indirect total is based on our federally negotiated indirect cost rate of 25.49%.

Sustainability

To sustain the impact and longevity of projects enrolled in the NDPMT, each project is protected by a 10-year non-conversion agreement to ensure that working grasslands assisted with financial and technical assistance remain as grasslands. Audubon intends to implement the NDPMT in response to sustained landowner interest. Infrastructure projects tend to be generational; grazing infrastructure typically needs regular maintenance to last for a couple of decades and provide conservation benefit during that time. Landowners that choose to tackle invasive species or rejuvenate their grasslands will need to provide ongoing monitoring and maintenance; Audubon Great Plains and partners are committed to having staffing to provide technical assistance to those landowners. This will ensure that the overall habitat management support resources the toolbox provides can be accessible well into the future.

Each enrolled producer will work with Audubon Great Plains in developing a Habitat Management Plan, a multi-year guide outlining best management practices for developing, maintaining, and improving project habitat. Audubon range ecologists revisit the HMPs with producers on a regular basis to ensure habitat and production goals are met.

Partial Funding

If the ND Outdoor Heritage Fund is unable to fund a portion of NDPMT then program implementation will be delayed and/or reduced in scope, which could lead to missed opportunities for effective conservation within the conservation core area.

Partnership Recognition

At each participating site that utilizes NDPMT and approves signage use, program signs will be installed recognizing the financial support provided by OHF and other project supporters. Additionally, as the project is implemented within the landscape, Audubon Great Plains will place an emphasis on promoting NDPMT and project supporters through newspaper articles and local news exposure.

Awarding of Grants

Can you meet all the provisions of the sample contract? X Yes No

If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be:



Keith Trego
Executive Director
1605 E Capitol Avenue, Ste. 101
Bismarck, ND 58501-2102
(701) 223-8501
Fax: (701) 223-6937

September 6, 2023

Reice Haase, Acting Executive Director
North Dakota Industrial Commission
ATTN: Outdoor Heritage Fund Program
State Capitol – Fourteenth Floor
600 East Boulevard Ave., Dept. 405
Bismarck, ND 58505

Dear Mr. Haase:

On behalf of The North Dakota Natural Resources Trust in support of Audubon Great Plains' North Dakota Outdoor Heritage Fund grant project titled, *North Dakota Prairie Management Toolbox*. This project expands on the previously ND OHF funded projects a part of the Prairie Management Toolbox, which provide private landowners financial and technical support for grazing infrastructure, invasive species removal, and prairie restoration. To magnify the impact of these tools, Audubon Dakota will expand the Prairie Management Toolbox into thirty-five counties in eastern North Dakota to improve and enhance habitat on 5,000 acres.

The Trust's mission is to promote the retention, restoration, creation and wildlife friendly management of wetlands, grasslands and riparian areas by presenting practical conservation opportunities throughout North Dakota. From its inception, the Trust has played a role as facilitator between agricultural and conservation interests. We feel this proposal promotes sound grassland conservation practices on a voluntary basis to private landowners.

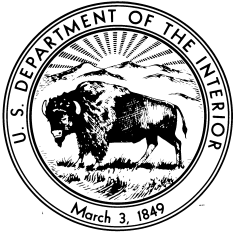
The North Dakota Natural Resources Trust therefore fully supports the goals and commitments presented within Audubon Great Plains' ND Outdoor Heritage Fund proposal, and we look forward to seeing the program continue its success in the coming years.

Thank you for your time.

Sincerely,

Keith Trego

To preserve, enhance, restore, and manage wetlands and associated wildlife habitat, grasslands, and riparian areas in the state of North Dakota.



United States Department of the Interior



FISH AND WILDLIFE SERVICE
North Dakota Partners for Fish and Wildlife Office
3425 Miriam Avenue
Bismarck, North Dakota 58501

September 7, 2023

Reice Haase
North Dakota Industrial Commission
ATTN: Outdoor Heritage Fund Program
600 East Boulevard Ave., Dept. 405
Bismarck, ND 58505

RE: North Dakota Prairie Management Toolbox OHF

Dear Mr. Haase:

I write on behalf of U.S. Fish and Wildlife Service's North Dakota Partners for Fish and Wildlife Program (ND PFW) in support of Audubon Great Plains' North Dakota Outdoor Heritage Fund grant project titled, North Dakota Prairie Management Toolbox. This project expands on the previously OHF funded projects in ND as part of the Prairie Management Toolbox, which provides private landowners financial and technical support for grazing infrastructure, invasive species removal, and prairie restoration. To magnify the impact of these tools, Audubon Great Plains will expand the Prairie Management Toolbox into thirty-five counties in eastern North Dakota to improve and enhance habitat on 5,000 acres.

The ND PFW program has a long history of working closely with private landowners and conservation partners, providing financial and technical assistance on voluntary conservation efforts to restore, enhance and create wetland and grassland habitat on private land. The ND PFW program works closely with private landowners to foster partnerships on working lands that help conserve important wildlife habitat and also provide economic benefits for North Dakota's farmers and ranchers and other private landowners. Our approach is simple: Engage willing partners through non-regulatory incentives to conserve fish and wildlife values on their property. The ND PFW program was established in 1987 and since that time has worked on more than 4,200 habitat projects with more than 3,200 North Dakota farmers, ranchers, and other private landowners.

The ND PFW program therefore fully supports the goals and commitments presented within Audubon Great Plains' ND Outdoor Heritage Fund proposal, and we look forward to seeing the program continue its success in the coming years.

Thank you for your time.

Sincerely,

Scott J. McLeod,
USFWS, State Coordinator, ND Partners for Fish and Wildlife



September 8, 2023

To: North Dakota Industrial Commission

Subject: Audubon Great Plains' North Dakota Prairie Management Toolbox

NDIC,

I am writing regarding the ND Outdoor Heritage Fund grant being applied for by Audubon Great Plains.

Upon reviewing the proposal, it does indicate an intent to support USDA-NRCS mission and the core technical values which provide private landowners financial and technical support for grazing infrastructure, invasive species removal, and prairie restoration.

I hope to see a continuation in conservation success in North Dakota through direction and leadership provided by Audubon Great Plains.

Sincerely,

A handwritten signature in cursive script that reads "Andy Jewett".

Andy Jewett

James River CDU Supervisor

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Form Info

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Plains
Trade
Name



00059771

Audubon Great Plains

Trade Name

<i>Filing Type</i>	Trade Name
<i>Status</i>	Active
<i>Owner Name</i>	NATIONAL AUDUBON SOCIETY, INC.
<i>Owner Address</i>	225 VARICK ST FL 7 NEW YORK, NY 10014-4396
<i>Nature of Business</i>	To protect birds and the places they need, today and tomorrow.
<i>Term of Duration</i>	Expires - 5 years
<i>Initial Filing Date</i>	09/06/2022
<i>Expiration Date</i>	09/06/2027
<i>Principal Address</i>	25 VARICK STREET 7TH FLOOR NEW YORK, NY 10014
<i>Mailing Address</i>	25 VARICK ST FL 7 NEW YORK, NY 10013



View History

Outdoor Heritage Fund
 Grant Round 23
 Application Summary Page
GR 23-2

Project Title: Mayville Dam #2 Reconstruction & Recreation Project
 Applicant: City of Mayville
 Primary Contact: Karl Jorgenson
 Total Project Costs: \$3,050,000
 OHF Request: \$396,595.48

Match Amount	Funding Source	Match Type
\$2,287,500	FEMA Hazard Mitigation Grant Program	Cash
\$305,000	DES Public Assistance	Cash
\$25,200	DWR Cost-Share Program ¹	Cash
\$35,705	City of Mayville	Cash
\$2,653,405.00	Total	

Percentage of Matching Funds: 87% (83% Non-state fund match)

Project Duration: March 2024 – October 2024

Major Directive: A

Additional Directive: C & D

Summary of Project: Remove the failed low head dam, reestablish the eroded riverbank, and construct a new dam in the form of rock riffle structures to facilitate fish passage, enable more natural sediment transport and reduce sediment buildup, develop fish habitat, and allow access within the Goose River.

Technical Committee Comments:

- Would prefer a discussion of riparian forest restoration and its feasibility for these types of projects
- Committee noted FEMA and Water Commission dollars, and discussed eligibility for using those funds as an OHF cost-share, questioned if OHF is being used to fund items ineligible for FEMA or Water Commission

¹ HB 1088 passed in 2021 repealed the requirement to consider DWR as cost-share for OHF projects

Technical questions from the OHF Advisory Board members:

- Did the NDGF Dept. have input into the design of the reconstruction for fish passage? Does NDGF support this project as designed? Is there public access to anglers to use the dam's reservoir? How is long term viability of the pool going to be maintained given the amount of sediment moving through the Goose River?
 - Game and Fish noted they were not involved in this project

City of Mayville has not previously received funds.

***Total OHF funds awarded to date: \$0.00. Total OHF funds spent to date: \$0.00.**

City of Mayville has not submitted any unsuccessful applications.

OHF Advisory Board Recommendation

Contingencies: None

Conflicts of Interest: None

Funding Vote: 11-1

Funding Amount Vote: \$396,595.48

Outdoor Heritage Fund Grant Application



Instructions

After completing the form, applications and supporting documentation may be submitted by e-mail to ndicgrants@nd.gov. It is preferred that only electronic copies are submitted.

You are not limited to the spacing provided, except in those instances where there is a limit on the number of words. If you need additional space, please indicate that on the application form, answer the question on a separate page, and include with your submission.

The application and all attachments must be received by the application deadline. You may submit your application at any time prior to the application deadline. **Applicants are strongly encouraged to submit applications prior to the deadline for staff review in order ensure that proposals will be complete when submitted on deadline date.** Incomplete applications may not be considered for funding.

Please review the back of this form to determine project eligibility, definitions, budget criteria, and statutory requirements.

Project Name – Mayville Dam #2 Reconstruction & Recreation Project

Name of Organization – City of Mayville, North Dakota

Federal Tax ID#

Contact Person/Title – Karl Jorgenson, Mayor

Address – 21 1st St NE

City – Mayville

State – North Dakota

Zip Code – 58257

E-mail Address – gailolstad@cityofmayville.us

Web Site Address (If applicable)

Phone – (701) 788-2166

List names of co-applicants if this is a joint proposal

MAJOR Directive:

Choose only one response

- Directive A.** Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
- Directive B.** Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;
- Directive C.** Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and
- Directive D.** Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive:

Choose all that apply

- Directive A.**
- Directive B.**
- Directive C.**
- Directive D.**

Type of organization:

- State Agency
- Political Subdivision
- Tribal Entity
- Tax-exempt, nonprofit corporation.

Abstract/Executive Summary.

Summarize the project, including its objectives, expected results, duration, total project costs and participants. (no more than 500 words)

Mayville's Dam #2 is a low head dam on the south branch of the Goose River. The dam is located just south of Highway 200, adjacent to the Willowood Campground. The dam site historically provided a vital recreation destination for Mayville and Portland's combined 2,400 residents. The Willowood Campground hosts approximately 250 visitors each year. Moreover, because of the dam's proximity to both Willowood Campground and Island Park, this recreation site was frequently integrated into important community events like Veterans' Day celebrations, family reunions, graduation parties, and vacation bible school.

In May 2022, Dam #2 suffered a major failure as a result of spring flooding. The Goose River circumvented the dam on the south side and caused severe erosion along the riverbank. The City immediately took emergency action by partially breaching the dam and constructing a rock wall to slow the erosion. The damage caused by this event ultimately received a FEMA Emergency Declaration. In recent months, the City has partnered with FEMA and Moore Engineering Inc. to identify a solution to the current condition of the dam and surrounding area.

The project described here will restore and enhance this important recreation area by developing fish habitat within the Goose River and providing enhanced access for sportsmen. After removing the failed low head dam and reestablishing the eroded riverbank, the project will construct a new dam in the form of rock riffle structures.

The riffle structure will facilitate fish passage while also creating turbulent and aerated flows that improve oxygen levels. Additionally, the riffle structure will enable more natural sediment transport and will thus reduce sediment buildup on the upstream side of the structure. Enhanced oxygen levels and natural sediment transport are crucial steps towards a healthy aquatic environment for northern pike, bullhead catfish, channel catfish, bass, and the many other fish species targeted by anglers at this site.

In addition to producing cleaner and clearer water, the arched rock riffles will promote the site's use for recreational activities by creating a more natural and visually appealing environment. Crucially, the riffle structure will provide a safe environment for river access that lacks the dangers associated with low head dams. This project will thus restore, improve, and promote both in-stream and riverside access for sportsmen. The rock riffle structure will allow canoes, kayaks, and other small boats to safely access the river via Willowood Campground's launch area. Large, flat boulders at both the upstream and downstream sides of the dam will similarly enable safe riverside access for anglers.

The City has engaged with FEMA, the ND Department of Emergency Services, and the Department of Water Resources to fund \$2,617,700 of this effort. The current application is seeking \$396,595.48 to cover the remaining construction costs.

Project Duration:

Indicate the intended schedule for drawing down OHF funds.

The project will be performed from spring of 2024 through fall of 2024. The City intends to draw approximately \$49,575 each month beginning in March of 2024 and concluding in October of 2024.

Amount of Grant request: \$396,595.48

Total Project Costs: \$3,050,000

Note: in-kind and indirect costs can be used for matching funds.

Amount of Matching Funds: \$2,653,404.52

A minimum of 25% Match Funding is required. Indicate if the matching funds will be in-kind, indirect or cash. Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Amount of Match	Funding Source	Type of Match (Cash, In-kind or Indirect)
\$2,287,500	FEMA Hazard Mitigation Grant Program	Cash
\$305,000	DES Public Assistance	Cash
\$25,200	DWR Cost-Share Program	Cash
\$35,705	City of Mayville	Cash
\$		
\$		

Certifications

- I certify that this application has been made with the support of the governing body and chief executive of my organization.
- I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted in the back of this application.

Narrative

Organization Information – Briefly summarize your organization’s history, mission, current programs and activities.

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

The City of Mayville is located in Traill County, North Dakota. The City was founded in 1881 and its current population is 1,900. The City of Portland, which is home to an additional 600 people, is located just two miles west on Highway 200. Together, Mayville and Portland’s 2,500 residents account for approximately 30% of the population within Traill County. The cities are

home to more than 200 local businesses, and more than 1,000 students are currently enrolled at Mayville State University.

Mayville is committed to promoting the health and vitality of the community by providing residents with numerous recreation opportunities. Current recreation facilities include Camp Willowood, Island Park, Pioneer Park, a water park, frisbee golf course, and multiple sports complexes.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Note: if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

For tree/shrub/grass plantings: provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, grass species and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree/shrub/grass planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan.

For projects including Section 319 funding: provide in detail the specific best management practices that will be implemented and the specific projects for which you are seeking funding.

For projects including fencing: A minimum cost share of 40% by the recipient is preferred. Include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.

Purpose of Grant

The reconstruction of Mayville’s Dam #2 is urgently required for several reasons. First, the dam’s current condition poses significant safety concerns related to the exposed sheet pile, unstable banks, unsteady rocks, and other loose debris. Second, the dam’s failure caused serious and ongoing erosion and sediment accumulation. In addition to degrading both public and private lands, these factors diminish water quality and aquatic habitat conditions within the Goose River. Finally, Dam #2 previously elevated water levels so that the school district and golf course could draw water for irrigation. The elevated water level upstream of the dam also enabled recreational use of the boat launch and landing at Willowood Campground. Ultimately, the Project described here will rectify urgent challenges related to safety hazards, water quality impairment, and habitat degradation, while also providing enhanced recreational access. This is a new Project, i.e., it is not replacing funding that is no longer available.

Is this project part of a Comprehensive Conservation Plan? Yes No

If yes, provide a copy with the application.

Note: Projects involving buildings and infrastructure will only be considered if part of a Comprehensive Conservation Plan. Please refer to the “Definitions” section at the back of the form for more details.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.

Include a brief background and work experience for those managing the project.

The City has retained Moore Engineering Inc. (Moore) for the Dam #2 Reconstruction & Recreation Project. Moore has decades of experience providing water resource engineering services for communities throughout North Dakota. The firm regularly provides concept development, environmental review, design, permitting, and construction oversight for large watershed management and flood protection infrastructure projects that incorporate habitat enhancements for wildlife and recreation improvements for sportsmen. Moore will partner with the City to complete water modeling, geotechnical evaluation, plan and specification preparation, land acquisition coordination, permitting, bidding, and construction oversight of this effort. Moore’s proven and established project management standards and practices will ensure that objectives are achieved on-time, within budget, and in keeping with the highest quality standards.

Evaluation – Describe your plan to document progress and results.

Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation and expenditure reports will be required for every grant awarded.

The City will partner with Moore Engineering Inc. to develop a formal construction management plan that includes record keeping and invoice management practices. The City will submit a quarterly progress report to the Outdoor Heritage Fund that includes copies of invoices accrued and proposed activities for the subsequent reporting period. Moreover, the City will partner with Moore to use social media and digital marketing campaigns to advertise the Project, promote its benefits, and recognize its contributing partners. Marketing campaigns will occur during construction, upon completion of the project, and six months after completion.

Financial Information

Project Budget – Use the table below to provide an itemized list of project expenses and describe the matching funds being utilized for this project.

Indicate if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. **A minimum of 25% match funding is required.** An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Certain values have been identified for in-kind services as detailed under “Budget Information” at the back of this form. Refer to that section and utilize these values in identifying your matching funds. **NOTE: No indirect costs will be funded. Supporting documentation for project expenses, including bids, must be included or application will be considered incomplete.**

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Construction	\$396,595.48	\$	\$	\$	\$2,247,374.42	\$2,643,969.90
Design and engineering	\$	\$35,704.51	\$	\$	\$370,325.59	\$406,030.10
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
Total Costs	\$	\$	\$	\$	\$	\$3,050,000

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

Budget Narrative – Use the space below to provide additional detail regarding project expenses.

The City immediately engaged with FEMA after the event and has partnered with the agency to fund this effort. FEMA’s Hazard Mitigation Grant Program will cover 75% of project costs (\$2,287,500). Moreover, ND’s Department of Emergency Services will provide 10% of project costs (\$305,000). The City recently applied to the Department of Water Resources Cost-Share Program, which will provide funding for design and engineering costs in the amount of \$25,200. The City plans to fund the remaining 35,704.51 for design and engineering services. The present application is seeking \$396,595.48 for construction costs not funded by FEMA or NDDDES.

Sustainability – Indicate how the project will be funded or sustained in future years.

Include information on the sustainability of this project after OHF funds have been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

The City will sustain the wildlife habitat and recreation enhancements accomplished during this project through a combination of general funds and revenue generated from the use of Willowood Campground, Island Park, and other public parks and recreation facilities managed by the City.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested.

The City has a relatively small tax base and limited financial resources. The intent is to fund this project without placing a financial burden on the residents. If an Outdoor Heritage Fund award is not obtained, the Project may be delayed until full funding is secured.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * There must be signage at the location of the project acknowledging OHF funding when appropriate.

The City will post signage at Willowood Campground and other public access locations to acknowledge all project sponsors. This signage will ensure that sportsmen and other users are able to appreciate the State's contributions and commitment to improving fish and wildlife habitat and recreation opportunities. Moreover, the City will partner with its engineering consultant to use social media and digital marketing campaigns to advertise the Project, promote its benefits, and recognize its contributing partners.

Awarding of Grants - Review the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm>.

Can you meet all the provisions of the sample contract? Yes No

If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be:

ABOUT OHF:

The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance **conservation** practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

EXEMPTIONS

Outdoor Heritage Fund grants may not be used to finance the following:

- Litigation;
- Lobbying activities;
- Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or

- Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

OHF funds may not be used, except after a finding of exceptional circumstances by the Industrial Commission, to finance:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Definitions/Clarifications for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Definitions/Clarifications for how this will be calculated);
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Definitions/Clarifications for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

The goal of the Industrial Commission is that at a minimum 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.

The following projects are not eligible for funding, unless there is a finding of exceptional circumstances by the Industrial Commission include:

- Construction or refurbishment of indoor/outdoor ice rinks,
- Construction or refurbishment of indoor/outdoor athletic courts and sports fields,
- Other substantially similar facilities.
- Infrastructure that is not part of a comprehensive conservation plan.
- Projects not meeting a minimum funding request of \$2,500.

Budget Information

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- Labor costs \$15.00 an hour
- Land costs Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
- Permanent Equipment Any equipment purchased must be listed separately with documentation

- Equipment usage showing actual cost. (For example: playground equipment)
- Seed & Seedlings Actual documentation
- Transportation Mileage at federal rate
- Supplies & materials Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example, the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program, please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as “A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature.”

Comprehensive Conservation Plan - Defined as “A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of wildlife and fish habitat or natural areas.” This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that is being requested for staffing and/or the hiring of an outside consultant.** This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Maintenance – Activities that preserve or keep infrastructure in a given existing condition, including repairs. Repair means to restore to sound condition after damage, to renew or refresh; except repairs due to damage caused by Acts of God.

Scoring of Grants

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking form that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular meeting to sign the contract and get the project underway or the commitment for funding will be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant.

Responsibility of Recipient

The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

If you have any questions about the application, the Commission can be reached at 701-328-3722 or outdoorheritage@nd.gov.

Revised: November 4, 2019, April 12, 2023

**Mayville Dam #2 Hydraulic Report
Mayville, ND
Alternate 2 Scenario 2 - Rock Riffles
4/28/2023**

Engineer's Preliminary Opinion of Cost

BID ITEM NO. & DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL	FEMA/NDEES (85%)	Local (15%)
Base Bid						
General						
1. Mobilization	LS	1	\$50,000.00	\$50,000.00	\$42,500.00	\$7,500.00
2. Clearing and Grubbing	LS	1	\$10,000.00	\$10,000.00	\$8,500.00	\$1,500.00
3. Temporary Erosion Control	LS	1	\$20,000.00	\$20,000.00	\$17,000.00	\$3,000.00
4. Strip and Stockpile Topsoil	CY	278	\$10.00	\$2,780.00	\$2,363.00	\$417.00
5. Dewatering / Control of Water	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
6. Storm Water Management	LS	1	\$50,000.00	\$50,000.00	\$42,500.00	\$7,500.00
Removals						
7. Remove Existing Dam	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
Construction						
8. Regrade Channel Bottom	LS	1	\$200,000.00	\$200,000.00	\$170,000.00	\$30,000.00
9. Embankment Import	CY	14,000	\$20.00	\$280,000.00	\$238,000.00	\$42,000.00
10. Place Topsoil	CY	3,227	\$4.00	\$12,908.00	\$10,971.80	\$1,936.20
11. Seeding	ACRE	4	\$1,500.00	\$6,000.00	\$5,100.00	\$900.00
12. Erosion Control Blanket	SY	19,360	\$6.00	\$116,160.00	\$98,736.00	\$17,424.00
13. Install New Sheet Pile Dam	LS	1	\$300,000.00	\$300,000.00	\$255,000.00	\$45,000.00
14. 3'-5' Boulders	EA	125	\$600.00	\$75,000.00	\$63,750.00	\$11,250.00
15. 30" USACE Riprap	CY	463	\$75.00	\$34,725.00	\$29,516.25	\$5,208.75
16. Class II Riprap	CY	148	\$75.00	\$11,100.00	\$9,435.00	\$1,665.00
17. Class IV Riprap	CY	889	\$75.00	\$66,675.00	\$56,673.75	\$10,001.25
18. Riprap Filter Blanket	SY	2,111	\$5.00	\$10,555.00	\$8,971.75	\$1,583.25
19. Granual Filter USACE Type B2 (9" Nominal Thickness)	CY	185	\$75.00	\$13,875.00	\$11,793.75	\$2,081.25
20. Granual Filter USACE Type B2 (12" Nominal Thickness)	CY	389	\$75.00	\$29,175.00	\$24,798.75	\$4,376.25
21. Cobble Rock	TON	24	\$55.00	\$1,320.00	\$1,122.00	\$198.00
22. Chinking Rock	TON	24	\$50.00	\$1,200.00	\$1,020.00	\$180.00
23. Install Wedge Dam Over Sheet Piles	LS	1	\$40,000.00	\$40,000.00	\$34,000.00	\$6,000.00
24. Remove and Salvage Existing Riprap	CY	1,190	\$40.00	\$47,600.00	\$40,460.00	\$7,140.00
25. Riprap Import	CY	6,730	\$75.00	\$504,750.00	\$429,037.50	\$75,712.50
			Construction Subtotal	\$2,033,823.00	\$1,728,749.55	\$305,073.45
			Contingencies (30%)	\$610,146.90	\$518,624.87	\$91,522.04
			Design & Construction Engineering (20%)	\$406,030.10	\$345,125.59	\$60,904.52
			TOTAL PROJECT COST	\$3,050,000.00	\$2,592,500.00	\$457,500.00

Mayville Dam #2 Hydraulic Report for City of Mayville, ND

Prepared for
City of Mayville, ND

May 2023

Prepared by:
Yaping Chi, PE
Joshua M Hassell, PE
Kyle Hafliger, PE
Zach Cormican, EIT



Certification

I hereby certify that this report was prepared by me or under my direct supervision, and that I am a duly Registered Professional Engineer under the laws of the State of North Dakota.

Kyle Hafliger

Kyle Hafliger, PE
ND Registration No. PE-10091
Date: 05/01/2023



Table of Contents

1. Background Data	1
2. Introduction.....	1
3. Effective FIS Study.....	1
4. Hydrology	3
5. Hydraulics.....	3
5.1 Coordinate Systems	5
5.2 Modified FIS Model	5
5.2.1 Model Geometry	5
5.3 Corrected Existing Conditions Model.....	7
5.3.1 Model Geometry	7
5.4 Comparison of the Results among the Three Existing Condition Models	9
5.5 Alternative 1 – Removal of the Existing Dam.....	9
5.5.1 Model Geometry	9
5.6 Alternative 2 – Dam Relocation.....	10
5.6.1 Model Geometry	10
5.7 Result Comparison.....	10
6. Conclusion	14
7. Cost Estimate	15
8. References.....	16

List of Tables

Table 1 FIS Hydrology	3
Table 2 Modified FIS – Additional and Adjusted XS.....	4
Table 3 Existing Structure Elevations.....	5
Table 4 Tailwater Conditions.....	5
Table 5 Corrected Ex Additional XS	7
Table 6 Comparison of Water Surface Elevations for the 500-year Event.....	11
Table 7 Comparison of Water Surface Elevations for the 100-YR Event	12
Table 8 Comparison of Water Surface Elevations for the 50-YR Event	13
Table 9 Comparison of Water Surface Elevations for the 10-YR Event	14
Table 10 Cost Estimates.....	16

List of Figures

Figure 1 Location of the City of Mayville Dam #2	2
Figure 2 Effective FIS VS Modified FIS Model Geometry Layout	6
Figure 3 Corrected Existing Conditions Model VS Modified FIS Model Geometry Layout.....	8

List of Appendices

Appendix A	– Photos of the Dam Failure and Bank Erosion
Appendix B	– Channel Bottom Elevations
Appendix C	– Comparison of Profile Plots among the Effective FIS, Modified FIS, and the Corrected Existing Condition Models
Appendix D	– Comparison of Profile Plots between the Corrected Existing Condition Model and the Alternatives
Appendix E	– Detailed Cost Estimates

1. Background Data

The City of Mayville (the City) Dam #2 is a low head dam which was originally built on the south branch of the Goose River in 1935 for recreational and water supply purposes. The location of the dam is shown in Figure 1. The total drainage area of this dam is 785 square miles.

In early May 2022, the City's Dam #2 suffered a failure that resulted in the Goose River circumventing the dam on the south side and eroding the riverbank. The City took emergency action by partially breaching the dam and constructing a rock wall to slow the erosion. Some of the photos showing the dam failure and the bank erosion are shown in Appendix A. The damage caused by this weather event received a FEMA Emergency Declaration and the City began working with FEMA on a solution to the current condition of the dam and the surrounding area.

2. Introduction

This project is a feasibility study which consists of evaluating two alternatives: (1) the removal of the failed, existing dam; and (2) the relocation of Mayville Dam #2, as well as improvements adjacent to the existing dam such as bank correction, slope stabilization, and cleanup items from the May 2022 event.

The objective of this study is to provide options for how to proceed now that Mayville Dam #2 has failed. Some key points the City wants to address include keeping the Goose River high enough for the city golf course to continue drawing water for irrigation and to ensure the Willowood Campground still has river access for recreation purposes. This study evaluates alternatives for a permanent solution while also meeting requirements for FEMA funding and assisting in decision making for the City of Mayville.

3. Effective FIS Study

The current effective FIS study [1] for the City of Mayville dated in 2015 was determined using the SCS computer program WSP-2 [2]. A request was made to FEMA for the original WSP-2 model in November 2022. In February 2023, the requested data was available, which was stored as scanned punch card sheets. With the difficulty in reading the scanned data and unavailable computer program, it was determined to re-create a model using GeoHEC-RAS software [3].

City of Mayville – Dam #2 Hydraulic Report

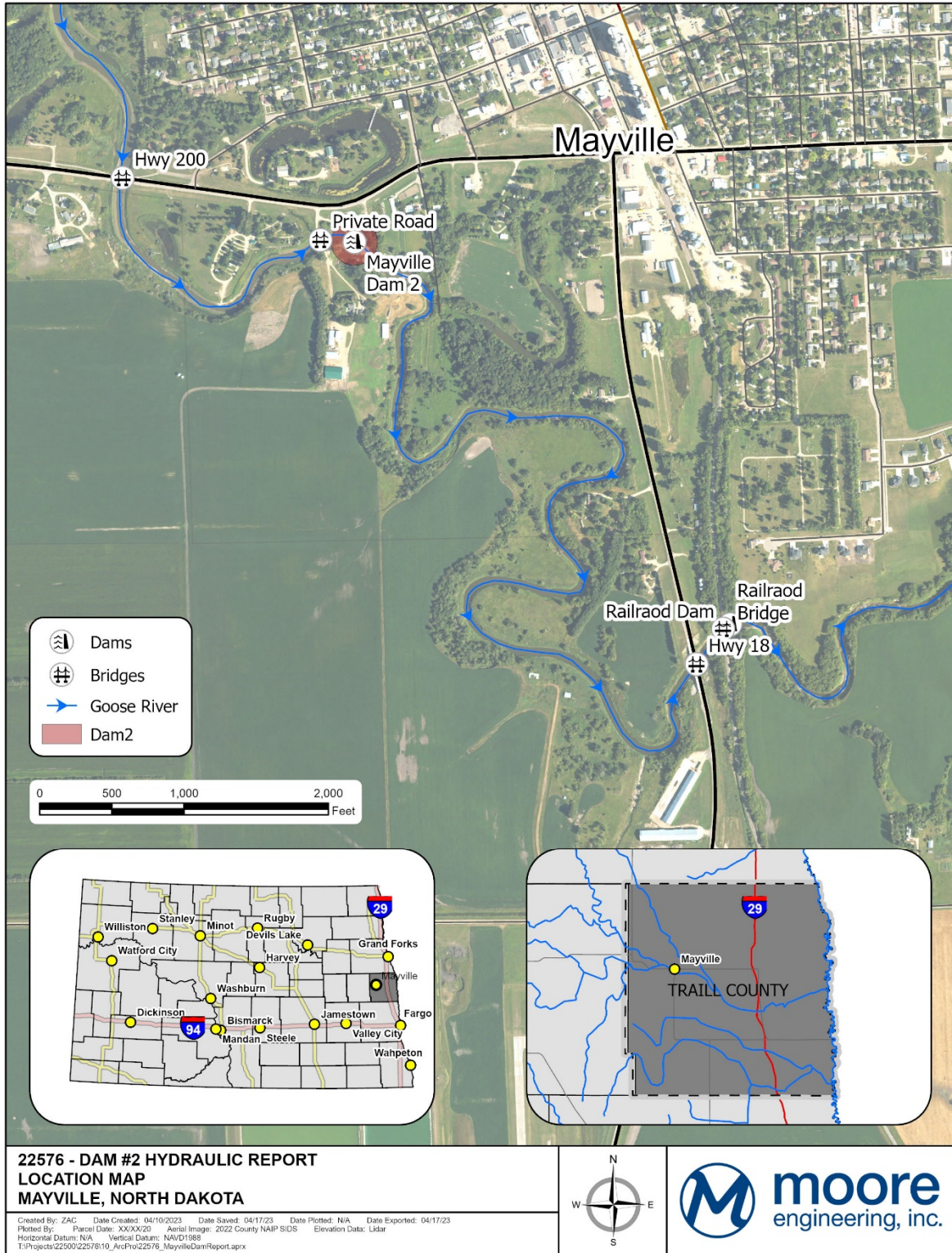


Figure 1 Location of the City of Mayville Dam #2

4. Hydrology

The 10-, 50-, 100-, and 500-year recurrence intervals have been selected for standard hydrologic and hydraulic analysis as stated in the Effective FIS report. “Peak discharges for the selected frequencies were based on a statistical analysis of discharge records using USGS gaging station No. 05066500, with 46 years of record (1931-1976), located at Hillsboro, and USGS gaging station No. 05065500, with 36 years of record (1940-1976), located near Portland. [1]” The flows used by the Effective FIS are shown in Table 1. These flows are used in this study for the hydraulic analysis.

Table 1 FIS Hydrology

Events	10-year	50-year	100-year	500-year
Peak Discharge (cfs)	4,500	10,000	13,000	21,200

5. Hydraulics

To compare the potential upstream impacts between the existing condition Dam’s configuration and the proposed alternatives, steady state GeoHECRAS models were developed as the same extent as the Effective FIS study. Figure 2 shows the GeoHECRAS model geometry layout for this study.

The hydrology and tailwater conditions from the Effective FIS study were used in all the models referenced in this report. Due to the limited data available for the Effective FIS model, which was developed in the 1970s, the Corrected Existing Conditions model was created with more detailed model geometry as the base model for this analysis, which was leveraged from the Effective FIS model.

Efforts have been made to recreate and modify the Effective FIS model based on the available data from the Effective FIS study and the new survey data. Step changes have been made to validate the new models as follows.

- 1- Modified FIS Model: Cross sections were created at the Effective FIS lettered cross section locations (Cross section C to N). Cross section geometries were modified with survey data when available. Where survey data was not available, LiDAR data was adjusted to reflect the channel bottom. Table 2 details the updates made to the cross sections.

City of Mayville – Dam #2 Hydraulic Report

- 2- Corrected Existing Conditions Model: Based on the modified FIS model, more cross sections were added upstream and downstream of the structures, as well as near the Dam.
- 3- Proposed Condition Models: The Corrected Existing Conditions model was used to create both Alternates 1 and 2 models.

The existing structure elevations were kept consistent in each of the models as seen in Table 3. The downstream boundary conditions utilized the water surface elevation from the Effective FIS study and are shown in Table 4 as the Tailwater Conditions.

Table 2 Modified FIS – Additional and Adjusted XS

Original FIS Model XS Name	GeoHECRAS Model XS Name	Modified from Original Alignment?	Reason for Modification
C	453	Yes	Adjusted XS to cross the oxbow only once
D	2170	Yes	Adjusted XS to be perpendicular to flow
E	4466	Yes	Adjusted XS to be perpendicular to flow
F	7319	Yes	Adjusted XS to be perpendicular to flow
	7604	NA	Added to model upstream of the railroad dam
G	7646	Yes	Adjusted XS to be perpendicular to flow
	7978	NA	Added to model upstream of the railroad bridge
H	8585	Yes	Tied up to high ground
I	9485	Yes	Tied up to high ground
J	15940	Yes	Adjusted XS to be perpendicular to flow
K	16329	Yes	Moved upstream of Dam
L	16522	Yes	Moved downstream of bridge
M	18644	Yes	Adjusted XS to be perpendicular to flow
N	29146	Yes	Adjusted XS to be perpendicular to flow

Table 3 Existing Structure Elevations

Structure	Top of Weir Elevation (ft)	High Chord (ft)	Low Chord (ft)
Hwy 200		959.3	955.2
Alt 2 – New Mayville Dam #2	941.5		
Private Road		956.7	956.1
Mayville Dam #2	941.5		
Hwy 18		956.6	952.6
Railroad Bridge		963.5	955.5
Railroad Dam	932.9		

Table 4 Tailwater Conditions

Events	10-year	50-year	100-year	500-year
Downstream Water Surface Elevation (ft)	939.0	944.0	945.0	947.6

5.1 Coordinate Systems

Horizontal datum: NAD 1983 State Plane_North Dakota North FIPS_3301_Feet

Vertical datum: North American Vertical Datum 1988

*The vertical datum used in the Effective FIS report is North American Vertical Datum 1929 so all of these elevations were increased by a scaling factor of 1.1 feet, in this region, to match into this report

5.2 Modified FIS Model

5.2.1 Model Geometry

Cross sections from the Effective FIS were modified to create the Modified FIS model as seen in Figure 2. These modifications were made to allow GeoHECRAS to create flood maps and for other reasons as stated in Table 2. The channel bottom elevations were developed photogrammetrically from aerial photographs taken in 1976 for the effective FIS model. The Modified FIS model uses updated elevations from a survey, completed by Moore Engineering Inc. on 10/26/2022, when available and an assumed channel bottom elevation everywhere else. Since LiDAR data represents water surface elevation in rivers, for cross sections that do not have survey data, the difference in elevation between the surveyed channel bottom and LiDAR data from the surveyed cross sections was applied to estimate the actual channel bottom. The detailed channel bottom elevations for the model can be found in Appendix B.

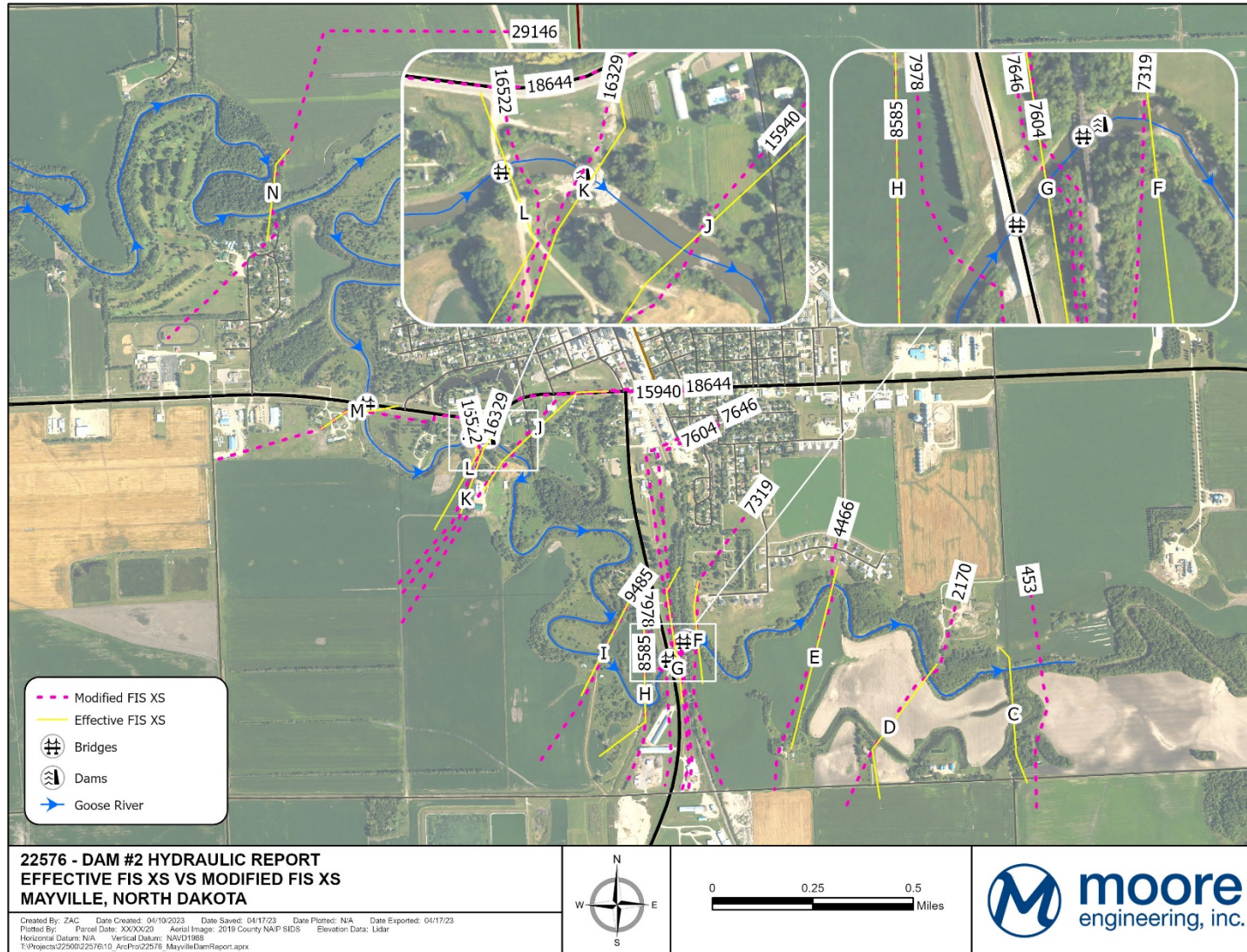


Figure 2 Effective FIS VS Modified FIS Model Geometry Layout

5.3 Corrected Existing Conditions Model

5.3.1 Model Geometry

The Modified FIS model geometry was used as a base to create the Corrected Existing Conditions model as seen in Figure 3. Additional cross sections were added at the surveyed locations, as well as upstream and downstream of the structures as required by the model. The detailed cross section modifications can be seen in Table 5. The road crossings at N.D. State Highway 200 and the private road were also added to this model. With more detailed geometry updates, this Corrected Existing Conditions model is able to generate more accurate hydraulic results.

Table 5 Corrected Ex Additional XS

Modified FIS XS	XS Sta	XS Added to Corrected Ex Model?	Reason for Additional XS
29146	29146	No	NA
	18873	Yes	Needed for the upstream XS of HWY 200 bridge
18644	18644	No	NA
	18560	Yes	Needed for the second downstream XS of HWY 200 bridge
	16851	Yes	RiverPro Surveyed XS
	16736	Yes	RiverPro Surveyed XS
	16639	Yes	RiverPro Surveyed XS
16522	16522	No	NA
	16393	Yes	RiverPro Surveyed XS
16329	16329	No	NA
	16157	Yes	RiverPro Surveyed XS
	16029	Yes	RiverPro Surveyed XS
15940	15940	No	NA
	15727	Yes	RiverPro Surveyed XS
9485	9485	No	NA
8585	8585	No	NA
7978	7978	No	NA
7646	7646	No	NA
7604	7604	No	NA
7319	7319	No	NA
	7220	Yes	Needed for the second downstream XS of the railroad dam
4466	4466	No	NA
2170	2170	No	NA
453	453	No	NA

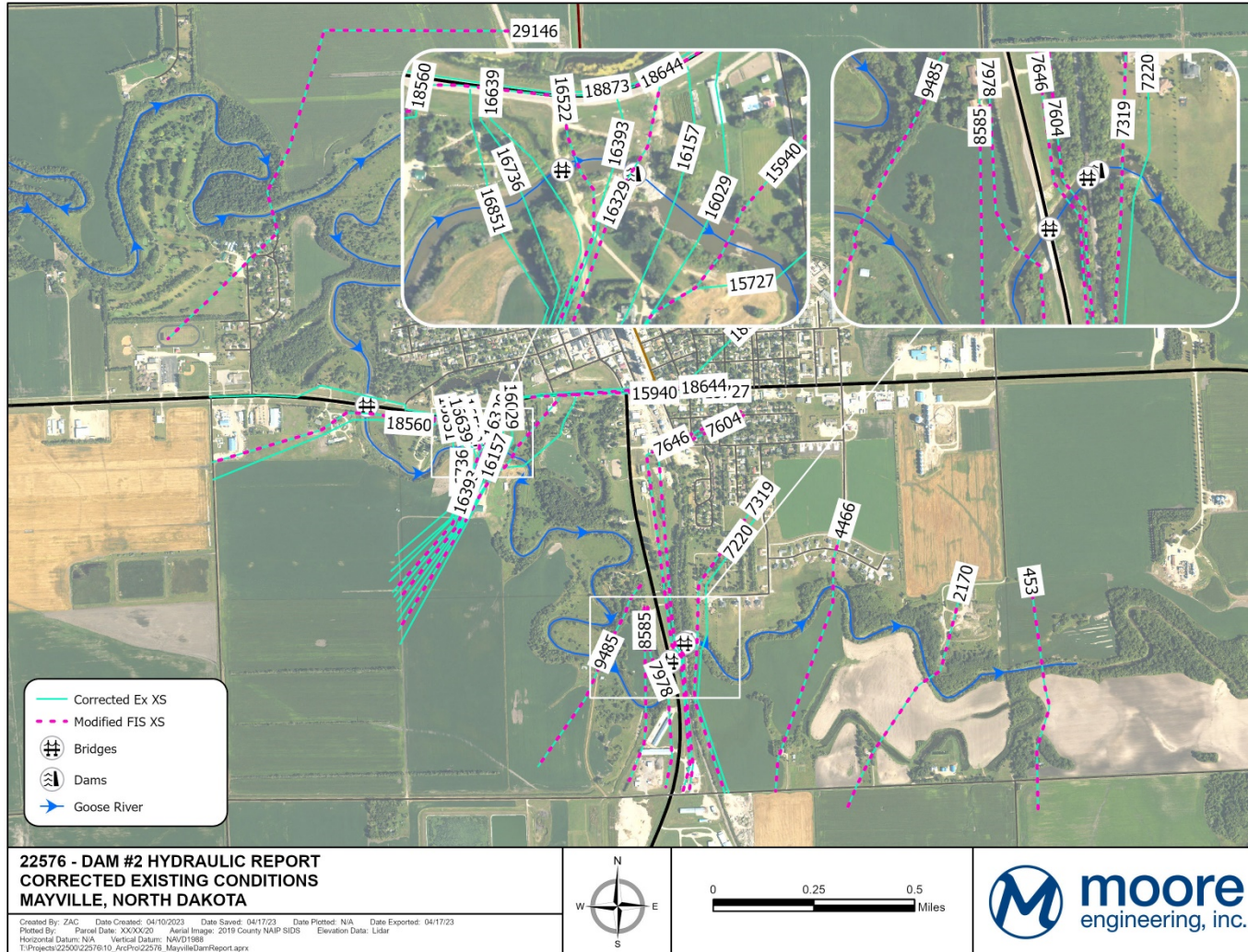


Figure 3 Corrected Existing Conditions Model VS Modified FIS Model Geometry Layout

5.4 Comparison of the Results among the Three Existing Condition Models

The water surface profiles for the 10-, 50-, 100-, and 500-year recurrence intervals were compared among the Effective FIS, Modified FIS, and Corrected Existing Conditions models, which are shown in Appendix C. The reason to start with the Effective FIS and create the Modified FIS is to replace the old elevation data to the updated survey data, but keeping the original cross section locations. Then the reason to go from the modified FIS to the corrected existing conditions model is to add more detail to the model and increase model accuracy.

It can be seen, in the “Effective FIS vs. Modified FIS” plot, that the channel bottom profile from the effective FIS model is consistently higher than that from the modified FIS model due to the photogrammetrically generation elevations as noted in section 5.2.1 Model Geometry. The model calculates from downstream to upstream, with tailwaters starting at the same elevations. The water surface elevations are all modeled within one foot of each other at the cross sections C through J just downstream of Mayville Dam #2. Upstream of Mayville Dam #2 there are some discrepancies between the models for the 10-year and the 500-year events. In this area these discrepancies are due to extra constriction upstream of the dam at cross section 16329 and extra constriction near Highway 200. These modifications are justified because the data utilized within the Modified FIS model is more accurate as described in section 5.2.1. The 50-year and 100-year events carry downstream to upstream with little deviation between models. With these results, we can conclude that the modified FIS model is a reasonable representation of the effective FIS model and can be built upon to further this study.

The “Modified FIS vs. Corrected Existing Conditions” plot has additional details added to generate more accurate results. The Corrected model brings in more cross sections, all the channel bottom survey elevations, and bridge data while starting with the same tailwater conditions as the Effective FIS and Modified FIS models. From cross section C through cross section I, there are no differences between the models. At cross section I, the Corrected channel bottom gets shallower so the water isn’t moving downstream as fast and raises all four of the Corrected profiles up to the Mayville Dam #2. The Dam #2 geometry is the same in both models, but the addition of the Private Road and Highway 200 constrict the flow, generating higher water surface elevations for the 50-, 100-, and 500-year events upstream of Dam #2. The 10-year event is not affected due to the lower flow conditions and the water not rising to the level where the new geometry has any effect. The 500-year profile is significantly higher due to being blocked by both the Private Road and Highway 200. These results are expected and reasonable when considering the former models were missing this data. This Corrected Existing Conditions model is a suitable base to compare the Alternates.

5.5 Alternative 1 – Removal of the Existing Dam

5.5.1 Model Geometry

All the geometry from the Corrected Existing Conditions model was used with the exception of the existing Mayville Dam #2, which was removed in this Alternative 1 model.

The channel bottom was graded in the location of the existing Mayville Dam #2 to cut out the failed structure and fill in the scour holes.

The change in the channel bottom can be seen in Appendix D.

5.6 Alternative 2 – Dam Relocation

5.6.1 Model Geometry

All of the geometry from the Corrected Existing Conditions model was used with the exception of the existing Mayville Dam #2, which was removed from the model. A “New Mayville Dam” was added at station 16674, which is about 161 feet upstream of the private road, with a weir elevation the same as the original dam at 941.5 feet and 62 feet wide.

The channel bottom was graded in the location of the existing Mayville Dam #2 to cut out the failed structure and fill in the scour holes.

The change in the channel bottom can be seen in Appendix D.

5.7 Result Comparison

Table 6 through Table 9 compare the water surface elevation results for the 10-, 50-, 100-, and 500-year recurrence intervals modeled in this report. These results can be seen as profile plots in Appendix C.

Table 6 Comparison of Water Surface Elevations for the 500-year Event

Original FIS XS	XS Sta	Effective FIS	Corrected Existing Conditions	Alt 1 - Dam Removal	Alt 2 - Dam Relocation
N	29146	960.9	963.65	963.7	963.69
	18873	#N/A	959.22	958.99	959.01
M	18644	955.6	958.66	958.25	958.27
	18560	#N/A	958.6	958.19	958.21
	16851	#N/A	957.98	957.51	957.53
	16736	#N/A	957.85	957.37	957.39
	16639	#N/A	957.58	957.05	957.05
L	16522	955.2	956.1	955.26	955.26
	16393	#N/A	955.66	954.75	954.75
K	16329	954.5	955.59	954.63	954.63
	16157	#N/A	955.84	954.92	954.92
	16029	#N/A	955.85	954.95	954.95
J	15940	954	955.86	954.95	954.95
	15727	#N/A	955.83	954.91	954.91
I	9485	953.1	952.7	952.7	952.7
H	8585	952.9	952.5	952.5	952.5
	7978	#N/A	951.73	951.73	951.73
G	7646	951.7	951.35	951.35	951.35
	7604	#N/A	951.41	951.41	951.41
F	7319	949.9	950.04	950.04	950.04
	7220	#N/A	949.93	949.93	949.93
E	4466	949.1	949.12	949.12	949.12
D	2170	948.3	948.4	948.4	948.4
C	453	947.7	947.6	947.6	947.6

Table 7 Comparison of Water Surface Elevations for the 100-YR Event

Original FIS XS	XS Sta	100YR Effective FIS	100YR Corrected Existing Conditions	100YR Alt 1 - Remove Dam	100YR Alt 2 - Move Dam
N	29146	958.9	959.99	959.74	959.74
	18873	#N/A	955.56	954.7	954.7
M	18644	954.8	955.16	954.29	954.29
	18560	#N/A	955.29	954.43	954.43
	16851	#N/A	954.68	953.59	953.59
	16736	#N/A	954.56	953.43	953.42
	16639	#N/A	954.27	953.03	953.03
L	16522	953.9	953.61	952.34	952.34
	16393	#N/A	953.29	951.96	951.96
K	16329	951	953.07	951.57	951.57
	16157	#N/A	952.84	951.92	951.92
	16029	#N/A	952.84	951.92	951.92
J	15940	950.9	952.83	951.9	951.9
	15727	#N/A	952.77	951.84	951.84
I	9485	949.5	949.23	949.23	949.23
H	8585	949.1	948.87	948.87	948.87
	7978	#N/A	948.31	948.31	948.31
G	7646	948.5	948.04	948.04	948.04
	7604	#N/A	947.98	947.98	947.98
F	7319	947.6	947.54	947.54	947.54
	7220	#N/A	947.46	947.46	947.46
E	4466	947	946.5	946.5	946.5
D	2170	945.7	945.75	945.75	945.75
C	453	945.1	945	945	945

Table 8 Comparison of Water Surface Elevations for the 50-YR Event

Original FIS XS	XS Sta	50YR Effective FIS	50YR Corrected Existing Conditions	50YR Alt 1 - Remove Dam	50YR Alt 2 - Move Dam
N	29146	957.5	958.14	957.92	957.94
	18873	#N/A	954.05	953.26	953.31
M	18644	953.5	953.79	952.95	953
	18560	#N/A	953.87	953.02	953.07
	16851	#N/A	953.27	952.19	952.26
	16736	#N/A	953.17	952.03	952.11
	16639	#N/A	952.92	951.78	951.78
	16522	952.5	952.56	950.85	950.85
	16393	#N/A	952.32	950.55	950.55
K	16329	950	952.1	950.14	950.14
	16157	#N/A	951.4	950.46	950.46
	16029	#N/A	951.39	950.45	950.45
J	15940	949.6	951.36	950.4	950.4
	15727	#N/A	951.32	950.36	950.36
I	9485	947.7	948.01	948.01	948.01
	8585	947.5	947.61	947.61	947.61
H	7978	#N/A	947.17	947.17	947.17
	7646	947.1	946.97	946.97	946.97
G	7604	#N/A	946.92	946.92	946.92
	7319	946.5	946.66	946.66	946.66
F	7220	#N/A	946.59	946.59	946.59
	4466	945.9	945.74	945.74	945.74
E	2170	944.7	944.76	944.76	944.76
D	453	944	944	944	944
C					

Table 9 Comparison of Water Surface Elevations for the 10-YR Event

Original FIS XS	XS Sta	10YR Effective FIS	10YR Corrected Existing Conditions	10YR Alt 1 - Remove Dam	10YR Alt 2 - Move Dam
N	29146	952.2	953.19	952.24	952.89
	18873	#N/A	950.46	947.26	949.68
M	18644	949.4	950.35	946.99	949.55
	18560	#N/A	950.34	946.92	949.51
	16851	#N/A	949.88	945.73	948.97
	16736	#N/A	949.81	945.55	948.88
	16639	#N/A	949.75	945.4	945.4
	16522	949	949.67	944.59	944.59
L	16393	#N/A	949.58	944.44	944.44
	16329	947	949.45	943.95	943.95
K	16157	#N/A	945.67	944.24	944.24
	16029	#N/A	945.65	944.22	944.22
	15940	944.8	945.62	944.2	944.2
J	15727	#N/A	945.54	944.1	944.1
	9485	942.2	941.92	941.92	941.92
I	8585	941.9	941.34	941.34	941.34
	7978	#N/A	941.03	941.03	941.03
H	7646	941.5	940.87	940.87	940.87
	7604	#N/A	940.83	940.83	940.83
G	7319	941	940.6	940.6	940.6
	7220	#N/A	940.58	940.58	940.58
E	4466	940.6	939.94	939.94	939.94
D	2170	939.6	939.38	939.38	939.38
C	453	939	939	939	939

6. Conclusion

One of the main focuses of this analysis was to ensure that the Mayville golf course intake near the Effective FIS cross section N would still be able to draw from the Goose River for irrigation. Based on the analyses, during a 10-year event at cross section N, the dam relocation Alternative 2 will result in a 0.3 feet lower water surface elevation than the profile from the Corrected Existing Conditions model. With the Dam removal alternative, the water surface elevation at the golf course will be lowered by approximately one foot for the 10-year event. The differences in water surface elevation diminish for larger events.

Another focus was on the recreation use at the Willowood Campground between Highway 200 and the private road. At cross section 16851 in Table 9, Alternative 1 (remove dam) would result

in a 4.15 feet lower water surface elevation during the 10-year event while Alternative 2 (move dam) would result in a 0.91 feet lower water surface elevation during the 10-year event.

In addition to the analysis of the potential alternatives, a preliminary geotechnical evaluation was completed in the area proposed for the new dams in Alternative 2. The preliminary findings of the geotechnical evaluation indicated that the area will support a similar type dam structure. However, if relocation of the dam is selected, further geotechnical evaluation and design will be necessary to verify the type of dam will be supported geotechnically and will meet current design standards.

7. Cost Estimate

Preliminary cost estimates were prepared to provide information to assist with decision making as the City considers options moving forward.

- Alternate 1 – Remove Dam: This alternate removes the current dam then regrades and adds riprap to approximately 200 feet of the channel. It also brings in fill to rebuild the eroded bank section.
- Alternate 2 Scenario 1 – Rock Wedge: This scenario constructs a sheet pile dam at the same weir elevation as the original Mayville Dam #2 but upstream of the private bridge. This design provides a wedge transition to eliminate the roller effect of a low head dam. The wedge is composed of riprap at a 25% grade for this estimate but may be adjusted during final design. The channel will be regraded from the bottom of the wedge and reinforced with riprap for approximately 500 feet. This reinforcement goes through the location of the original dam which will be removed. It also brings in fill to rebuild the eroded bank section.
- Alternate 2 Scenario 2 – Rock Riffles: This scenario constructs a sheet pile dam at the same weir elevation as the original Mayville Dam #2 but upstream of the private bridge. This design provides a step transition, using rock riffles, over 500 feet from the new sheet pile through the failed structure. This transition has less than a 3% grade with pools to provide fish passage and recreational opportunities. The estimate includes fill required to build up the channel base below the rock riffle structures. The current dam will be removed and area reinforced. It also brings in fill to rebuild the eroded bank section.
- Alternate 2 Scenario 3 – Concrete Step Dam: This scenario constructs a concrete dam with a stepped spillway. The top of the dam will be the same elevation as the original Mayville Dam #2 but upstream of the private bridge. This design provides a step transition to eliminate the roller effect of a low head dam. The current dam will be removed then the channel will be regraded and reinforced with riprap for approximately 500 feet, through the location of the original dam. It also brings in fill to rebuild the eroded bank section.

The estimates were prepared based on experience with similar projects. However, it is important to note that additional design will be necessary to verify that assumptions made in the estimates are accurate. Table 10 contains the summary of the estimates and a range for what the project could cost based on the level of detail so far. More detailed cost estimates are included in Appendix E. It is assumed that between FEMA and the NDDDES, 85% of the project costs will be covered. Additionally, it is anticipated that there will be funding available for the Alternate 1 (dam removal) and the Alternate 2-Scenario 2 (arched rock riffle) from the USFWS for fish passage.

Table 10 Cost Estimates

Total Project Cost Estimates	Low	Estimate	High
Alt 1 - Remove Dam	\$ 800,000	\$ 1,030,000	\$ 1,400,000
Alt 2 Scenario 1 - Rock Wedge	\$ 1,800,000	\$ 2,350,000	\$ 3,100,000
Alt 2 Scenario 2 - Rock Riffles	\$ 2,300,000	\$ 3,050,000	\$ 4,000,000
Alt 2 Scenario 3 - Concrete Steps	\$ 3,000,000	\$ 3,900,000	\$ 5,100,000

8. References

- [1] Federal Emergency Management Agency, "Flood Insurance Study - Traill County, North Dakota and Incorporated Areas," October 16, 2015.
- [2] U.S. Department of Agriculture, Soil Conservation Service, Engineering Division, "Technical Release 61, WSP-2 Computer Program," May 1976.
- [3] CivilGEO Engineering Software, *GeoHECRAS, version 3.1.0.1192*, September, 2021.

Appendix A – Photos of the Dam Failure and Bank Erosion

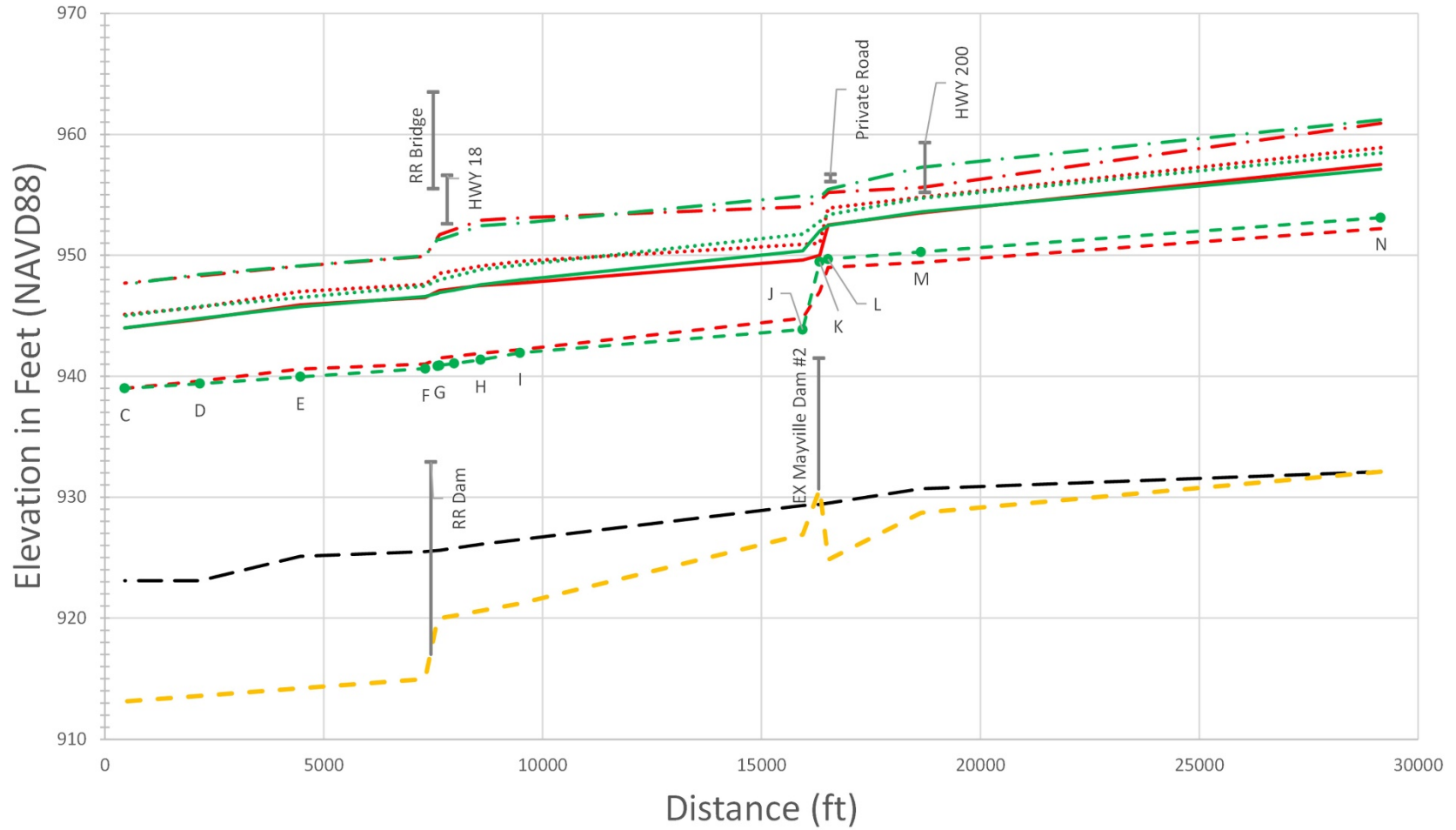


Appendix B – Channel Bottom Elevations

Effective FIS Model XS Name	Modeled River Station	RiverPro Survey Bottom Elev. (ft)	Effective FIS Bottom Elev. (ft)	Modified FIS Bottom Elev. (ft)	Corrected Existing Conditions Bottom Elev. (ft)	Alts 1 & 2 Bottom Elev. (ft)
N	29146		932.1	932.1	932.1	932.1
	18873				928.8	928.8
M	18644		930.7	928.7	928.7	928.7
	18560				928.7	928.7
	16851	928.3			928.3	928.2
	16736	929.7			929.7	928.1
New Mayville Dam #2	16674					941.5
	16639	928.4			928.4	928.1
L	16522	924.9	929.5	924.9	924.9	928.1
	16393	928.8			928.8	928.0
K	16329		929.4	928.0	928.0	928.0
Mayville Dam #2	16309		941.5		941.5	
	16157	918.8			918.8	925.3
	16029	920.8			920.8	925.3
J	15940	926.9	929.3	926.9	926.9	925.2
	15727	925.1			925.1	925.1
I	9485		926.5	921.2	921.2	921.2
H	8585		926.1	920.6	920.6	920.6
	7978			920.2	920.2	920.2
G	7646			920.0	920.0	920.0
	7604		925.6	920.0	920.0	920.0
RR Dam	7451		932.9		932.9	932.9
F	7319		925.5	915.0	915.0	915.0
	7220				915.0	915.0
E	4466		925.1	914.2	914.2	914.2
D	2170		923.1	913.5	913.5	913.5
C	453		923.1	913.0	913.0	913.0

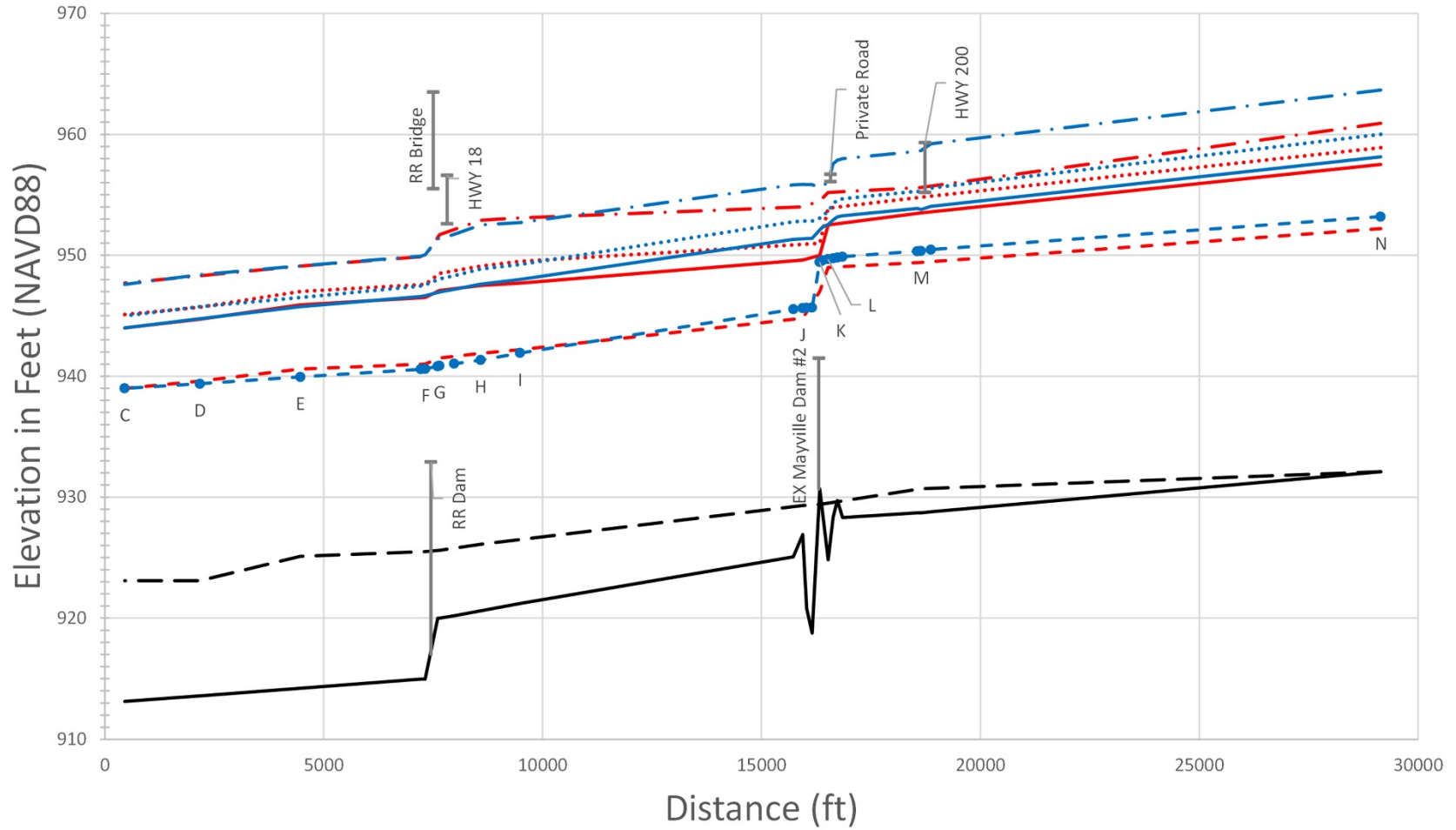
Appendix C – Comparison of Profile Plots among the Effective FIS, Modified FIS, and the Corrected Existing Condition Models

WSE Effective FIS VS Modified FIS



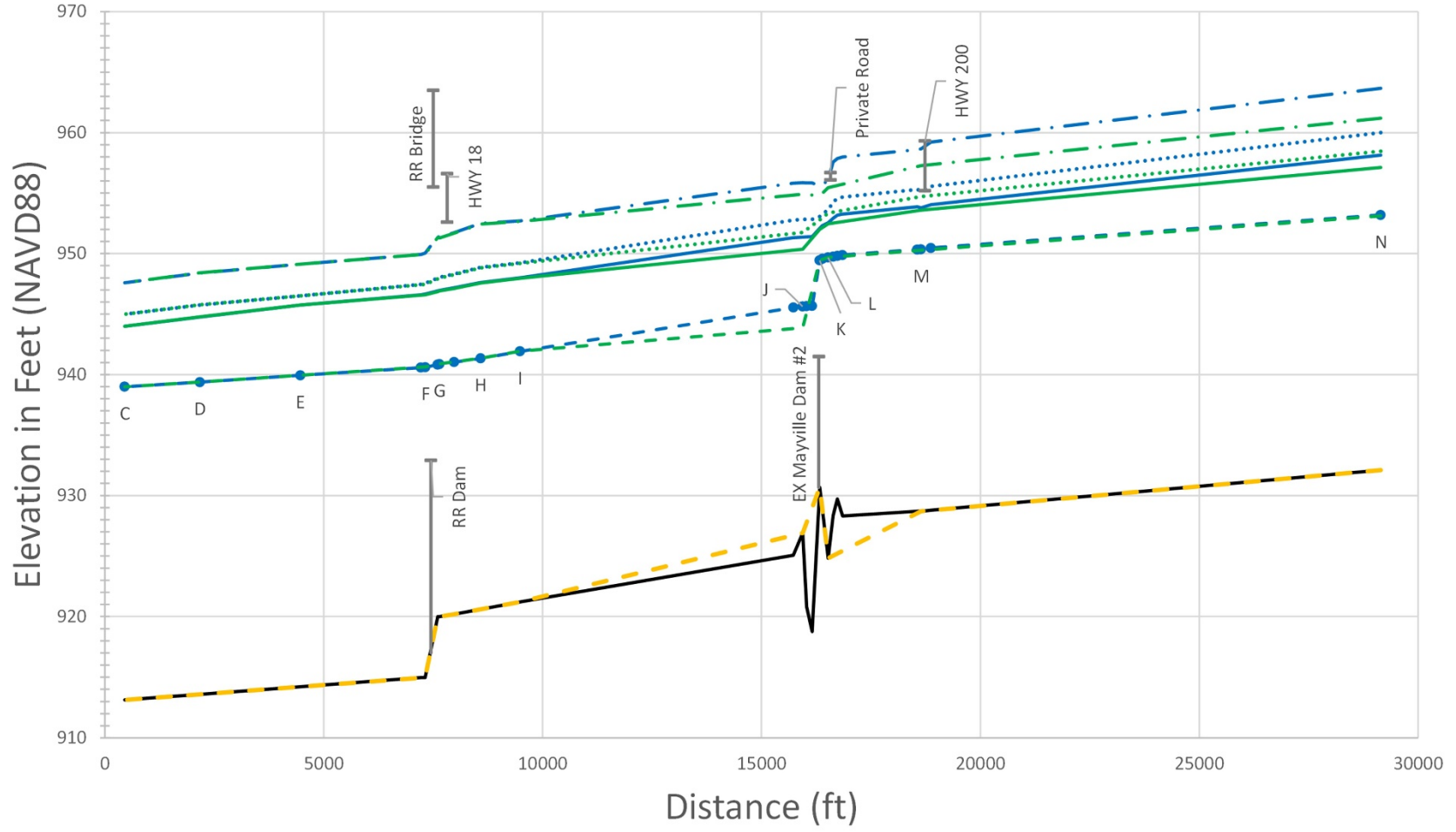
- Effective FIS Channel Btm Elev
- 50YR Effective FIS
- 50YR Modified FIS
- 10YR Modified FIS
- 500YR Effective FIS
- 10YR Effective FIS
- 100YR Effective FIS
- 100YR Modified FIS
- Modified FIS Model Channel Btm Elev
- 50YR Modified FIS

WSE Effective FIS VS Corrected Existing Conditions



- Effective FIS Channel Btm Elev
- 50YR Effective FIS
- 50YR Corrected Existing Conditions
- 10YR Corrected Existing Conditions
- . - . 500YR Effective FIS
- - - 10YR Effective FIS
- • • • • 100YR Effective FIS
- • • • • 100YR Corrected Existing Conditions
- Corrected Ex Model Channel Btm Elev
- 50YR Corrected Existing Conditions

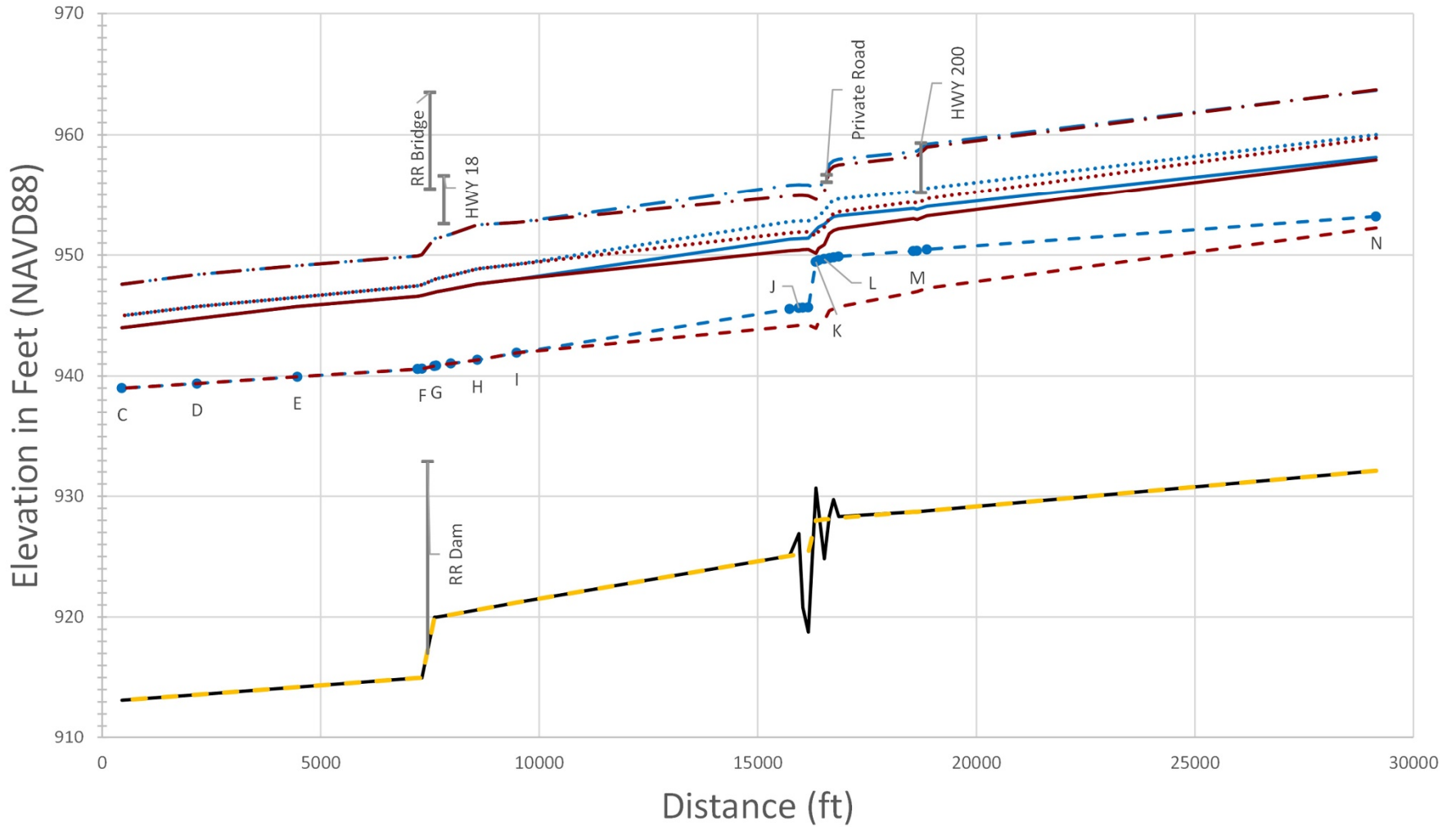
WSE Modified FIS VS Corrected Existing Conditions



- Corrected Ex Model Channel Btm Elev
- 500YR Corrected Existing Conditions
- 100YR Corrected Existing Conditions
- 50YR Corrected Existing Conditions
- 10YR Corrected Existing Conditions
- Modified FIS Model Channel Btm Elev
- 500YR Modified FIS
- 100YR Modified FIS
- 50YR Modified FIS
- 10YR Modified FIS

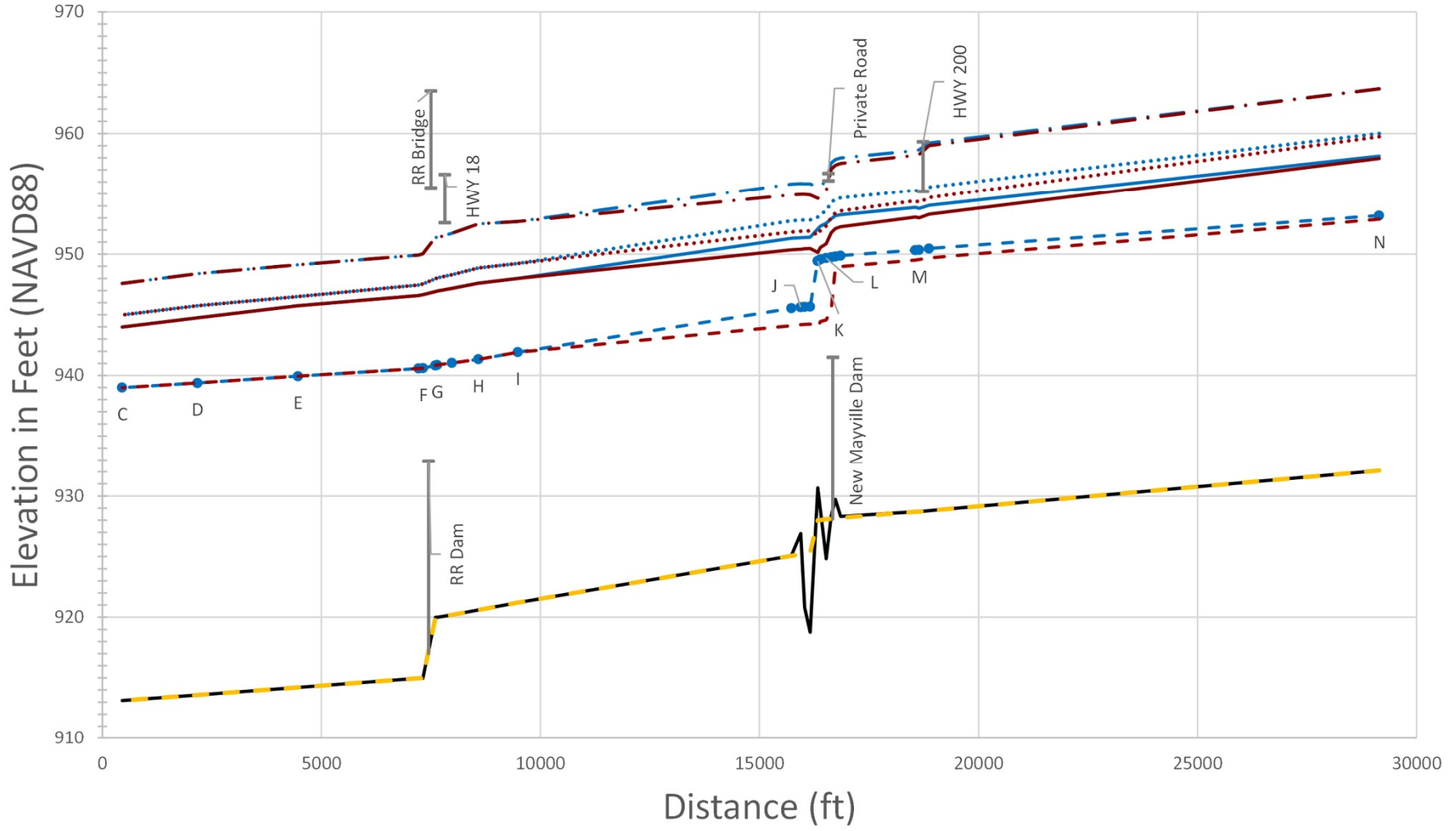
Appendix D – Comparison of Profile Plots between the Corrected Existing Condition Model and the Alternatives

WSE Corrected Existing Conditions VS Alt 1 - Remove Dam



- | | | |
|---------------------------------------|--|---|
| — Corrected Ex Model Channel Btm Elev | —•— 50YR Corrected Existing Conditions | ••••• 100YR Corrected Existing Conditions |
| — 50YR Corrected Existing Conditions | —•— 10YR Corrected Existing Conditions | —•— Alt 1 Model Channel Btm Elev |
| —•— 50YR Alt 1 - Remove Dam | ••••• 100YR Alt 1 - Remove Dam | — 50YR Alt 1 - Remove Dam |
| —•— 10YR Alt 1 - Remove Dam | | |

WSE Corrected Existing Conditions VS Alt 2 - Move Dam



- | | | |
|-------------------------------------|-------------------------------------|------------------------------|
| Corrected Ex Model Channel Btm Elev | 100YR Corrected Existing Conditions | 100YR Alt 2 - Move Dam |
| 50YR Corrected Existing Conditions | 10YR Corrected Existing Conditions | 50YR Alt 2 - Move Dam |
| 10YR Alt 2 - Move Dam | New Mayville Dam | |
| | | Alt 2 Model Channel Btm Elev |

Appendix E – Detailed Cost Estimates

Mayville Dam #2 Hydraulic Report
Mayville, ND
Alternate 1 - Remove Dam
4/28/2023

Engineer's Preliminary Opinion of Cost

<i>BID ITEM NO. & DESCRIPTION</i>	<i>UNIT</i>	<i>QUANTITY</i>	<i>UNIT PRICE</i>	<i>TOTAL</i>	<i>FEMA/NDDDES (85%)</i>	<i>Local (15%)</i>
<u>Base Bid</u>						
General						
					\$0.00	\$0.00
1. Mobilization	LS	1	\$40,000.00	\$40,000.00	\$34,000.00	\$6,000.00
2. Clearing and Grubbing	LS	1	\$10,000.00	\$10,000.00	\$8,500.00	\$1,500.00
3. Temporary Erosion Control	LS	1	\$20,000.00	\$20,000.00	\$17,000.00	\$3,000.00
4. Strip and Stockpile Topsoil	CY	230	\$10.00	\$2,300.00	\$1,955.00	\$345.00
5. Dewatering / Control of Water	LS	1	\$50,000.00	\$50,000.00	\$42,500.00	\$7,500.00
6. Storm Water Management	LS	1	\$30,000.00	\$30,000.00	\$25,500.00	\$4,500.00
Removals						
7. Remove Existing Dam	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
Construction						
8. Regrade Channel Bottom	LS	1	\$50,000.00	\$50,000.00	\$42,500.00	\$7,500.00
9. Embankment Import	CY	14,000	\$20.00	\$280,000.00	\$238,000.00	\$42,000.00
10. Seeding	ACRE	2	\$1,500.00	\$3,000.00	\$2,550.00	\$450.00
11. Erosion Control Blanket	SY	9,680	\$6.00	\$58,080.00	\$49,368.00	\$8,712.00
12. Remove and Salvage Existing Riprap	CY	1,190	\$40.00	\$47,600.00	\$40,460.00	\$7,140.00
13. Riprap Import	CY	300	\$75.00	\$22,500.00	\$19,125.00	\$3,375.00
			Construction Subtotal	\$688,480.00	\$585,208.00	\$103,272.00
			Contingencies (30%)	\$206,544.00	\$175,562.40	\$30,981.60
			Design & Construction Engineering (20%)	\$134,976.00	\$114,729.60	\$20,246.40
			TOTAL PROJECT COST	\$1,030,000.00	\$875,500.00	\$154,500.00

**Mayville Dam #2 Hydraulic Report
Mayville, ND
Alternate 2 Scenario 1 - Rock Wedge
4/28/2023**

Engineer's Preliminary Opinion of Cost

BID ITEM NO. & DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL	FEMA/NDDDES (85%)	Local (15%)
Base Bid						
General						
					\$0.00	\$0.00
1. Mobilization	LS	1	\$50,000.00	\$50,000.00	\$42,500.00	\$7,500.00
2. Clearing and Grubbing	LS	1	\$10,000.00	\$10,000.00	\$8,500.00	\$1,500.00
3. Temporary Erosion Control	LS	1	\$20,000.00	\$20,000.00	\$17,000.00	\$3,000.00
4. Strip and Stockpile Topsoil	CY	280	\$10.00	\$2,800.00	\$2,380.00	\$420.00
5. Dewatering / Control of Water	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
6. Storm Water Management	LS	1	\$50,000.00	\$50,000.00	\$42,500.00	\$7,500.00
Removals						
7. Remove Existing Dam	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
Construction						
8. Regrade Channel Bottom	LS	1	\$200,000.00	\$200,000.00	\$170,000.00	\$30,000.00
9. Embankment Import	CY	14,000	\$20.00	\$280,000.00	\$238,000.00	\$42,000.00
10. Place Topsoil	CY	3,227	\$4.00	\$12,908.00	\$10,971.80	\$1,936.20
11. Seeding	ACRE	4	\$1,500.00	\$6,000.00	\$5,100.00	\$900.00
12. Erosion Control Blanket	SY	19,360	\$6.00	\$116,160.00	\$98,736.00	\$17,424.00
13. Install New Sheet Pile Dam	LS	1	\$300,000.00	\$300,000.00	\$255,000.00	\$45,000.00
14. Install Wedge Dam Over Sheet Piles	LS	1	\$40,000.00	\$40,000.00	\$34,000.00	\$6,000.00
15. Remove and Salvage Existing Riprap	CY	1,190	\$40.00	\$47,600.00	\$40,460.00	\$7,140.00
16. Riprap Import	CY	3,760	\$75.00	\$282,000.00	\$239,700.00	\$42,300.00
				Construction Subtotal	\$1,567,468.00	\$1,332,347.80
				Contingencies (30%)	\$470,240.40	\$399,704.34
				Design & Construction Engineering (20%)	\$312,291.60	\$265,447.86
				TOTAL PROJECT COST	\$2,350,000.00	\$1,997,500.00
						\$352,500.00

**Mayville Dam #2 Hydraulic Report
Mayville, ND
Alternate 2 Scenario 2 - Rock Riffles
4/28/2023**

Engineer's Preliminary Opinion of Cost

<i>BID ITEM NO. & DESCRIPTION</i>	<i>UNIT</i>	<i>QUANTITY</i>	<i>UNIT PRICE</i>	<i>TOTAL</i>	<i>FEMA/NDES (85%)</i>	<i>Local (15%)</i>
Base Bid						
General						
1. Mobilization	LS	1	\$50,000.00	\$50,000.00	\$42,500.00	\$7,500.00
2. Clearing and Grubbing	LS	1	\$10,000.00	\$10,000.00	\$8,500.00	\$1,500.00
3. Temporary Erosion Control	LS	1	\$20,000.00	\$20,000.00	\$17,000.00	\$3,000.00
4. Strip and Stockpile Topsoil	CY	278	\$10.00	\$2,780.00	\$2,363.00	\$417.00
5. Dewatering / Control of Water	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
6. Storm Water Management	LS	1	\$50,000.00	\$50,000.00	\$42,500.00	\$7,500.00
Removals						
7. Remove Existing Dam	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
Construction						
8. Regrade Channel Bottom	LS	1	\$200,000.00	\$200,000.00	\$170,000.00	\$30,000.00
9. Embankment Import	CY	14,000	\$20.00	\$280,000.00	\$238,000.00	\$42,000.00
10. Place Topsoil	CY	3,227	\$4.00	\$12,908.00	\$10,971.80	\$1,936.20
11. Seeding	ACRE	4	\$1,500.00	\$6,000.00	\$5,100.00	\$900.00
12. Erosion Control Blanket	SY	19,360	\$6.00	\$116,160.00	\$98,736.00	\$17,424.00
13. Install New Sheet Pile Dam	LS	1	\$300,000.00	\$300,000.00	\$255,000.00	\$45,000.00
14. 3'-5' Boulders	EA	125	\$600.00	\$75,000.00	\$63,750.00	\$11,250.00
15. 30" USACE Riprap	CY	463	\$75.00	\$34,725.00	\$29,516.25	\$5,208.75
16. Class II Riprap	CY	148	\$75.00	\$11,100.00	\$9,435.00	\$1,665.00
17. Class IV Riprap	CY	889	\$75.00	\$66,675.00	\$56,673.75	\$10,001.25
18. Riprap Filter Blanket	SY	2,111	\$5.00	\$10,555.00	\$8,971.75	\$1,583.25
19. Granual Filter USACE Type B2 (9" Nominal Thickness)	CY	185	\$75.00	\$13,875.00	\$11,793.75	\$2,081.25
20. Granual Filter USACE Type B2 (12" Nominal Thickness)	CY	389	\$75.00	\$29,175.00	\$24,798.75	\$4,376.25
21. Cobble Rock	TON	24	\$55.00	\$1,320.00	\$1,122.00	\$198.00
22. Chinking Rock	TON	24	\$50.00	\$1,200.00	\$1,020.00	\$180.00
23. Install Wedge Dam Over Sheet Piles	LS	1	\$40,000.00	\$40,000.00	\$34,000.00	\$6,000.00
24. Remove and Salvage Existing Riprap	CY	1,190	\$40.00	\$47,600.00	\$40,460.00	\$7,140.00
25. Riprap Import	CY	6,730	\$75.00	\$504,750.00	\$429,037.50	\$75,712.50
			Construction Subtotal	\$2,033,823.00	\$1,728,749.55	\$305,073.45
			Contingencies (30%)	\$610,146.90	\$518,624.87	\$91,522.04
			Design & Construction Engineering (20%)	\$406,030.10	\$345,125.59	\$60,904.52
			TOTAL PROJECT COST	\$3,050,000.00	\$2,592,500.00	\$457,500.00

Mayville Dam #2 Hydraulic Report
Mayville, ND
Alternate 2 Scenario 3 - Concrete Step Dam
4/28/2023

Engineer's Preliminary Opinion of Cost

<i>BID ITEM NO. & DESCRIPTION</i>	<i>UNIT</i>	<i>QUANTITY</i>	<i>UNIT PRICE</i>	<i>TOTAL</i>	<i>FEMA/NDEDES (85%)</i>	<i>Local (15%)</i>
<u>Base Bid</u>						
General						
1. Mobilization	LS	1	\$100,000.00	\$100,000.00	\$85,000.00	\$15,000.00
2. Clearing and Grubbing	LS	1	\$10,000.00	\$10,000.00	\$8,500.00	\$1,500.00
3. Temporary Erosion Control	LS	1	\$20,000.00	\$20,000.00	\$17,000.00	\$3,000.00
4. Strip and Stockpile Topsoil	CY	280	\$10.00	\$2,800.00	\$2,380.00	\$420.00
5. Dewatering / Control of Water	LS	1	\$150,000.00	\$150,000.00	\$127,500.00	\$22,500.00
6. Storm Water Management	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
Removals						
7. Remove Existing Dam	LS	1	\$75,000.00	\$75,000.00	\$63,750.00	\$11,250.00
Construction						
8. Regrade Channel Bottom	LS	1	\$200,000.00	\$200,000.00	\$170,000.00	\$30,000.00
9. Embankment Import	CY	14,000	\$20.00	\$280,000.00	\$238,000.00	\$42,000.00
10. Place Topsoil	CY	3,227	\$4.00	\$12,908.00	\$10,971.80	\$1,936.20
11. Seeding	ACRE	4	\$1,500.00	\$6,000.00	\$5,100.00	\$900.00
12. Erosion Control Blanket	SY	19,360	\$6.00	\$116,160.00	\$98,736.00	\$17,424.00
13. Install New Concrete Step Dam	CY	1,050	\$1,250.00	\$1,312,500.00	\$1,115,625.00	\$196,875.00
14. Remove and Salvage Existing Riprap	CY	1,190	\$40.00	\$47,600.00	\$40,460.00	\$7,140.00
15. Riprap Import	CY	2,520	\$75.00	\$189,000.00	\$160,650.00	\$28,350.00
			Construction Subtotal	\$2,596,968.00	\$2,207,422.80	\$389,545.20
			Contingencies (30%)	\$779,090.40	\$662,226.84	\$116,863.56
			Design & Construction Engineering (20%)	\$523,941.60	\$445,350.36	\$78,591.24
			TOTAL PROJECT COST	\$3,900,000.00	\$3,315,000.00	\$585,000.00

Outdoor Heritage Fund
Grant Round 23
Application Summary Page
GR 23-3

Project Title: Napoleon Recreation Trail
Applicant: City of Napoleon
Primary Contact: Bob Humann
Total Project Costs: \$1,400,000
OHF Request: \$1,050,000

Match Amount	Funding Source	Match Type
\$350,000	City of Napoleon	Cash
\$350,000.00	Total	

Percentage of Matching Funds: 25%

Project Duration: Construction in 2024

Major Directive: D

Additional Directive: A

Summary of Project: Develop a recreation trail to connect facilities and provide a safe route. The trail parallels a creek and wildlife educational plaques will be displayed along the trail.

Technical Committee Comments:

- Committee noted this is the same application that was denied in Grant Round 22
- Committee noted similar concerns with limited use of a trail connecting a nursing home, noted the project would be viewed more favorably if the trail connected the City to the lake
- Committee noted lack of pictures and detailed maps, difficulty in evaluating without
- Committee noted that Parks and Recreation Department may be a better fit

Technical questions from the OHF Advisory Board members:

- None
-

City of Napoleon has not previously received funds.

Unsuccessful Applications				
Round	Request	Total Project Cost	Title	Vote
22-1	\$1,050,000	\$1,400,000	Napoleon Pedestrian Trail	3-6
Totals	\$1,050,000.00	\$1,400,000.00		

OHF Advisory Board Recommendation

Contingencies: Excluding funding trail connection to nursing home

Conflicts of Interest: None

Funding Vote: 9-3

Funding Amount Vote: \$750,000

Outdoor Heritage Fund Grant Application



Instructions

After completing the form, applications and supporting documentation may be submitted by e-mail to ndicgrants@nd.gov. It is preferred that only electronic copies are submitted.

You are not limited to the spacing provided, except in those instances where there is a limit on the number of words. If you need additional space, please indicate that on the application form, answer the question on a separate page, and include with your submission.

The application and all attachments must be received by the application deadline. You may submit your application at any time prior to the application deadline. **Applicants are strongly encouraged to submit applications prior to the deadline for staff review in order ensure that proposals will be complete when submitted on deadline date.** Incomplete applications may not be considered for funding.

Please review the back of this form to determine project eligibility, definitions, budget criteria, and statutory requirements.

Project Name: Napoleon Recreation Trail

Name of Organization: City of Napoleon

Federal Tax ID#: 456004954

Contact Person/Title: Bob Humann

Address: 225 Lake Avenue West

City: Napoleon

State: North Dakota

Zip Code: 58561

E-mail Address: bhfp LLC@gmail.com

Web Site Address (If applicable): napoleonnd.com

Phone: 701-220-5310

List names of co-applicants if this is a joint proposal

MAJOR Directive:

Choose only one response

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive:

Choose all that apply

Directive A. Provides trail access to McKenna Lake

Directive B.

Directive C.

Directive D.

Type of organization:

State Agency

Political Subdivision

Tribal Entity

Tax-exempt, nonprofit corporation.

Abstract/Executive Summary.

Summarize the project, including its objectives, expected results, duration, total project costs and participants. (no more than 500 words)

The City of Napoleon is proposing a recreation trail to connect facilities throughout town. Currently, the City of Napoleon does not have a trail system. The goal of the recreation trail system is to create a safe route to local recreational facilities and give residents an outdoor facility to get exercise and experience the nature that Napoleon has to offer. The proposed path would connect two public campgrounds, the rodeo grounds, the city park and pool, Veteran’s Park, and would end at the newly built nursing home. Nursing home residents would have easy access to the path to enjoy the outdoors and get some exercise. A majority of the path parallels the creek that eventually drains to McKenna Lake. The creek is a wildlife habitat and is home to many wildlife species. The path will not disturb the habitat but will

highlight the animals that can be found in Napoleon. Wildlife educational plaques will be displayed along the path to be used as a learning tool for local clubs and groups.

Since 2000, McKenna Lake has turned into a high quality fishery for walleyes and pike, attracting people from multiple states. Since the construction of the McKenna Lake boat ramp (2023), the area has been used regularly for fishing and other recreational activities. A new 39-unit campground, scheduled to open in 2023, is being built adjacent to the boat ramp. Today, these facilities are only accessible by car, or by walking along the streets. The city is attempting to address the safety concerns involved with residents using the streets as walking trails as well as create a nature trail to highlight the outdoor amenities that Napoleon has to offer. The project is expected to take place in 2024. Construction would start and be completed in the summer of 2024. The total project cost is estimated at \$1,400,000. The city is seeking a 75% grant from the Outdoor Heritage Fund. The funding is crucial to the project to lower the burden on the community. The local cost share will come from local businesses and city funds.

Project Duration:

Indicate the intended schedule for drawing down OHF funds.

The project would be designed during the winter of 2023/2024 with construction taking place in 2024.

Amount of Grant request: \$1,050,000

Total Project Costs: \$1,400,000

Note: in-kind and indirect costs can be used for matching funds.

Amount of Matching Funds: \$

A minimum of 25% Match Funding is required. Indicate if the matching funds will be in-kind, indirect or cash. Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Amount of Match	Funding Source	Type of Match (Cash, In-kind or Indirect)
\$350,000	City of Napoleon	Cash

Certifications

I certify that this application has been made with the support of the governing body and chief executive of my organization.

I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted in the back of this application.

Narrative

Organization Information – Briefly summarize your organization’s history, mission, current programs and activities.

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

The City of Napoleon has a city council made up of 6 council members and a mayor. The council members are heavily involved in city projects. Members work hard to secure funding and complete projects while keeping the burden on citizens low. The city employs a public works staff to maintain the towns infrastructure. Public works is overseen by the city council.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Note: if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

For tree/shrub/grass plantings: provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, grass species and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree/shrub/grass planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan.

For projects including Section 319 funding: provide in detail the specific best management practices that will be implemented and the specific projects for which you are seeking funding.

For projects including fencing: A minimum cost share of 40% by the recipient is preferred. Include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.

Napoleon is seeking Outdoor Heritage Funds to construct a walking trail through the community. The trail would connect recreational facilities such as the city campground, city parks, McKenna Lake Boat Ramp, new private campground and the Napoleon Care Center. The project will be sponsored by the City of Napoleon. The goal of the project is to create a trail system to give citizens a safe route to access

local recreational facilities as well as highlight the nature and wildlife habitats that Napoleon has to offer. Many wildlife habitats can be found in and around Napoleon. The path would give residents a chance to explore these areas, without disturbing them, and learn more about the species that call Napoleon home. The trail would be designed this winter, with construction being completed in the summer of 2024.

The project will meet Directive D by creating recreational facilities for citizens. The walking trail will not only act as a recreational facility, but it will also provide easy and safe access for citizens to walk or bike to other recreational facilities such as the local campgrounds, boat ramp, city park, rodeo grounds, and the nursing home. The walking trail meanders along the drainage ditch in a scenic location that is home to many wildlife. Much of the route from the nursing home to the boat ramp does not have sidewalk. Residents who would like to walk to the boat ramp or city park, must walk along the road. This causes a major safety concern for the pedestrians and drivers. The walking trail would provide that safe route for pedestrian traffic to and from the boat ramp and the other facilities in between.

Is this project part of a Comprehensive Conservation Plan? Yes No

If yes, provide a copy with the application.

Note: Projects involving buildings and infrastructure will only be considered if part of a Comprehensive Conservation Plan. Please refer to the "Definitions" section at the back of the form for more details.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.

Include a brief background and work experience for those managing the project.

The project will be designed by Moore Engineering. Moore Engineering is the city engineer for Napoleon. Moore has designed many walking paths throughout North Dakota. The project will be stamped by a registered Professional Engineer.

The project will then be publicly bid to contractors throughout the region. The contractors must have an active North Dakota Contractor's License.

The construction project will be overseen by Moore Engineering staff. Moore has staff qualified and experienced in inspection of concrete construction. Moore will also handle the project administration. Moore has performed administration on hundreds of projects throughout North Dakota including Outdoor Heritage Fund projects.

Evaluation – Describe your plan to document progress and results.

Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation and expenditure reports will be required for every grant awarded.

The project will be analyzed by path use. A successful project will show that the path is being used to access the recreational facilities and that local clubs, groups, and classes are using the path for an educational purpose. Currently, the outdoor amenities are accessed by walking on the street or in the boulevard. The recreational trail should keep citizens from walking on the street and protect them from traffic.

Financial Information

Project Budget – Use the table below to provide an itemized list of project expenses and describe the matching funds being utilized for this project.

Indicate if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. **A minimum of 25% match funding is required.** An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Certain values have been identified for in-kind services as detailed under “Budget Information” at the back of this form. Refer to that section and utilize these values in identifying your matching funds.

NOTE: No indirect costs will be funded. Supporting documentation for project expenses, including bids, must be included or application will be considered incomplete.

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Construction	\$855,870.00	\$285,290.00	\$	\$	\$	\$1,141,160.00
Engineering	\$194,130.00	\$64,710.00	\$	\$	\$	\$258,840.00
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
Total Costs	\$1,050,000.00	\$70,000.00	\$10,000.00	\$	\$270,000.00	\$1,400,000.00

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

Budget Narrative – Use the space below to provide additional detail regarding project expenses.

The proposed project has an estimated total cost of \$1,400,000. The engineering cost is \$364,640.00 and the construction cost is estimated at \$1,035,360.00. The remaining local share will be funded by city funds. The City will seek local donations to help offset the burden to the tax payers.

Since the project is a public transportation route, the city would like to ensure that the project is built to support the correct loads and built to last.

Sustainability – Indicate how the project will be funded or sustained in future years.

Include information on the sustainability of this project after OHF funds have been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

The project maintenance will be funded by the City of Napoleon. City staff will maintain the path as they maintain all other public roadways and sidewalks. The trail will be constructed with concrete. While it will have a higher capital cost, the maintenance on the trail will cost less in the long run. This will make it easier for city personnel to maintain.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested.

Without the full 75% funding, this project is not feasible for the City of Napoleon. The city has worked hard to come up with the 25% matching funds from local businesses. With limited resources in Napoleon, additional local dollars are hard to come by.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * *There must be signage at the location of the project acknowledging OHF funding when appropriate.*

The project trailhead would host a sign acknowledging that the path was funded by the North Dakota Outdoor Heritage Fund.

Awarding of Grants - Review the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm>.

Can you meet all the provisions of the sample contract? Yes No

If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be: None

ABOUT OHF:

The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance **conservation** practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

EXEMPTIONS

Outdoor Heritage Fund grants may not be used to finance the following:

- Litigation;
- Lobbying activities;

- Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

OHF funds may not be used, except after a finding of exceptional circumstances by the Industrial Commission, to finance:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Definitions/Clarifications for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Definitions/Clarifications for how this will be calculated);
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Definitions/Clarifications for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

The goal of the Industrial Commission is that at a minimum 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.

The following projects are not eligible for funding, unless there is a finding of exceptional circumstances by the Industrial Commission include:

- Construction or refurbishment of indoor/outdoor ice rinks,
- Construction or refurbishment of indoor/outdoor athletic courts and sports fields,
- Other substantially similar facilities.
- Infrastructure that is not part of a comprehensive conservation plan.
- Projects not meeting a minimum funding request of \$2,500.

Budget Information

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- Labor costs \$15.00 an hour
- Land costs Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
- Permanent Equipment Any equipment purchased must be listed separately with documentation showing actual cost. (For example: playground equipment)
- Equipment usage Actual documentation
- Seed & Seedlings Actual documentation
- Transportation Mileage at federal rate
- Supplies & materials Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example, the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program, please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as “A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature.”

Comprehensive Conservation Plan - Defined as “A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of wildlife and fish habitat or natural areas.” This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that is being requested for staffing and/or the hiring of an outside consultant.** This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Maintenance – Activities that preserve or keep infrastructure in a given existing condition, including repairs. Repair means to restore to sound condition after damage, to renew or refresh; except repairs due to damage caused by Acts of God.

Scoring of Grants

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking form that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular meeting to sign the contract and get the project underway or the commitment for funding will be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant.

Responsibility of Recipient

The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

If you have any questions about the application, the Commission can be reached at 701-328-3722 or outdoorheritage@nd.gov.

Revised: November 4, 2019, April 12, 2023

Outdoor Heritage Fund
Grant Round 23
Application Summary Page
GR 23-5

Project Title: Lost Lake Dam Fish Passage
Applicant: McLean County Water Resource District
Primary Contact: Lynn Oberg
Total Project Costs: \$88,980.7
OHF Request: \$66,735.53

Match Amount	Funding Source	Match Type
\$22,245.18	McLean County Water Resource Board	Cash
\$22,245.18	Total	

Percentage of Matching Funds: 25%

Project Duration: Construction in August 2024 with final completion by November 8, 2024

Major Directive: C

Additional Directive: A

Summary of Project: Removing four barriers to fish migration in the lower portion of Painted Woods Creek with a 305-mile watershed.

Technical Committee Comments:

- Committee noted good opportunity for fish passage, but cautioned that it may not be a priority with fishing already being the best its ever been in North Dakota
- Committee commended McLean County for being proactive and a good partner
- Committee noted this project, based on provided pictures, would not involve riparian vegetation

Technical questions from the OHF Advisory Board members:

- Did the NDGF Dept. have input into the design of the reconstruction for fish passage?
Does NDGF support this project as designed?
 - Game and Fish was not involved in this project, but US Fish and Wildlife Service was
 - Project would include a mixture of private land and some public access



Funded Projects

Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
12-133	\$636,500	Painted Woods Lake Flood Damage Reduction Project	\$211,732	\$211,732	Completed
22-214	\$150,097	Katz Dam Fish Passage	\$112,572.75	\$0.00	2024
Totals	\$786,597.00		\$324,304.75	\$211,732.00	

Unsuccessful Applications

Round	Request	Total Project Cost	Title	Vote
8-3	\$508,227.87	\$1,263,926.20	Painted Woods Lake Area Habitat Enhancement and Flood Damage Reduction Project	3-8
16-9	\$211,504.67	\$578,761.68	Fort Mandan and North Dakota 4-H Camp Access Road Improvement Project	2-10
Totals	\$719,732.54	\$1,842,687.88		

OHF Advisory Board Recommendation

Contingencies: None

Conflicts of Interest: None

Funding Vote: 11-1

Funding Amount Vote: \$66,735.53

September 8, 2023

North Dakota Industrial Commission
Attn: Outdoor Heritage Fund Program
State Capital 14th Floor
600 E. Boulevard Ave. Dept. 405
Bismarck, ND 58505-0840

RE: Outdoor Heritage Fund Grant Application – Lost Lake Dam Fish Passage Project
McLean County Water Resource Board

Dear Outdoor Heritage Fund Advisory Board,

Enclosed is our Outdoor Heritage Fund Grant Application Request for support of the second phase of the Painted Woods Creek Fish Passage Project, providing fish passage at the Lost Lake Dam. The McLean County ND Water Resource Board (WRB) has been planning a fish passage program for Painted Woods Creek for over five years, including developing concept and preliminary designs for several locations and holding partnership meetings with other agencies and private partners. The lower reaches of Painted Woods Creek have 4 blockages to fish and aquatic organism passage the WRD would like to eliminate, including the Lost Lake Dam. This dam is the third fish passage barrier on Painted Woods Creek upstream of the Missouri River and is the next fish migration barrier upstream from the Katz Dam. Implementation of fish passage at Katz Dam is occurring at this time, with support from the Outdoor Heritage Fund. There is a former meander bend at the Lost Lake Dam that provides a natural location for fish passage and a relatively cost-effective means of constructing the required improvements. Eliminating this barrier will be the least costly of the four barriers, which is why the WRD desires to implement this project next. Our program goals for this Project overlap strongly with the directives of the Outdoor Heritage Fund Program, including developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands. We look forward to a successful outcome from your review.

Sincerely,



Lynn Oberg

McLean County Water Resource Board

obergm@westriv.com

Outdoor Heritage Fund Grant Application



Instructions

After completing the form, applications and supporting documentation may be submitted by e-mail to ndicgrants@nd.gov. It is preferred that only electronic copies are submitted.

You are not limited to the spacing provided, except in those instances where there is a limit on the number of words. If you need additional space, please indicate that on the application form, answer the question on a separate page, and include with your submission.

The application and all attachments must be received by the application deadline. You may submit your application at any time prior to the application deadline. **Applicants are strongly encouraged to submit applications prior to the deadline for staff review in order ensure that proposals will be complete when submitted on deadline date.** Incomplete applications may not be considered for funding.

Please review the back of this form to determine project eligibility, definitions, budget criteria, and statutory requirements.

Project Name Lost Lake Dam Fish Passage

Name of Organization McLean County Water Resource District

Federal Tax ID# 45-6002231

Contact Person/Title Lynn Oberg, Board Chair

Address 1201 22S Avenue SW

City Washburn

State ND

Zip Code 58577

E-mail Address obergm@westriv.com

Web Site Address (If applicable) mcleancountynd.gov

Phone 701 400 7793

List names of co-applicants if this is a joint proposal

MAJOR Directive:

Choose only one response

- Directive A.** Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
- Directive B.** Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;
- Directive C.** Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and
- Directive D.** Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive:

Choose all that apply

- Directive A.**
- Directive B.**
- Directive C.**
- Directive D.**

Type of organization:

- State Agency
- Political Subdivision
- Tribal Entity
- Tax-exempt, nonprofit corporation.

Abstract/Executive Summary.

Summarize the project, including its objectives, expected results, duration, total project costs and participants. (no more than 500 words)

The McLean County ND Water Resource Board (WRB) has been planning and implementing a fish passage program for the Painted Woods Creek watershed for over five years, including developing concept and preliminary designs for several locations and holding partnership meetings with other agencies and private partners. The Painted Woods Creek watershed lies within parts of McLean and Burleigh County North Dakota and has a watershed area of 305 square miles. The stream discharges to the Missouri River approximately 5 miles south of Washburn. There is an abundant and diverse fish community in the Missouri River near the mouth of Painted Woods Creek. However, there are a series of 4 barriers to fish passage in the lower portion of Painted Woods Creek that block fish migration up the creek and the WRD would like to eliminate all of them. Lost Lake Dam is the third barrier upstream of the Missouri River and is a complete barrier to fish passage. This dam is located within the Lost Lake National Wildlife Refuge and is the next fish migration barrier upstream from the

Katz Dam. Implementation of fish passage at Katz Dam is occurring at this time, with support from the Outdoor Heritage Fund. Lost Lake Dam lies on land owned by the North Dakota Historical Society and leased by the US Fish and Wildlife Service (FWS). There is a former meander bend at the Lost Lake Dam that provides a natural location for fish passage and a relatively cost-effective means of constructing the required improvements.

Finding funding for fish passage has been one of the challenges. To date for the Lost Lake Dam project the WRB has completed a site reconnaissance, had discussions with FWS and ND Game and Fish staff, and completed a preliminary cost estimate for the work. The WRB believes that receiving funding from the Outdoor Heritage Fund provides the path forward needed to make the proposed project a reality.

The priority species targeted by the project are walleye and northern pike, which are native to North Dakota. Both species are known to survive in lower Painted Woods Creek to sizes targeted by sports fisherman. The Department of Game and Fish stocks northern and walleye between Painted Woods Lake and the Katz Dam on a regular basis. Trophy walleye have been occasionally caught between Painted Woods Lake and Katz Dam. There is good survival of these priority species in lower areas of the stream below Katz Dam. The proposed project will reopen the habitat throughout a much greater area than allowed by the present stocking program and infrequent extreme flooding of the Missouri River.

Project Duration:

Indicate the intended schedule for drawing down OHF funds.

Design and permitting would occur over the winter of 2023-24, with the start date dependent on when the funds become available. Construction would begin in August 2024, with final completion by November 8, 2024. Vegetative restoration of the site may require work in the spring of 2025 to ensure plant survival. The WRB intends to draw down the funds between December 2023 and June 2025.

Permits required prior to construction include a US Army Corps of Engineers Section 404 permit and Department of Water Resources Construction permit. Permit applications will be submitted in 2024 when the design is at the 60 percent complete stage. It is also anticipated that a Class III (pedestrian survey) of archeological resources in the project area will be required. This work would be completed in the spring of 2024 after snowmelt.

Amount of Grant request: \$ 66,735.53

Total Project Costs: \$ 88,980.70

Note: in-kind and indirect costs can be used for matching funds.

Amount of Matching Funds: \$ 22,245.18.

A minimum of 25% Match Funding is required. Indicate if the matching funds will be in-kind, indirect or cash. Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Amount of Match	Funding Source	Type of Match (Cash, In-kind or Indirect)
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\$ 22,245.18	McLean County Water Resource Board	Cash
\$		
\$		
\$		
\$		
\$		

Certifications

- I certify that this application has been made with the support of the governing body and chief executive of my organization.
- I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted in the back of this application.

Narrative

Organization Information – Briefly summarize your organization’s history, mission, current programs and activities.

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

The McLean County Water Resource Board (WRB) is a political subdivision of the State. The WRB is governed by a three-member board of managers appointed by the McLean County Commission. The WRB has the responsibility within McLean County to manage, conserve, protect, develop and control waters of the state for the benefit of the public. It is the policy of the WRB to provide management, conservation, protection, development and control of water resources, to work cooperatively with other resource agencies to strengthen and mutually support related programs, and protect and promote the health, safety and general welfare of the people of North Dakota.

The WRB manages a variety of programs including those related to drainage permits, maintaining, protecting and controlling streamflow, protection and maintenance of water bodies, managing flooding problems, protection and maintenance of water quality, biodiversity and construction impacts, and operation and maintenance of dams owned by the county, such as Katz and Yanktonai Dams.

McLean County has approximately 9,771 residents that rely on farming, coal mining and power industries. The WRB has limited resources to conduct legislatively mandated duties. Management activities of the WRB are supported by a 1.74 mil levy which in 2021 generated a budget of \$146,865.80 to support a variety of activities. Important and ongoing projects include the Katz Dam Safety Improvement Project, Phase 2 bypass channel at Painted Woods Lake, control of cattail blockage of drainage at multiple locations, and the management of Yanktonai Dam, which is rated as having significant hazard. The WRB is voluntary and has no staff but does obtain financial management services from the McLean County Auditor. To accomplish program goals the WRB retains professional services for engineering needs when necessary.

The fish passage project at Lost Lake Dam has strong local support, particularly with the proximity of the Missouri River fishery and is an important project to the WRB. The location is along US Highway 83, a major north-south route between Bismarck and Minot, providing access to sport fishing regionally.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Note: if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

For tree/shrub/grass plantings: provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, grass species and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree/shrub/grass planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan.

For projects including Section 319 funding: provide in detail the specific best management practices that will be implemented and the specific projects for which you are seeking funding.

For projects including fencing: A minimum cost share of 40% by the recipient is preferred. Include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.

Purpose of Project and Grant

The fish passage project at Lost Lake Dam directly addresses the objectives of the Outdoor Heritage Fund Directive C. Reestablishing fish and aquatic organism passage at Lost Lake Dam directly contributes to the restoration, enhancement and conservation of aquatic species in North Dakota. This would be the second of four fish passage projects the WRD wants to complete. The McLean County WRB has been organizing a fish passage program for four locations on Painted Woods Creek, including Lost Lake Dam, for over five years. Program work completed includes developing concept and preliminary designs for several locations and holding partnership meetings with other agencies and private partners. Finding funding for fish passage has been one of the challenges. Work completed to date has been supported by McLean County. However, more funding is needed for completion of designs and for construction of the fish passage facilities. The WRB believes that receiving funding from the Outdoor Heritage Fund will provide the path forward needed to make the proposed project Lost Lake Dam a reality.

Painted Woods Creek discharges to the Missouri River approximately 5 miles south of Washburn and there is an abundant and diverse fish community at this confluence. However, there are a series of 4 barriers to fish passage in the lower portion of Painted Woods Creek that block fish migration up Painted Woods Creek. From downstream to upstream these barriers include the Painted Woods Lake outlet structure (river mile 1), Katz Dam (river mile 4.9), Lost Lake Dam (river mile 15.9) and 18th Avenue SW culverts (river mile 17.5). The long-term goal of the Painted Woods Creek fish passage project is to eliminate these four barriers to allow a much greater area of the stream to benefit from the present fish stocking program and infrequent extreme flooding of the Missouri River. At the Lost Lake Dam location there is a natural location for fish passage and a relatively cost-effective means of constructing the required improvements, which is why the WRB desires to proceed with this project next. It will be the lowest cost project of the four barrier locations. Trophy walleye and northern are being caught between Painted Woods Lake and Katz Dam. Walleye pike are known to congregate below Katz Dam in the spring spawning season and north pike spawning migration is blocked as well. As identified by the Painted Woods Creek fish passage program, it is the goal of the project to open up Painted Woods Creek to greater trophy fishing for both walleye and northern pike. Once the Katz Dam fish passage is in place, which is occur in 2024, Lost Lake Dam becomes the barrier for further upstream fish migration. Providing fish passage at the Lost Land Dam will further completion of the goal to eliminate fish passage in the lower Painted Woods Creek watershed.

Is this project part of a Comprehensive Conservation Plan? Yes No

If yes, provide a copy with the application.

Note: Projects involving buildings and infrastructure will only be considered if part of a Comprehensive Conservation Plan. Please refer to the "Definitions" section at the back of the form for more details.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.

Include a brief background and work experience for those managing the project.

The Board, as project sponsor, has retained Ulteig Engineers (Ulteig) to complete engineering design, construction oversight and permitting for this project. Ulteig also assists with stakeholder engagement. Ulteig has completed the design and permitting for the Katz Dam Safety Improvement Project and is beginning design of the Katz Dam fish passage facility. Their experience includes a variety of water resource engineering and fish passage projects including concept development, feasibility, environmental review, design, permitting and construction oversight with successful completion on time and within budget. Ulteig will provide bid preparation and construction engineering services for the project, including having regular meetings with the contractor, observation of construction activities, managing the schedule, reviewing compliance with the plans, specifications, and contract documents, and holding the contractor accountable for the use of taxpayer funds for completion of the project on time and within budget.

Evaluation – Describe your plan to document progress and results.

Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation and expenditure reports will be required for every grant awarded.

The WRB will develop a formal construction management plan for the project, including records and invoice management aspects. A monthly progress report will be submitted to the Outdoor Heritage

Fund that would also include copies of the invoices accrued and proposed activities until the next progress report.

Financial Information

Project Budget – Use the table below to provide an itemized list of project expenses and describe the matching funds being utilized for this project.

Indicate if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. **A minimum of 25% match funding is required.** An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Certain values have been identified for in-kind services as detailed under “Budget Information” at the back of this form. Refer to that section and utilize these values in identifying your matching funds.

NOTE: No indirect costs will be funded. Supporting documentation for project expenses, including bids, must be included or application will be considered incomplete.

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Design	\$6673.55	\$11997.30	\$	\$	\$	\$
Construction	\$60061.97	\$10247.88	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
Total Costs	\$66,735.53	\$22,245.18	\$	\$	\$	\$

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

Budget Narrative – Use the space below to provide additional detail regarding project expenses.

An Engineers Opinion of Probable Cost for the construction and individual bid items is found in Appendix B. This work is based on information developed through the associated Painted Woods Creek Fish Passage Program being supported by the WRB. Cost share is applied to all project costs combined rather than individual items because all individual costs are required for completion of the project. The expenses outlined in the request do not include legal and administrative fees, as the McLean WRB expects to cover them on its own.

Sustainability – Indicate how the project will be funded or sustained in future years.

Include information on the sustainability of this project after OHF funds have been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

The fish passage will be an armored meander bend with a rock lining that both provides suitable conditions for fish passage and protection against scour and erosion. It will not require ongoing regular

maintenance. The design allows flood events to flow over the Lost Lake Dam principal spillway without damage. If necessary the WRB will fund future maintenance of the project through their general fund.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested.

If funding from the Outdoor Heritage Fund is not obtained, the project may be delayed until such time that sufficient funding is secured. It is possible that the WRB may not be able to afford the project. Anticipated benefits to provide walleye and northern pike to an additional reaches of Painted Woods Creek would be delayed or not occur.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * *There must be signage at the location of the project acknowledging OHF funding when appropriate.*

The WRB will provide signage at the facility identifying the names of all the project sponsors. The signage with the Outdoor Heritage Fund listed as a project sponsor will be viewed and appreciated by all who visit. The WRB would also complete a media campaign centered on the project and the Outdoor Heritage Fund would be singled out as a critical partner in the project.

Awarding of Grants - Review the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm>.

Can you meet all the provisions of the sample contract? Yes No

If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be:

ABOUT OHF:

The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance **conservation** practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

EXEMPTIONS

Outdoor Heritage Fund grants may not be used to finance the following:

- Litigation;
- Lobbying activities;
- Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

OHF funds may not be used, except after a finding of exceptional circumstances by the Industrial Commission, to finance:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Definitions/Clarifications for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Definitions/Clarifications for how this will be calculated);
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Definitions/Clarifications for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

The goal of the Industrial Commission is that at a minimum 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.

The following projects are not eligible for funding, unless there is a finding of exceptional circumstances by the Industrial Commission include:

- Construction or refurbishment of indoor/outdoor ice rinks,
- Construction or refurbishment of indoor/outdoor athletic courts and sports fields,
- Other substantially similar facilities.

- Infrastructure that is not part of a comprehensive conservation plan.
- Projects not meeting a minimum funding request of \$2,500.

Budget Information

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- Labor costs \$15.00 an hour
- Land costs Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
- Permanent Equipment Any equipment purchased must be listed separately with documentation showing actual cost. (For example: playground equipment)
- Equipment usage Actual documentation
- Seed & Seedlings Actual documentation
- Transportation Mileage at federal rate
- Supplies & materials Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example, the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program, please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as "A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature."

Comprehensive Conservation Plan - Defined as "A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of wildlife and fish habitat or natural areas." This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that is being requested for staffing and/or the hiring of an outside consultant.** This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Maintenance – Activities that preserve or keep infrastructure in a given existing condition, including repairs. Repair means to restore to sound condition after damage, to renew or refresh; except repairs due to damage caused by Acts of God.

Scoring of Grants

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking form that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular meeting to sign the contract and get the project underway or the commitment for funding will be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant.

Responsibility of Recipient

The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

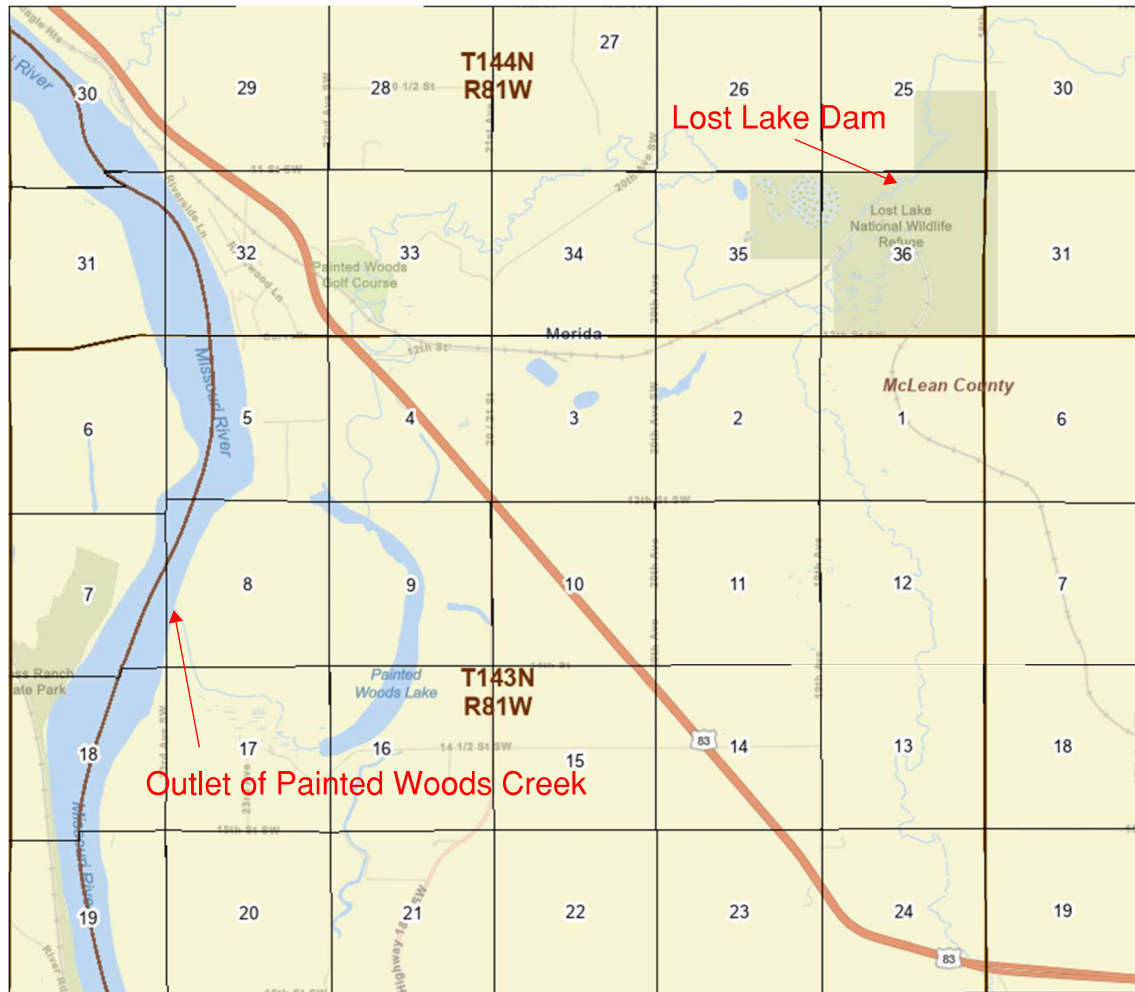
If you have any questions about the application, the Commission can be reached at 701-328-3722 or outdoorheritage@nd.gov.

Revised: November 4, 2019, April 12, 2023

Appendix A

Project Location Figure

Project Location



Aerial Overview



Detail



Appendix B

Engineers Opinion of Probable Construction Cost

Lost Lake Fish Passage

11 miles upstream Katz Dam

8/31/2023

Item

Number	Specification	Code	Quantity	Unit	Unit Price	Total Price
1	203	101 Common Excavation - Type A	200	CY	\$ 20.00	\$ 4,000.00
2	251	1000 Restoration Seeding	1	Acre	\$ 750.00	\$ 750.00
3	256	200 Rip Rap Grade III	50	CY	\$ 140.00	\$ 7,000.00
4	256	200 Rip Rap Grade II	250	CY	\$ 75.00	\$ 18,750.00
5	264	112 Fiber Rolls 12-inch	200	LF	\$ 2.50	\$ 500.00
6	262	100 Floatation Silt Curtain Type Moving Water	40	LF	\$ 15.00	\$ 600.00
7	262	101 Remove Floatation Silt Curtain	40	LF	\$ 2.00	\$ 80.00
8	302	120 Aggregate Base Class 3	150	Ton	\$ 29.00	\$ 4,350.00
9	550	Control Structure	1	LS	\$ 5,000.00	\$ 5,000.00
9	702	100 Mobilization	1	LS	\$ 10,000.00	\$ 10,000.00
Subtotal						\$ 47,030.00

Construction Summary

30% Construction Contingency	\$ 14,109.00
Total Estimated Construction Cost	\$ 61,139.00
Engineering and Construction Oversight	\$ 18,341.70
Survey	\$ 4,500.00
Cultural Resource Survey	\$ 5,000.00
Total Estimated Improvement Cost	\$ 88,980.70

Outdoor Heritage Fund
Grant Round 23
Application Summary Page
GR 23-6

Project Title: Painted Woods Lake Flood Protection & Recreation Project
Applicant: McLean County Water Resource District
Primary Contact: Lynn Oberg
Total Project Costs: \$4,900,000
OHF Request: \$916,825

Match Amount	Funding Source	Match Type
\$675,000	McLean County Water Resource District	Cash
\$1,833,650	U.S. Bureau of Reclamation WaterSMART Grant	Cash
\$916,825	Department of Water Resources Cost-Share Grant ¹	Cash
\$557,700	ND Parks & Recreation Sovereign Lands Program Grant	Cash
\$3,983,175.00	Total	

Percentage of Matching Funds: 81% (63% Non-state matching funds)

Project Duration: Summer of 2024

Major Directive: A

Additional Directive: C & D

Summary of Project: Construct a parking lot and kayak/canoe launch, build a new dam, and construct two box culverts to facilitate walk-in access across the creek channel and a gravel access path that leads to the dam within the Painted Woods Lake Wildlife Development Area (WDA).

Technical Committee Comments:

- Committee noted this is a weir replacement, McLean County has been aggressive in securing cost-share for this project

Technical questions from the OHF Advisory Board members:

- Requested map of project area from application

¹ HB 1088 passed in 2021 eliminated the requirement to consider DWR funding as cost-share

Funded Projects					
Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
12-133	\$636,500	Painted Woods Lake Flood Damage Reduction Project	\$211,732	\$211,732	Completed
22-214	\$150,097	Katz Dam Fish Passage	\$112,572.75	\$0.00	2024
Totals	\$786,597.00		\$324,304.75	\$211,732.00	

Unsuccessful Applications				
Round	Request	Total Project Cost	Title	Vote
8-3	\$508,227.87	\$1,263,926.20	Painted Woods Lake Area Habitat Enhancement and Flood Damage Reduction Project	3-8
16-9	\$211,504.67	\$578,761.68	Fort Mandan and North Dakota 4-H Camp Access Road Improvement Project	2-10
Totals	\$719,732.54	\$1,842,687.88		

OHF Advisory Board Recommendation

Contingencies: Only fund kayak launch, parking lot, and ramp dirt work

Conflicts of Interest: None

Funding Vote: 11-1

Funding Amount Vote: \$50,250

Outdoor Heritage Fund Grant Application



Instructions

After completing the form, applications and supporting documentation may be submitted by e-mail to ndicgrants@nd.gov. It is preferred that only electronic copies are submitted.

You are not limited to the spacing provided, except in those instances where there is a limit on the number of words. If you need additional space, please indicate that on the application form, answer the question on a separate page, and include with your submission.

The application and all attachments must be received by the application deadline. You may submit your application at any time prior to the application deadline. **Applicants are strongly encouraged to submit applications prior to the deadline for staff review in order ensure that proposals will be complete when submitted on deadline date.** Incomplete applications may not be considered for funding.

Please review the back of this form to determine project eligibility, definitions, budget criteria, and statutory requirements.

Project Name – Painted Woods Lake Flood Protection & Recreation Project

Name of Organization – McLean County Water Resource District

Federal Tax ID#

Contact Person/Title – Lynn Oberg, Chairman

Address – 1237 Riverside Lane

City – Washburn

State – North Dakota

Zip Code – 58577

E-mail Address – obergm@westriv.com

Web Site Address (If applicable)

Phone – 701.400.7793

List names of co-applicants if this is a joint proposal

MAJOR Directive:

Choose only one response

- Directive A.** Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
- Directive B.** Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;
- Directive C.** Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and
- Directive D.** Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive:

Choose all that apply

- Directive A.**
- Directive B.**
- Directive C.**
- Directive D.**

Type of organization:

- State Agency
- Political Subdivision
- Tribal Entity
- Tax-exempt, nonprofit corporation.

Abstract/Executive Summary.

Summarize the project, including its objectives, expected results, duration, total project costs and participants. (no more than 500 words)

The Painted Woods Lake Flood Protection & Recreation Project (Project) will restore water quality and soil conditions, improve in-stream and riparian habitat for fish and wildlife, and enhance recreational access to public lands and waters within the Painted Woods Lake Wildlife Development Area (WDA). The habitat improvements will benefit stocked populations of rainbow trout, bluegill, perch, channel catfish, and other species that depend on healthy streams and riparian corridors. The recreation access enhancements will provide particular benefits to anglers, canoers, and kayakers.

Painted Woods Lake is located approximately 7 miles southeast of Washburn in McLean County. Importantly, this recreation destination is just 30 miles north of Bismarck along Highway 83. The lake drains 305 square miles across McLean and Burleigh counties. The 200-acre lake and the surrounding land make up a 1,200-acre WDA that is managed by North Dakota Game and Fish (NDGF) and the U.S. Fish and Wildlife Service (USFWS). Painted Woods Creek runs through this WDA, entering the lake from the north and exiting the lake to the west, where it joins the Missouri River.

Because of its convenient location along Highway 83 and the Missouri River, the Painted Woods Lake WDA constitutes a critical recreation area for Washburn's 1,300 residents and the 130,000 people who reside in the Bismarck-Mandan metropolitan area. In fact, Painted Woods Lake is the only large (1,000 acres or more) recreation area along the Missouri River between Bismarck and Washburn.

Through this Project, the McLean County Water Resource Board (Board) will construct diverse habitat improvements and recreation access enhancements within the WDA. On the north side of the lake along Highway 83, the Project will construct a parking lot and kayak/canoe launch that will provide sportsmen with ready access to the upstream portion of Painted Woods Creek. On the downstream side of the lake, the Project will construct a new dam that establishes backwater habitat, facilitates fish passage, and provides easy access for anglers. This dam will include an integrated fishing platform, a rock riffle structure for fish passage, and flat boulders for bank fishing on both sides of the dam. Finally, the Project will construct two box culverts to facilitate walk-in access across the creek channel and a gravel access path that leads to the dam.

The Board is now seeking \$916,825 to support construction of a high flow channel, intake control structure, and outlet dam. As described below, this effort will improve the Painted Woods Lake recreation area by reducing flood damage, improving water quality and soil conditions, developing fish habitat, and enhancing recreation access. The Board has recently applied to several other funding sources: The U.S. Bureau of Reclamation (USBR) WaterSMART Program, the Department of Water Resources Cost-Share Program, and the ND Parks & Recreation Sovereign Lands Program.

The Board received a Letter of Support from the USBR, with concurrence from USFWS and NDGF. The Board also obtained a Letter of Support from the Garrison Diversion Conservancy District, which operates the existing weir structure on behalf of the USBR.

Project Duration:

Indicate the intended schedule for drawing down OHF funds.

Project design will be completed in winter of 2023. Bidding is scheduled for spring of 2024. The Board anticipates constructing the Project during the summer of 2024. The intended schedule for drawing down funds is as follows: For May through September 2024 (i.e., over a five-month period), the Board intends to draw \$183,365 per month to support construction costs.

Amount of Grant request: \$916,825

Total Project Costs: \$4,900,000

Note: in-kind and indirect costs can be used for matching funds.

Amount of Matching Funds: \$ 3,983,175

A minimum of 25% Match Funding is required. Indicate if the matching funds will be in-kind, indirect or cash. Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Amount of Match	Funding Source	Type of Match (Cash, In-kind or Indirect)
\$675,000	McLean County Water Resource District	Cash
\$1,833,650	U.S. Bureau of Reclamation WaterSMART grant	Cash
\$916,825	Department of Water Resources Cost-Share grant	Cash
\$557,700	ND Parks & Recreation Sovereign Lands Program grant	Cash
\$		
\$		

Certifications

I certify that this application has been made with the support of the governing body and chief executive of my organization.

I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted in the back of this application.

Narrative

Organization Information – Briefly summarize your organization’s history, mission, current programs and activities.

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

The McLean County Water Resource District (District) is a political subdivision of the State. The District is governed by a three-member board of managers. It includes Lynn Oberg (Chair), Shannon Jeffers, and Gerard Goven. The Board is appointed by the McLean County Commission and tasked with the responsibility of managing, conserving, protecting, and developing waters of the State for the benefit of the public. The Board is devoted to fulfilling this mandate in collaboration with other agencies in order to protect and promote the health, safety, and general welfare of the people of North Dakota. Today the Board manages a variety of programs related to drainage permits, flood mitigation, protection of water bodies, maintenance of water quality, and promotion of biodiversity.

McLean County has approximately 9,800 residents that rely on and contribute to North Dakota’s agriculture, mining, and energy industries. The District has limited resources to conduct legislatively mandated duties. Management activities are supported by a \$1.74M levy which generated a budget of \$147,000 in 2021. One significant and ongoing project is the Katz Dam Safety Improvement Project, which is supported by the Outdoor Heritage Fund. Other current and recent projects include the Fort Mandan Flood Control Project, Turtle Creek Watershed Plan, management of the Yanktonai Dam, and control of cattail drainage obstruction at numerous locations.

The Water Resource Board is voluntary and has no staff. The District does obtain financial management services from the McLean County Auditor and retains professional engineering services as needed to accomplish program goals.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Note: if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

For tree/shrub/grass plantings: provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, grass species and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree/shrub/grass planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan.

For projects including Section 319 funding: provide in detail the specific best management practices that will be implemented and the specific projects for which you are seeking funding.

For projects including fencing: A minimum cost share of 40% by the recipient is preferred. Include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.

Purpose of Grant

High flows within Painted Woods Creek have caused widespread erosion of the channel's banks, severe damage to the dam located downstream of Painted Woods Lake, and associated water quality impairments. Moreover, overland breakout flows have yielded costly damage to agricultural fields to the west of the creek. The flood mitigation component of this Project is urgent because of the severity and costliness of flood damage to local habitat, private property, and public infrastructure. This Project will mitigate flood damage primarily through the two major design components described below. An innovative feature of this Project is the integration of vital fish and wildlife habitat improvements and recreation access enhancements with flood reduction practices that will restore water quality and soil conditions.

First, the Project will construct a high flow channel to the east of the existing creek. While the creek will continue to convey low flows, the high flow channel will bypass the reach that holds back flood waters. Phase 1 of this effort constructed the downstream 2,000 feet of the high flow channel, along with a 16-foot access road that crosses the channel to provide walk-in recreation opportunities. Phase 2 of this effort will construct the upstream 2,500 feet of the high flow channel and its intake control structure. The District will also provide recreation access to sportsmen by constructing a parking lot off Highway 83 and a kayak/canoe launch just upstream of the high flow channel.

Second, the Project will replace the failing weir dam and control structures on the downstream side of Painted Woods Lake. Urgent action is required because operators currently access the failing dam via a rusty steel structure that is frequently filled with ice and debris. The District will thus install new box culverts, a sheet pile headwall structure, and a sluice gate. As described above, in addition to maintaining water levels for flood reduction, the new dam and associated structures will improve in-stream habitat conditions by forming backwater habitat and enabling fish passage. The Project will simultaneously provide sportsmen with access to this public resource via a gravel pathway, integrated fishing platform, and flat boulders for bank fishing.

Ultimately, this Project offers a unique opportunity to coordinate high-impact habitat improvements and recreation enhancements with flood mitigation and safety improvements. The Project's design will be completed in winter of 2023. The District plans to bid the project in spring of 2024 and to complete construction before winter of 2024. This is a new project, i.e., this request is not replacing funding from another organization.

Is this project part of a Comprehensive Conservation Plan? Yes No

If yes, provide a copy with the application.

Note: Projects involving buildings and infrastructure will only be considered if part of a Comprehensive Conservation Plan. Please refer to the "Definitions" section at the back of the form for more details.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.

Include a brief background and work experience for those managing the project.

The Board has retained Moore Engineering Inc. (Moore) to perform design, construction oversight, and permitting for the Project. Moore is also assisting with public and stakeholder engagement. Moore has decades of experience providing water resource engineering services for communities throughout North Dakota. The firm regularly provides concept development, environmental review, design, permitting, and construction oversight for large watershed management and flood protection infrastructure projects that incorporate fish passage and other habitat enhancements for wildlife. Moore

will provide bid preparation and construction engineering services for the proposed Project. This will include preparation of contract documents, regular meetings with contractors, observation of construction, schedule management, compliance reviews, and other services to ensure that the Project progresses on time, within budget, and in keeping with the highest quality standards.

Evaluation – Describe your plan to document progress and results.

Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation and expenditure reports will be required for every grant awarded.

The Board will partner with Moore Engineering Inc. to develop a formal construction management plan that includes record keeping and invoice management practices. The Board will submit a monthly progress report to the Outdoor Heritage Fund that includes copies of invoices accrued and proposed activities for the subsequent reporting period.

Financial Information

Project Budget – Use the table below to provide an itemized list of project expenses and describe the matching funds being utilized for this project.

Indicate if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. **A minimum of 25% match funding is required.** An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Certain values have been identified for in-kind services as detailed under “Budget Information” at the back of this form. Refer to that section and utilize these values in identifying your matching funds.

NOTE: No indirect costs will be funded. Supporting documentation for project expenses, including bids, must be included or application will be considered incomplete.

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Construction	\$916,825	\$	\$	\$	\$3,308,175	\$4,225,000
Design, engineering, permits	\$	\$675,000	\$	\$	\$	\$675,000
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
Total Costs	\$916,825	\$675,000	\$	\$	\$3,308,175	\$4,900,000

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

Budget Narrative – Use the space below to provide additional detail regarding project expenses.

The District recently applied to the ND Parks & Recreation Department's Sovereign Lands Program, which will support construction of the parking lot, kayak/canoe launch, walking path, and fishing platform described in this application (\$557,700). District funds in the amount of \$675,000 will be used for design, engineering, and permitting.

The District has engaged with the U.S. Bureau of Reclamation (USBR) to obtain federal funding to support construction costs for the high flow channel and control structure upstream of the lake and the replacement of the weir dam downstream of the lake. The estimate for these project elements is \$3,667,300. The USBR will fund 50% of these costs (\$1,833,650). The District also recently applied to the Department of Water Resources Cost-Share Program, which will fund 50% of the remaining \$1,833,650 for flood protection improvements and the weir dam replacement (\$916,825). Through the present application, the District is seeking \$916,825 to cover the remaining costs.

Sustainability – Indicate how the project will be funded or sustained in future years.

Include information on the sustainability of this project after OHF funds have been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

As described above, the Painted Woods Lake WDA is managed by the USFWS and NDGF. The Garrison Conservancy District operates the dam structure on behalf of the USBR. The Board has obtained letters of support from each of these agencies. The WDA will continue to be managed through this robust interagency partnership, which will ensure the sustainability of investments made by all contributing partners.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested.

The District has access to limited financial resources for implementing vital projects that protect public waters, improve associated habitat, and facilitate recreational access. If an Outdoor Heritage Fund grant is not awarded, the Project may be delayed until sufficient funding is obtained.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * *There must be signage at the location of the project acknowledging OHF funding when appropriate.*

As with other projects, the Board will post signage at entrance locations to acknowledge all project sponsors. Signage with the Outdoor Heritage Fund listed as a project sponsor will be posted at prominent locations to ensure that sportsmen and other users are able to view these signs and appreciate the State's commitment to improving fish and wildlife habitat and enhancing recreation opportunities. Moreover, both the Board and its engineering consultant will use social media and digital marketing campaigns to advertise the Project, promote its benefits, and recognize its contributing partners.

Awarding of Grants - Review the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm>.

Can you meet all the provisions of the sample contract? Yes No

If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be:

ABOUT OHF:

The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance **conservation** practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

EXEMPTIONS

Outdoor Heritage Fund grants may not be used to finance the following:

- Litigation;
- Lobbying activities;
- Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

OHF funds may not be used, except after a finding of exceptional circumstances by the Industrial Commission, to finance:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;

- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Definitions/Clarifications for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Definitions/Clarifications for how this will be calculated);
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Definitions/Clarifications for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

The goal of the Industrial Commission is that at a minimum 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.

The following projects are not eligible for funding, unless there is a finding of exceptional circumstances by the Industrial Commission include:

- Construction or refurbishment of indoor/outdoor ice rinks,
- Construction or refurbishment of indoor/outdoor athletic courts and sports fields,
- Other substantially similar facilities.
- Infrastructure that is not part of a comprehensive conservation plan.
- Projects not meeting a minimum funding request of \$2,500.

Budget Information

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- Labor costs \$15.00 an hour
- Land costs Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
- Permanent Equipment Any equipment purchased must be listed separately with documentation showing actual cost. (For example: playground equipment)
- Equipment usage Actual documentation
- Seed & Seedlings Actual documentation
- Transportation Mileage at federal rate
- Supplies & materials Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example, the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program, please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as “A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature.”

Comprehensive Conservation Plan - Defined as “A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of wildlife and fish habitat or natural areas.” This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that is being requested for staffing and/or the hiring of an outside consultant.** This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Maintenance – Activities that preserve or keep infrastructure in a given existing condition, including repairs. Repair means to restore to sound condition after damage, to renew or refresh; except repairs due to damage caused by Acts of God.

Scoring of Grants

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking form that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular

meeting to sign the contract and get the project underway or the commitment for funding will be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant.

Responsibility of Recipient

The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

If you have any questions about the application, the Commission can be reached at 701-328-3722 or outdoorheritage@nd.gov.

Revised: November 4, 2019, April 12, 2023

**Painted Woods Outlet
McLean County Water Resource District
McLean County, North Dakota**

Engineer's Preliminary Opinion of Probable Cost

<i>BID ITEM NO. & DESCRIPTION</i>	<i>UNIT</i>	<i>QUANTITY</i>	<i>UNIT PRICE</i>	<i>TOTAL</i>
<u>Outlet and Fishing Platform</u>				
General				
Mobilization	LS	1	\$40,000.00	\$40,000.00
Clearing & Grubbing	LS	1	\$5,000.00	\$5,000.00
Dewatering/Control of Water	LS	1	\$40,000.00	\$40,000.00
Storm Water Management	LS	1	\$10,500.00	\$10,500.00
Removals				
Remove Bridge	EA	2	\$15,000.00	\$30,000.00
Remove Dam Structure	EA	1	\$25,000.00	\$25,000.00
Remove and Salvage Existing Riprap	CY	100	\$40.00	\$4,000.00
Construction				
Common Excavation	CY	2,400	\$3.00	\$7,200.00
Boulders - Fishing	EA	10	\$250.00	\$2,500.00
Embankment	CY	2,400	\$3.00	\$7,200.00
Box Culvert	EA	2	\$200,000.00	\$400,000.00
Steel Sheet Piling	SF	44,500	\$40.00	\$1,780,000.00
Fish Passage	LS	1	\$75,000.00	\$75,000.00
Riprap	CY	840	\$85.00	\$71,400.00
Fishing Platform	LS	1	\$40,000.00	\$40,000.00
Class 5 Aggregate - Walking Path	CY	330	\$40.00	\$13,200.00
Seperation Fabric	SF	1,200	\$5.00	\$6,000.00
Sluice Gate Structure	EA	1	\$100,000.00	\$100,000.00
Riprap Filter Fabric	SF	1,200	\$5.00	\$6,000.00
<u>Phase II Control Structure and Launch</u>				
General				
Mobilization	LS	1	\$25,000.00	\$25,000.00
Clearing & Grubbing	LS	1	\$10,000.00	\$10,000.00
Dewatering/Control of Water	LS	1	\$15,000.00	\$15,000.00
Storm Water Management	LS	1	\$10,000.00	\$10,000.00
Construction				
Common Excavation	CY	50,000	\$3.00	\$150,000.00
Embankment	CY	50,000	\$3.00	\$150,000.00
Class 5 Aggregate - Parking Lot	CY	125	\$40.00	\$5,000.00
Class 5 Aggregate - Canoe Launch	CY	550	\$40.00	\$22,000.00
Control Structure	EA	1	\$200,000.00	\$200,000.00
			Construction Subtotal	\$3,250,000.00
			Contingencies (30%)	\$975,000.00
			Design & Construction Engineering (18%)	\$585,000.00
			Permits	\$45,000.00
			Soil Borings & Geotechnical Report	\$45,000.00
			TOTAL PROJECT COST	\$4,900,000.00



United States Department of the Interior



BUREAU OF RECLAMATION
Dakotas Area Office
304 East Broadway Avenue
Bismarck, ND 58501

IN REPLY REFER TO:

DK-4000
2.2.4.21

Mr. Lynn Oberg
Chairman
McLean County Water Resource District
1237 Riverside Lane
Washburn, ND 58577
obergm@westriv.com

Subject: Painted Woods Lake Water Control Weir, Garrison Diversion Unit, Pick-Sloan
Missouri Basin Program

Dear Mr. Oberg:

I am writing in response to your consulting engineer's request for a letter of support for McLean County Water Resource District Board's (Board) proposed project in the Painted Woods Lake Area. The Board's proposal includes replacing the existing control weir constructed to restore Painted Woods Lake to its historic elevation. Reclamation supports the Board's weir replacement project with concurrence from the U.S. Fish and Wildlife Service (Service) and North Dakota Game and Fish Department (Department).

All maintenance of the existing weir structure is included as part of the overall management of the Painted Woods Lake Wildlife Development Area managed by the Service and the Department. All plans for construction, operations and maintenance of a replacement weir structure should be discussed with the Service and the Department.

Please contact Mr. Nathan Kraft, Civil Engineer, at (701) 221-1254 or at NKraft@usbr.gov and/or Mr. Darrin Goetzfried, Facilities and Engineering Division Manager, at (701) 221-1272 or at DGoetzfried@usbr.gov if you have any questions. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

Sincerely,

JOSEPH HALL Digitally signed by JOSEPH HALL
Date: 2023.06.07 10:48:58 -05'00'

Joseph E. Hall
Area Manager

cc: See next page

cc: Ms. Kathy Baer
Supervisory Wildlife Refuge Specialist
U.S. Fish and Wildlife Service
3275 11th St NW
Coleharbor, ND 58531
kathy_baer@fws.gov

Mr. Dan Halstad
Wildlife Resource Management Supervisor
North Dakota Game and Fish Department
406 Dakota Avenue
Riverdale, ND 58565-0506
dkhalstead@nd.gov

Mr. Duane DeKrey
General Manager
Garrison Diversion Conservancy District
P.O. Box 140
Carrington, ND 58421
duaned@gdcd.org
mri@gdcd.org

Mr. Scott Peterson
Deputy Director
North Dakota Game and Fish Department
100 North Bismarck Expressway
Bismarck, ND 58501-5095
speterso@nd.gov

Mr. AJ Tuck, P.E.
Project Manager
Moore Engineering, Inc.
4503 Coleman Street, Suite 105
Bismarck, ND 58503
aj.tuck@mooreengineeringinc.com



May 9, 2023

Mr. Lynn Oberg

GARRISON DIVERSION
CONSERVANCY DISTRICT
P.O. Box 140
CARRINGTON, N.D. 58421
(701) 652-3194
FAX (701) 652-3195
gdcdd@gdcdd.org
www.garrisondiversion.org

Dear Mr. Oberg:

The Garrison Diversion Conservancy District (Garrison Diversion) has been involved with operating the Painted Woods weir for the Bureau of Reclamation (Reclamation) since the 1990s. Since undertaking those operations, Garrison Diversion has witnessed flooding in the Painted Woods Lake area. The high flows break out of the banks and lake causing significant property damage.

The McClusky Canal has one outlet structure which discharges through Painted Woods Creek, into Painted Woods Lake and ultimately returns to the Missouri River. To help with the Painted Woods area flooding issues, the McClusky Canal flows are off during flooding events.

The Painted Woods weir structure is badly in need of repairs or a full replacement of the structure with a more functional flow control structure which is safer to operate. Currently, to operate the weir in the center of the dam, our operations staff has to walk on an old, rusted steel structure. At times, the structure can be full of cattails or ice making the walk dangerous.

Garrison Diversion is fully supportive of a comprehensive flood solution in the Painted Woods Lake area. If you would like to further discuss the flood impacts to private property, please reach out to me at 701-652-3194.

Sincerely,

Kip Kovar
District Engineer

Outdoor Heritage Fund
Grant Round 23
Application Summary Page
GR 23-7

Project Title: Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement II
Applicant: North Dakota Natural Resources Trust
Primary Contact: Rick Warhurst
Total Project Costs: \$ 520,500
OHF Request: \$267,750

Match Amount	Funding Source	Match Type
\$127,500	ND Natural Resources Trust	Cash
\$12,750	ND Natural Resources Trust	In-Kind
\$112,500	Landowners, Conservation Partners	Cash
\$252,750.00	Total	

Percentage of Matching Funds: 49%

Project Duration: 2023-2027

Major Directive: C

Additional Directive: A & B

Summary of Project: Assist landowners with approximately 20 wetland dam creations, dam repairs, and drain ditch plugs throughout the state impacting 112 surface acres of wetland habitat.

Technical Committee Comments:

- Committee commended the applicant for its work on wetland restoration
- Committee noted a general need (unrelated to this application) for an economic analysis of the cost to drain a wetland vs. the cost to restore a wetland

Technical questions from the OHF Advisory Board members:

- None
-

Funded Projects

Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
2-20	\$400,000	Water Storage Piggyback	\$300,000	\$300,000	Completed
15-77	\$257,441	Beginning Farmer Enhancement	\$132,884	\$132,844	Completed
6-90	\$1,467,250	Working Grassland Partnership	\$1,097,250	\$1,079,015.16	2016-2026
28-97	\$438,681	Grasslands Enhancement Pilot Project	\$230,000	\$170,133.71	2017-2023
39-109	\$500,000	Water Storage and Grass Seeding	\$67,500	\$67,500	Completed
49-112	\$250,420	Grand Forks County Prairie Management Toolbox	\$121,200	\$97,353	Completed
510-115	\$1,773,750	Working Grassland Partnership (Phase II)	\$903,750	\$708,023.79	2017-2027
11-124	\$743,250	Working Grassland Partnership Phase III	\$396,850	\$320,648.57	2018-2028
11-128	\$3,855,000	Bakken Development & Working Lands Program	\$2,170,000	\$1,655,279.37	2018-2023
12-131	\$277,700	Livestock & Wildlife Dams - Creation & Enhancement	\$138,850	\$138,850	Completed
613-140	\$255,000	ND Grassland Restoration Project	\$104,500	\$104,396.81	Completed
14-154	\$2,235,000	Working Grassland Partnership IV	\$1,225,000	\$751,185.78	2019-2023
15-160	\$255,000	North Dakota Grassland Restoration Project 2	\$100,000	\$79,905.08	2019-2023
17-173	\$6,390,383	Bakken Development and Working Lands Program II	\$3,308,100	\$915,272.74	2020-2025
17-174	\$1,303,000	North Dakota Partners For Wildlife Project	\$716,500	\$558,433.92	2020-2024

¹ Returned commitment of \$40.

² Ducks Unlimited is co-applicant.

³ Returned cash of \$3,368.50.

⁴ Audubon Dakota is co-applicant and returned commitment of \$23,867.27.

⁵ Co-applicants are ND Association of Soil Conservation Districts, Ducks Unlimited, and Pheasants Forever.

⁶ Returned commitment of \$103.19.

18-178	\$495,000	Wildlife and Livestock Dams - Wetlands Creation, Restoration and Enhancement	\$240,000	\$106,285.27	2021-2025
18-179	\$2,150,000	Grazing Resiliency in the Bakken (GRB)	\$1,270,000	\$270,168.02	2021-2026
19-194	\$1,857,500	Working Grassland Partnership 5	\$985,000	\$517,472.35	2021-2026
20-197	\$1,734,800	North Dakota Partners For Wildlife Project 2	\$1,016,500	\$129,851.99	2022-2026
20-198	\$3,280,000	Grazing Resiliency in the Bakken (GRB) II	\$1,970,000	\$145,394.85	2022-2025
21-211	\$1,410,000	Working Grasslands Partnership 6	\$740,000	\$0	2022-2027
Totals	\$31,329,175.00		\$17,233,884.00	\$8,248,014.41	

Unsuccessful Applications

Round	Request	Total Project Cost	Title	Vote
1-DDD	\$3,750,000	\$4,405,000	Working Lands Partnership	5-7
3-22	\$3,525,000	\$4,700,000	Conservation Cover Program (Pilot)	1-10
11-17	\$897,250	\$1,847,250	Dakota Skipper Habitat Enhancement Project	4-8
13-9	\$897,250	\$1,847,250	Dakota Skipper Habitat Restoration/Enhancement Partnership	5-5
Totals	\$9,069,500.00	\$12,799,500.00		

OHF Advisory Board Recommendation

Contingencies: None

Conflicts of Interest: None

Funding Vote: 11-0

Funding Amount Vote: \$267,750

Outdoor Heritage Fund Grant Application



Instructions

After completing the form, applications and supporting documentation may be submitted by e-mail to ndicgrants@nd.gov. It is preferred that only electronic copies are submitted.

You are not limited to the spacing provided, except in those instances where there is a limit on the number of words. If you need additional space, please indicate that on the application form, answer the question on a separate page, and include with your submission.

The application and all attachments must be received by the application deadline. You may submit your application at any time prior to the application deadline. **Applicants are strongly encouraged to submit applications prior to the deadline for staff review in order ensure that proposals will be complete when submitted on deadline date.** Incomplete applications may not be considered for funding.

Please review the back of this form to determine project eligibility, definitions, budget criteria, and statutory requirements.

Project Name: **Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement II**

Name of Organization: **North Dakota Natural Resources Trust**

Federal Tax ID#: **36-3512179**

Contact Person/Title: **Rick Warhurst, Biologist**

Address: **1605 East Capitol Avenue, Suite 101**

City: **Bismarck**

State: **North Dakota**

Zip Code: **58501**

E-mail Address: **rick@naturalresourcestrust.com**

Web Site Address (If applicable): **www.ndnrt.com**

Phone: **701-471-9760** or **701-223-8501**

List names of co-applicants if this is a joint proposal: **NA**

MAJOR Directive:

Choose only one response

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive:

Choose all that apply

Directive A.

Directive B.

Directive C.

Directive D.

Type of organization:

State Agency

Political Subdivision

Tribal Entity

Tax-exempt, nonprofit corporation.

Abstract/Executive Summary.

Summarize the project, including its objectives, expected results, duration, total project costs and participants. (no more than 500 words)

North Dakota's wetlands are among the most biologically productive biome systems on earth. The 2015 North Dakota State Wildlife Action Plan (SWAP), prepared by the ND Game and Fish Department, provides a conservation strategy for specific conservation habitats. Specifically, the conservation habitat of wetlands was identified in SWAP with suggested conservation actions that include incentives and programs that restore and enhance wetlands. Obligate wetland migratory bird species such as waterfowl-including mallards and Northern pintails; shorebirds-including willets and avocets; wading birds-including long-billed curlews and American bitterns; and marsh birds-including black terns and horned grebes (all listed in SWAP) will use this program's project wetlands for production, brood-rearing and during migration. Resident wildlife species including ring-necked pheasants, white-tailed deer, mule deer and Pronghorn antelope will also use the created, restored, and enhanced

wetland habitats resulting from this program. In many previous years a significant portion of North Dakota has experienced moderate to serious drought conditions. The availability of water to agriculture producers and landowners has declined. The ND Natural Resources Trust (Trust) and conservation partners have received numerous requests from landowners seeking assistance in creating small dams and repairing existing dams on their land or restoring drained wetlands. This grant proposal will provide a partnership between the Outdoor Heritage Fund, the Trust, and landowners to complete these new wetlands or repair small, nonfunctional dams for wildlife and livestock benefits. During 2018-2020, OHF, Trust and landowners cooperatively completed the "Livestock and Wildlife Dams-Wetland Creation and Enhancement " project. Fourteen (14) wetlands were created, restored, or enhanced covering 72.78 surface acres. This proposed project will assist landowners with approximately 20 wetland dam creations, dam repairs, and drain ditch plugs throughout the state impacting 112 surface acres of wetland habitat (Mean = 5.6 acres). The OHF grant will provide 50% or \$225,000 cost-share assistance for wetland construction with the remaining cost-share supplied by the Trust 25% or \$112,500 and other project cooperators including landowners and conservation partners 25% or \$112,500. The Trust requests \$30,000 from OHF for Contracted Services including Engineering Design/Construction Management/Cultural Resources Survey. The Trust will match this with \$15,000. The Trust will offer \$12,750 of In-kind Staffing and Delivery Services and requests \$12,750 from OHF as match. This project will supply vital wetland habitat for numerous wildlife species, provide a stable water source for livestock producers, improve water quality, and accommodate water storage.

Project Duration:

Indicate the intended schedule for drawing down OHF funds. 4 Years

Amount of Grant request: \$ 267,750 (51.4%)

Total Project Costs: \$520,500

Note: in-kind and indirect costs can be used for matching funds.

Amount of Matching Funds: \$252,750 (48.6%)

A minimum of 25% Match Funding is required. Indicate if the matching funds will be in-kind, indirect or cash. Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Amount of Match	Funding Source	Type of Match (Cash, In-kind or Indirect)
\$127,500	ND Natural Resources Trust	Cash
\$12,750	ND Natural Resources Trust	In-Kind
\$112,500	Landowners, Conservation Partners	Cash

Certifications

X I certify that this application has been made with the support of the governing body and chief executive of my organization.

X I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted in the back of this application.

Narrative

Organization Information – Briefly summarize your organization’s history, mission, current programs and activities.

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

The North Dakota Natural Resources Trust was created in 1986 and was originally called the North Dakota Wetlands Trust until 2000. The Trust's mission is to promote the retention, restoration, creation, and wildlife friendly management of wetlands, grasslands, and riparian areas by presenting practical conservation opportunities throughout North Dakota. The Trust achieves this mission by partnering with agricultural and conservation organizations to promote the productive use of private agricultural lands and to support private property rights that result in enhancement and protection of private lands, to effectively use North Dakota's public lands both for agriculture and recreation, to promote good land use planning along urban river corridors, and to enhance the state's significant water resources. The Trust helps shape the landscape through its programs and does its best to help shape both public attitude and public policy to support natural resources protection. The Trust is managed by a six-member Board of Directors. Three of the Directors are appointed by the governor of North Dakota, one by the National Audubon Society, one by the National Wildlife Federation, and one by the North Dakota Chapter of The Wildlife Society. The North Dakota Game and Fish Department Director is an ex-officio member. The Trust has an Executive Director and six staff. From its inception, the Trust has played a role as facilitator between agricultural and conservation interests. In addition to facilitating and funding sound, on-the-ground conservation of natural resources, its goal is to identify common issues, create dialogue, and resolve conflicts.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Note: if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

The goal of this project is to assist landowners create, restore, and enhance approximately 20 wetlands covering 112 surface acres located throughout the state. These wetland developments will supply vital habitat for numerous wildlife species. Obligate wetland migratory bird species including waterfowl, shorebirds, wading birds, and marsh birds will use these project wetlands for production, brood-rearing and during migration. Resident wildlife species including ring-necked pheasants, white-tailed deer, mule deer and Pronghorn antelope will also use the wetlands. Other wildlife species such as frogs, salamanders, turtles, and snakes will live in or near these wetlands. Pollinator species such as native bees and butterflies will also use these important project wetlands. The wetlands developed by this project will provide a stable source of livestock water, provide water storage, and improve water quality, as well as supplying vital wildlife habitat. When functional, the 20 wetlands developed by this project will facilitate the enhancement of several thousand acres of surrounding grassland habitat through implementation of managed grazing systems. The Trust seeks to develop and enhance wetlands in landscapes dominated by grassland that is used for livestock grazing. These wetlands supply waterfowl breeding pairs and brood-rearing habitat that is interspersed in excellent nesting cover and significantly enhances the biodiversity of plants and animals in these grasslands. The ponds also provide vital water sources for livestock production, improve water quality, and help retain ranchers and the ranching lifestyle on the North Dakota landscape. Project development activities will include: the construction of new dams and emergency spillways, repair of existing, nonfunctional dams and emergency spillways, installation of primary spillways and water control structures, and the earthen plugging of drain ditches. With professional project design and management these wetland creations should have a lifespan of 25 plus years. This project addresses OHF Directive C and will develop, enhance, conserve, and restore wildlife habitat on private lands. It also addresses Directive B by improving and restoring water quality and supports other practices of land stewardship to enhance farming and ranching. Several of the proposed wetland sites occur on public land and Directive A would be addressed; to provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen. All private landowners on which wetlands are developed will be encouraged to enroll the area in the North Dakota Game and Fish Department's Public Land Open to Sportsmen (PLOTS) Program. Over a dozen landowners from numerous North Dakota counties have contacted the Trust expressing the desire for wetland creations or repairs on their land and the list grows annually when conditions become drier. Also, word of mouth and neighbor to neighbor communications has led to numerous landowners contacting the Trust about developing wetland projects. These landowners have expressed interest in cooperating with OHF and the Trust to develop and enhance wetland habitat on their property. Most of the wetlands to be created or enhanced will be small and can be developed without professional engineering design. However, a few sites might have large watersheds or need a ND State Water Commission conditional water permit and would therefore require professional Engineering Design. Contracted Services for Engineering Design/Construction Management/Cultural Resources Survey totaling \$45,000 is included in the Project Budget.

For tree/shrub/grass plantings: provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, grass species and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree/shrub/grass planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan.

For projects including Section 319 funding: provide in detail the specific best management practices that will be implemented and the specific projects for which you are seeking funding.

For projects including fencing: A minimum cost share of 40% by the recipient is preferred. Include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.

Is this project part of a Comprehensive Conservation Plan? Yes No

No, this is not part of a Comprehensive Conservation Plan

If yes, provide a copy with the application.

Note: Projects involving buildings and infrastructure will only be considered if part of a Comprehensive Conservation Plan. Please refer to the "Definitions" section at the back of the form for more details.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.

Include a brief background and work experience for those managing the project.

The Trust will oversee and coordinate all activities associated with this project proposal. Wetlands will be developed on 20 private land sites with a few possibly on public land. The Trust will develop site specific agreements with landowners which will include a map defining project boundaries, proposed construction activities, the cost-share estimates and the responsibility of each landowner, conservation partner, and the Trust. All agreements will be signed and dated by the landowner and the Trust. In addition, all project agreements will have the OHF logo at the header of the agreement and all landowners will be informed about OHF funding as part of the project. The Trust's staff will coordinate the wetland development project from our office located in Bismarck. Rick Warhurst, Biologist, will serve as the Program Coordinator. Rick has over 35 years of experience in delivering wetland conservation projects throughout the Dakotas. The Trust will coordinate with landowners and partners to ensure that the OHF funds are spent effectively. The Trust will provide all tracking and reporting of all participant agreements following grant guidelines.

Evaluation – Describe your plan to document progress and results.

Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation, and expenditure reports will be required for every grant awarded.

The Trust will measure success of the "Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement" Project by completing the creations, restorations, and enhancements of 20 wetlands totaling 112 surface acres on the North Dakota landscape and monitoring the sites periodically in spring, summer, and fall. These on-site visits and electronic photographs of pre-construction and post construction will document the success of the project. All grant administration will be completed for this grant by the Trust. The Trust's programs are structured to be flexible and accommodating to agreement participants.

Information

Project Budget – Use the table below to provide an itemized list of project expenses and describe the matching funds being utilized for this project.

Indicate if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. **A minimum of 25% match funding is required.** An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Certain values have been identified for in-kind services as detailed under “Budget Information” at the back of this form. Refer to that section and utilize these values in identifying your matching funds.

NOTE: No indirect costs will be funded. Supporting documentation for project expenses, including bids, must be included or application will be considered incomplete.

Project Expense	OHF Request	Applicant’s Match Share (Cash)	Applicant’s Match Share (In-Kind)	Other Project Sponsor’s Share	Total Each Project Expense
Wetland Creation Construction Costs	\$225,000	\$112,500		\$112,500	\$450,000
Engineering and Contracted Services	\$30,000	\$15,000			\$45,000
Staffing	\$12,750		\$12,750		\$25,500
Total Costs	\$267,750	\$127,500	\$12,750	\$112,500	\$520,500

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

Budget Narrative – Use the space below to provide additional detail regarding project expenses.

Wetland Creations, Wetland Dam Repairs and Wetland Restorations: These funds will pay for the construction of new, small wetland creations, repair of existing dams on wetland creations and restoration of wetlands with earthen plugs placed in drain ditches throughout North Dakota. The payments will be to contractors for dirt work to construct earthen dams across water drainages, install primary spillways/water control structures and develop emergency spillways (OHF 50%/Trust 25%/Other Match 25%).

Contracted Services: Engineering design of wetland creations and dam repairs is important to ensure proper design of the projects, to ensure long life of the structure and to ensure each project wetland functions in the desired manner. The Trust will contract for these services, so that engineering standards are used in the project design. The Trust will consult with the State Historical Society for SHPO review and approval and if outside cultural resources field reviews are necessary, then a cultural review company will be hired to complete the reviews.

Staffing/Delivery: The grant application is requesting \$12,750.00 of OHF support for staffing/delivery and the Trust will provide \$12,750.00 of in-kind match over the Program duration. The administration of the Wildlife and Livestock Dams (WLD) Program is based on actual staff time, benefits, and travel to deliver WLD Program agreements. This includes promotion and outreach, meeting with landowners, meeting with partners, processing payments, and agreement monitoring.

Sustainability – Indicate how the project will be funded or sustained in future years.

Include information on the sustainability of this project after OHF funds have been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

This proposal represents landowners who have contacted the Trust or other conservation partners about their interest in wetland creations and wetland structure repairs on their property. Many of these wetland projects need repair because of inadequate construction design and not necessarily any fault of the landowners. With updated wetland creation designs that include properly sized primary spillways and emergency spillways, the projects completed in this proposal will have a long life span. The project participants will manage their property to ensure that the integrity of the structures developed is properly maintained. These landowners will agree to provide the annual maintenance of the installed structures to maintain the integrity and proper function of the project.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested.

The Trust would like to thank the OHF Advisory Board for the consideration of this proposal. This wetland development project brings 50% matching funds from Trust, conservation partners and landowners to assist in wetland creations, restorations, and enhancements. If OHF does not recommend full funding, then a smaller portion of the proposed project sites will be completed, and matching funds will be reduced proportionally.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * *There must be signage at the location of the project acknowledging OHF funding when appropriate.*

The Trust will place signage at each project site recognizing the OHF as a partner in the project. Any news releases, publications, and Trust website information will include OHF recognition.

Awarding of Grants - Review the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm>.

Can you meet all the provisions of the sample contract? **Yes** **No**

If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be:

Yes, the Trust can meet the provisions of the sample contract.

ABOUT OHF:

The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance **conservation** practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

EXEMPTIONS

Outdoor Heritage Fund grants may not be used to finance the following:

- Litigation;
- Lobbying activities;
- Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

OHF funds may not be used, except after a finding of exceptional circumstances by the Industrial Commission, to finance:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Definitions/Clarifications for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant

- exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Definitions/Clarifications for how this will be calculated);
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Definitions/Clarifications for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

The goal of the Industrial Commission is that at a minimum 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.

The following projects are not eligible for funding, unless there is a finding of exceptional circumstances by the Industrial Commission include:

- Construction or refurbishment of indoor/outdoor ice rinks,
- Construction or refurbishment of indoor/outdoor athletic courts and sports fields,
- Other substantially similar facilities.
- Infrastructure that is not part of a comprehensive conservation plan.
- Projects not meeting a minimum funding request of \$2,500.

Budget Information

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- Labor costs \$15.00 an hour
- Land costs Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
- Permanent Equipment Any equipment purchased must be listed separately with documentation showing actual cost. (For example: playground equipment)
- Equipment usage Actual documentation
- Seed & Seedlings Actual documentation
- Transportation Mileage at federal rate
- Supplies & materials Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example, the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program, please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as "A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature."

Comprehensive Conservation Plan - Defined as "A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of

wildlife and fish habitat or natural areas.” This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that is being requested for staffing and/or the hiring of an outside consultant.** This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Maintenance – Activities that preserve or keep infrastructure in a given existing condition, including repairs. Repair means to restore to sound condition after damage, to renew or refresh; except repairs due to damage caused by Acts of God.

Scoring of Grants

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking form that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular meeting to sign the contract and get the project underway or the commitment for funding will be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant.

Responsibility of Recipient

The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

If you have any questions about the application, the Commission can be reached at 701-328-3722 or outdoorheritage@nd.gov.

Revised: November 4, 2019, April 12, 2023

Home

Search


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Results: 3

Form Info

NORTH DAKOTA NATURAL RESOURCES CONSERVATION TRUST > 00
Corporation - Nonprofit - Domestic

NORTH DAKOTA NATURAL RESOURCES CONSERVATION TRUST > 00
Reserved Name

NORTH DAKOTA NATURAL RESOURCES TRUST, INC. > 00
Corporation - Nonprofit - Domestic

SC Cc

NORTH DAKOTA NATURAL RESOURCES TRUST, INC.

Corporation - Nonprofit - Domestic



Request Certificate

<i>Filing Type</i>	Corporation - Nonprofit - Domestic
<i>Status</i>	Active
<i>Standing - AR</i>	Good
<i>Standing - RA</i>	Good
<i>Standing - Other</i>	Good
<i>Formed In</i>	NORTH DAKOTA
<i>Term of Duration</i>	Perpetual
<i>Initial Filing Date</i>	03/13/1986
<i>Principal Address</i>	1605 E CAPITOL AVE STE 101 BISMARCK, ND 58501-2102
<i>Mailing Address</i>	1605 E CAPITOL AVE STE 101 BISMARCK, ND 58501-2102
<i>AR Due Date</i>	02/01/2024
<i>Registered Agent</i>	KEITH A TREGO 1605 E CAPITOL AVE STE 101 BISMARCK, ND 58501



View History

Outdoor Heritage Fund
Grant Round 23
Application Summary Page
GR 23-8

Project Title: MonDak Pheasants Forever 619 NWND 2024-2026 Habitat Project
Applicant: Pheasants Forever, Inc.
Primary Contact: John Bradley
Total Project Costs: \$400,000
OHF Request: \$250,000

Match Amount	Funding Source	Match Type
\$150,000	Pheasants Forever Chapter Fund Raising Activities	Cash
\$150,000.00	Total	

Percentage of Matching Funds: 38%

Project Duration: 2024-2026

Major Directive: A

Additional Directive: B, C & D

Summary of Project: Incentivize 2,500 acres of new grass plantings and an additional 2,500 acres of new CRP enrollments with hunting access to increase new wildlife habitat development and hunting access in Williams and Divide counties.

Technical Committee Comments:

- Committee noted and commended applicant on strong link to public access, access has been one of the lowest directives funded, but is the highest priority for ND Game and Fish
- Committee noted past board discussion on incentive payments

Technical questions from the OHF Advisory Board members:

- Note that Pheasants Forever Chapters are separate, and MonDak Pheasants Forever Chapter is not related to other chapters, past Pheasants Forever funding should not be seen as funding for MonDak Chapter
 - National Pheasants Forever representative noted that local chapters cannot enter into contracts longer than one year, which explains why national organization typically gets involved with OHF applications
 - National organization fully supports local chapters pursuing projects and grant funds

MonDak Chapter of Pheasants Forever has not been the lead applicant on an OHF project.

Other Funded Projects: Pheasants Forever					
Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
2-33	\$292,879	North Dakota Pollinator Partnership	\$173,750	\$24,258.82	Completed ¹
3-46	\$100,000	Bismarck PF Habitat Enhancement	\$60,000	\$60,000	Completed
5-79	\$36,225	North Dakota Youth Pollinator Habitat Program	\$20,000	\$6,938.58	Completed ²
³ 9-104	\$376,683	Southwest Grazing Lands Improvement Project	\$216,899.89	\$216,889.89	Completed
⁴ 10-115	\$1,773,750	Working Grassland Partnership (Phase II)	\$903,750	\$708,023.79	2018-2028
13-144	\$288,625	North Central Soil Health & Habitat	\$52,500	\$3,610.74	2019-2023
14-150	\$447,801	Precision Agriculture: Technology, Conservation, and Habitat	\$301,875	\$148,427.81	2019-2023
17-175	\$46,978.45	Community Pollinator Project	\$12,000	\$0.00	2021-2023/2024
17-176	\$397,184	Southwest Grazing Lands Improvement Project - Phase II	\$223,900	\$114,365.61	2021-2025
Totals	\$3,760,125.45		\$1,964,674.89	\$1,282,515.24	

Unsuccessful Applications				
Round	Request	Total Project Cost	Title	Vote
1-ZZZ	\$24,500	\$50,000	Pheasants Forever Bismarck Chapter Tree Equipment	0-12
⁵ 1-CCC	\$165,000	\$173,000	Pheasants Forever-Sakakawea Wildlife Project	N/A
1-NNN	\$316,000	\$947,916	Kitchen Table Conversations for Private Land Conservation	0-12
1-PPP	\$808,000	\$1,031,961	Public Land Enhancement Program	0-12
6-16	\$1,715,700	\$2,367,490	Honey Bee & Monarch Butterfly Partnership (HBMBP)	0-11

¹ Returned commitment of \$149,491.18

² Returned commitment of \$13,061.42

³ Returned commitment of \$10.00

⁴ The ND Association of Soil Conservation Districts, Ducks Unlimited, and Pheasants Forever are all co-applicants

⁵ 1-CCC was withdrawn

7-26	\$312,873	\$466,221	Precision Ag Business Planning Pilot - Soil, Access and Habitat	0-11
Totals	\$3,342,073.00	\$5,036,588.00		

OHF Advisory Board Recommendation

Contingencies: None

Conflicts of Interest: None

Funding Vote: 10-2

Funding Amount Vote: \$250,000

Outdoor Heritage Fund Grant Application



Instructions

After completing the form, applications and supporting documentation may be submitted by e-mail to ndicgrants@nd.gov. It is preferred that only electronic copies are submitted.

You are not limited to the spacing provided, except in those instances where there is a limit on the number of words. If you need additional space, please indicate that on the application form, answer the question on a separate page, and include with your submission.

The application and all attachments must be received by the application deadline. You may submit your application at any time prior to the application deadline. **Applicants are strongly encouraged to submit applications prior to the deadline for staff review in order ensure that proposals will be complete when submitted on deadline date.** Incomplete applications may not be considered for funding.

Please review the back of this form to determine project eligibility, definitions, budget criteria, and statutory requirements.

Project Name - MonDak Pheasants Forever 619 NWND 2024-2026 Habitat Project

Name of Organization - Pheasants Forever, Inc.

Federal Tax ID# - Pheasants Forever 41-1429149

Contact Person/Title - Renee Tomala, Senior Field Representative

Address – PO Box 7403

City - Bismarck

State - ND

Zip Code - 58507

E-mail Address - rtomala@pheasantsforever.org

Web Site Address (If applicable)

Phone - 701-220-8769

List names of co-applicants if this is a joint proposal

Kent Reiersen, Habitat Committee

MonDak Chapter #619 Pheasants Forever – Williston, ND

Email - lawhuntr@gmail.com

Phone - 701-770-1487

MAJOR Directive:

Choose only one response

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive:

Choose all that apply

Directive A.

Directive B.

Directive C.

Directive D.

Type of organization:

State Agency

Political Subdivision

Tribal Entity

Tax-exempt, nonprofit corporation.

Abstract/Executive Summary.

Summarize the project, including its objectives, expected results, duration, total project costs and participants. (no more than 500 words):

The Williston Pheasants Forever MonDak Chapter 619 (Chapter), North Dakota Pheasants Forever (PF) and ND Game and Fish Department (Department) are collaborating to increase new wildlife habitat development and hunting access in Williams and Divide counties. These counties are highly desirable hunting areas and are key areas for the Department's PLOTS program.

The goal for this partnership is to incentivize 2,500 acres of new grass plantings (funded by the Department) and an additional 2,500 acres of new CRP enrollments with hunting access. New grass plantings in these areas will provide pheasants with high-quality nesting and brood-rearing habitat in addition to providing the public with unrestricted walk-in hunting access through the PLOTS program. The PF incentive would be an additional up-front Payment to

the landowner of \$50/acre in addition to the \$60/acre grass establishment costs (funded by OHF and PF). Grass and forb seed mixes cost an estimated \$70 /acre (funded by Department). This is in addition to the current initial upfront incentive by the Department of \$30/acre and \$10/acre CRP access (PLOTS) and \$45/acre/year rental. CRP also has its rental payments on the CRP grounds funded by the USDA and ran by Farm Service Agency. Department PLOTS payments will be issued using state and/or Pittman-Robertson funding and zero OHF dollars. These Department funds will not count as OHF match but should be viewed as a contribution to the total value of the project by the Department.

The advantage for our Chapter is we can provide one-time incentives substantially reducing our administrative work for a volunteer board. We will not need to track and make annual payments as the Department rental payments and CRP payments will kick in to keep the acreage in PLOTS and New Grass/CRP for 8 —15 years. This will be a 3-year project starting 2024, at \$50,000 a year for our chapter contribution.

The Williston Chapter has worked on this project with the local NDGF Private Lands Biologist; the State NDGF West Region Supervisor for Private Lands; the Pheasants Forever Precision Ag personnel; local Soil Conservation Districts; as well as our Pheasants Forever state coordinator and Field Representative. We have also contacted the FSA and SCD personnel providing details for the project in Williams and Divide County. Pheasants Forever, Inc. is listed as the applicant because under the local Chapter charter we cannot enter a multiyear contract but the national Pheasants Forever can do so. The national PF also disburses the Chapter funds. The project, however, is a local Chapter project and will be led by the Williston Chapter 619 committee.

Project Cost/Percentage for the PLOTS and New Grass/CRP is estimated as follows:

OHF	PF	Grand Total
\$250,000	\$150,000	\$400,000
62.5%	37.5%	

Overall costs of the project

OHF	PF	NDGF	Grand Total
\$250,000	\$150,000	\$1,762,500	\$2,162,500
11%	7%	82%	

Note: The NDGF costs will not be used for any of the match but is included to demonstrate the scope of the project by partnering with them. Without such a partnership our Chapter just does not have the funding or administrative ability to attempt such an extensive hunting access and habitat development project.

Project Duration:

Indicate the intended schedule for drawing down OHF funds.

2024 – 2026. Perfect draw down would be 1/3 each year but it is expected it will take a year to get traction, so we estimate draw down to be 2024 – 20%, 2025 – 40%, 2026 – 40%.

Amount of Grant request: \$250,000

Total Project Costs: \$400,000

Note: in-kind and indirect costs can be used for matching funds.

Amount of Matching Funds: \$150,000 cash – We also expect there to be additional Chapter costs to sponsor landowner informational meetings in Williams and Divide County.

A minimum of 25% Match Funding is required. Indicate if the matching funds will be in-kind, indirect or cash. Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Amount of Match	Funding Source	Type of Match (Cash, In-kind or Indirect)
\$150,000	Pheasants Forever Chapter Fund Raising activities	Cash

Certifications

I certify that this application has been made with the support of the governing body and chief executive of my organization.

I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted in the back of this application.

Narrative

Organization Information – Briefly summarize your organization’s history, mission, current programs and activities.

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

Pheasants Forever was formed in 1982. Pheasants Forever’s mission is to conserve pheasants, quail, and other wildlife through habitat improvements, public access, education, and conservation advocacy. Nationally there are 130,000 members with a diverse staff – including more than 175 biologists and more than 750 Local chapters and many nongovernmental, governmental, nonprofit, and corporate partners.

Chapters of Pheasants Forever retain 100 percent decision-making control over their locally raised funds. This allows chapter volunteers to develop wildlife habitat projects and conduct youth conservation events in their communities, while belonging to a national organization with a voice regarding state and federal conservation policy.

The Pheasants Forever MonDak Chapter 619 in Williston has an active committee of 17 volunteers and actively supports the Coyote Clay Target league, the largest high school clay target league in the nation. We also sponsor a wildlife friendly seed giveaway program each spring, a fall fund raising banquet and a mid-winter fundraising event. The Chapter seeks to carry out the national mission by creating habitat and hunter access with this project in Williams and Divide County.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Note: if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

*For tree/shrub/grass plantings: provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, grass species and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree/shrub/grass planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan. **NA***

*For projects including Section 319 funding: provide in detail the specific best management practices that will be implemented and the specific projects for which you are seeking funding. **NA***

*For projects including fencing: A minimum cost share of 40% by the recipient is preferred. Include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing. **NA***

The PF MonDak 619 Chapter desired to engage in a habitat development project in northwest North Dakota where most of our members live and hunt. This is a new project for the Chapter. While there are many habitat project proposals, access is often an overlooked “byproduct”. Our chapter desired to ensure public hunting access to the habitat projects our members were supporting.

The Chapter wanted to implement a habitat project but recognized the limited capacity of our small group of volunteers with limited resources to create a meaningful amount of habitat while also increasing hunting access. This project is based upon the long-standing programs developed by the NDGF to increase habitat and hunting access. By partnering with the NDGF, FSA and SCDs in this area we can enhance these existing programs and materially increase the attractiveness of the programs to producers.

Obviously, landowners and producers rely upon income from their properties. Habitat creation and conservation is expensive, and landowners consider financial inputs, cost share, goals, partners, etc when making decisions regarding land management. There are political restrictions upon the level of funding that can be provided by governmental organizations whose mission is to enhance habitat and access. Our Chapter hopes to increase the attractiveness of these existing programs by providing a non-governmental incentive that will also benefit wildlife and public hunting access.

There is a great need for public hunting access to good hunting areas. Lands open to hunting have decreased with the evolving electronic posting, loss of CRP and private purchases of land for hunting purposes. It is also important that landowners and producers are appropriately compensated for developing wildlife habitat and allowing access. While there are still many landowners who will allow access to their lands, those of us who are using it for recreational purposes should be shouldering some of that cost.

While the CRP and New Grass lands will have cropping and use restrictions, much of it will not cover entire quarters or fields. Many of the lands which may be open to PLOTS may still have the most desirable crop lands available for cropping depending upon the mutual determination of the landowner and Biologist. Hence a 160-acre field may have an existing 20 acre wetland and its location makes farming it a little more difficult along an edge or two. Under the NDGF program, a portion, say 40 acres along an edge, would be put into New Grass with the NDGF providing a \$15/acre initial incentive, grass establishment costs of \$60/acre and seed costs of \$70/acre with annual rental of \$45 for the 40 acres

to be put into new grass habitat. So, for a 10-year agreement the rental comes to \$46.50 less for a 15 year agreement. The Chapter incentive of \$50/acre up front will bring the annual rental to \$51.50/acre.

The PLOTS program will provide an additional \$1/acre for the 120-acre balance of the field for public access to the entire 160 acres. This leaves 100 acres of the field still available to be cropped by the producer, creates 40 acres of new grass habitat, 20 acres of existing wetland and public hunting access to the entire 160 acres. Hunters get access, the landowner gets compensated for allowing access and putting lands into grass and wildlife benefits from that new habitat.

In Williams and Divide County the reported non irrigated crop rental rate (often under reported) is a little greater than \$35/acre on an annual rental rate. This does not account for tying up the contract acreage for 10-15 years. It is hoped that this incentive will result in more participation than has been obtained in the past.

If it is successful, the Chapter may consider renewing the project and adjusting rates as needed to make such a program successful on a continuing basis.

Is this project part of a Comprehensive Conservation Plan? Yes No
If yes, provide a copy with the application.

Note: Projects involving buildings and infrastructure will only be considered if part of a Comprehensive Conservation Plan. Please refer to the "Definitions" section at the back of the form for more details.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.

Include a brief background and work experience for those managing the project.

The primary contact and development of the target properties will be made by the local NDGF Private Lands Biologist in District 6 (NWND District located in Williston). When it appears that an agreement will be reached with the producer/landowner, the Biologist will then contact our MonDak Chapter Habitat Committee Chair to confirm our support for that Habitat/Plots project. We will then run the project area by the Pheasants Forever Precision Ag & Conservation Specialist for NW ND, to determine if there are additional lands in the desired contract area that may benefit from being included in the New Grass habitat area based upon the economics of the crop lands. When the contract is signed with the landowner, our Chapter will have a check for the PF incentive made out and delivered to the landowner. The funds will be chapter funds but go through the national PF organization which will be able to carry the expense until the OHF reimbursement is made.

The local NDGF Private Lands Biologist, Erica Sevigny, is a full-time trained professional in District 6 located in Williston whose job it is to initiate and work with Landowners on the PLOTS, CRP and New Grass Programs as well as other programs for the NDGF.

The Pheasants Forever Precision Ag & Conservation Specialist, Warren Swenson, is a full time Pheasants Forever employee and trained to provide advice and analyze crop lands for those areas where the producer may not be getting an economic return from certain acres in a crop field which may be placed in wildlife habitat resulting in better economics for the producer and enhancing the suitability of the property for wildlife.

Our local Pheasants Forever Chapter Habitat committee are volunteers and would be involved in assisting set up landowner information meetings with the NDGF Biologist and the PF Precision Ag Specialist as well as make the payments for the incentive when the NDGF contract is entered into with the producer/landowner.

This partnership results in professional management of the project and reduces the administration of the project from the PF MonDak Chapter.

Evaluation – Describe your plan to document progress and results.

Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation and expenditure reports will be required for every grant awarded.

We will be able to evaluate the success of the project by the number of acres we are able to get enrolled compared to prior years enrollment to determine if the additional Pheasants Forever Chapter incentive payment is making a difference in getting additional new grass and CRP with public hunting access under the PLOTS program.

Financial Information

Project Budget – Use the table below to provide an itemized list of project expenses and describe the matching funds being utilized for this project.

Indicate if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. **A minimum of 25% match funding is required.** An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Certain values have been identified for in-kind services as detailed under “Budget Information” at the back of this form. Refer to that section and utilize these values in identifying your matching funds.

NOTE: No indirect costs will be funded. Supporting documentation for project expenses, including bids, must be included or application will be considered incomplete.

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Incentive payment	\$250,000	\$150,000	\$	\$	\$1,762,500	\$2,162,500
Total Costs	\$	\$	\$	\$	\$	\$

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

Budget Narrative – Use the space below to provide additional detail regarding project expenses.

Only additional expected costs will be for sponsoring landowner information meetings with NDGF.

Sustainability – Indicate how the project will be funded or sustained in future years.

Include information on the sustainability of this project after OHF funds have been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

In the future, if the program is successful in growing the habitat and access acres and if OHF funds were not available, the Chapter would be able to still leverage its funds as incentives with the NDGF programs, but it would be fewer acres for which the incentive could be provided.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested.

Acreage goals will be reduced but it is planned that the project would continue.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * There must be signage at the location of the project acknowledging OHF funding when appropriate.

We would provide manpower to put up OHF recognition signs with the NDGF PLOTS signs so OHF would be recognized along with our PF Chapter for providing the incentives to obtain the acreage.

Awarding of Grants - Review the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm>.

Can you meet all the provisions of the sample contract? **XX Yes** No

If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be:

It is questionable that any liability coverage for this project would be needed as it is only proving an incentive to the landowner and no additional work is being done by the Chapter.

ABOUT OHF:

The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance **conservation** practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

EXEMPTIONS

Outdoor Heritage Fund grants may not be used to finance the following:

- Litigation;
- Lobbying activities;
- Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

OHF funds may not be used, except after a finding of exceptional circumstances by the Industrial Commission, to finance:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Definitions/Clarifications for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Definitions/Clarifications for how this will be calculated);
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Definitions/Clarifications for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

The goal of the Industrial Commission is that at a minimum 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.

The following projects are not eligible for funding, unless there is a finding of exceptional circumstances by the Industrial Commission include:

- Construction or refurbishment of indoor/outdoor ice rinks,
- Construction or refurbishment of indoor/outdoor athletic courts and sports fields,
- Other substantially similar facilities.
- Infrastructure that is not part of a comprehensive conservation plan.
- Projects not meeting a minimum funding request of \$2,500.

Budget Information

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- Labor costs \$15.00 an hour
- Land costs Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
- Permanent Equipment Any equipment purchased must be listed separately with documentation showing actual cost. (For example: playground equipment)
- Equipment usage Actual documentation
- Seed & Seedlings Actual documentation
- Transportation Mileage at federal rate
- Supplies & materials Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example, the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program, please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as "A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature."

Comprehensive Conservation Plan - Defined as "A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of wildlife and fish habitat or natural areas." This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that**

is being requested for staffing and/or the hiring of an outside consultant. This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Maintenance – Activities that preserve or keep infrastructure in a given existing condition, including repairs. Repair means to restore to sound condition after damage, to renew or refresh; except repairs due to damage caused by Acts of God.

Scoring of Grants

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking form that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular meeting to sign the contract and get the project underway or the commitment for funding will be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant.

Responsibility of Recipient

The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

If you have any questions about the application, the Commission can be reached at 701-328-3722 or outdoorheritage@nd.gov.

Revised: November 4, 2019, April 12, 2023



To North Dakota Heritage Fund Advisory Board:

Please consider this as a letter of support for the Pheasants Forever Mondak Chapter 619 2024-2026 NWND Habitat and Access Project. This project would encourage landowners to consider the CRP and New Grass programs offered by the North Dakota Game and Fish Department. The proposed incentive would help offset our landowners' financial impact of creating wildlife habitat and allowing hunting access. The United Sportsmen's board, members, and outdoor enthusiasts alike agree that this has been needed in Williams and Divide Counties.

As sportsmen we understand that creating and maintaining habitat is an expensive prospect for landowners. An important component is access for the public. We certainly understand the hesitancy of some landowners to provide hunting access to their property. Hopefully this project would help overcome that hesitancy by sportsmen funds providing compensation for such access. This seems to be a win for our wildlife, landowners, and sportsmen. The United Sportsmen of Williston strongly supports the local Pheasants Forever Chapter 619 project. We hope the Outdoor Heritage Fund Board will recommend funding the Pheasants Forever Mondak Chapter 619 2024-2026 NWND Habitat and Access Project.

Sincerely,

Michael Wenstad

President United Sportsmen of Williston

Williams County Soil Conservation District
1106 West Second Street
Williston, ND 58801
Telephone: (701) 572-6729 Ext. 3



August 22, 2023

To: North Dakota Outdoor Heritage Fund Advisory Board

Please consider this as a letter of support for the Pheasants Forever Mondak Chapter 619 for the years 2024-2026 NWND Habitat and Access Project. This project would encourage landowners to consider the CRP and new grass programs offered by the North Dakota Game and Fish Department. The proposed incentive would help offset our landowner's financial impact of creating wildlife habitat and allowing hunting access.

There is a definite need for additional wildlife habitat and hunting access in Williams County. Creating such habitat, however, is an expensive prospect for our landowners. This project will help offset some of these costs. This project seems to be a win for landowners, wildlife, and sportsmen. The Williams County Soil Conservation District strongly supports the local pheasants forever chapter 619 in this endeavor. It is great to see sportsmen willing to put their money into helping offset some of the landowners' expenses in providing habitat and access. We hope the OHF advisory board will recommend funding the Pheasants Forever Mondak Chapter 619 for the years 2024-2026 NWND Habitat and Access Project.

Kind regards,

A handwritten signature in blue ink that reads "Molly Jugovic".

Molly Jugovic
District Manager
molly.jugovic@nd.nacdnet.net

Conservation, Development, Self-Government
All programs and services of the District are offered on a non-discriminatory basis, without regard to
race, color, religion, gender expression, national origin, disability, age, marital status, handicap,
sexual orientation, or military status

Home

Search

Forms

Lists

Data List Requests

Business Search

Advanced

Results: 42

Form Info

BOTTINEAU COUNTY CHAPTER OF PHEASANTS FOREVER #877
Trade Name

BOWMAN-SLOPE CHAPTER OF PHEASANTS FOREVER #211
Trade Name

CAPITAL CITY LADY BIRDS CHAPTER OF PHEASANTS FOREVER #960
Trade Name

CEDAR CREEK CHAPTER OF PHEASANTS FOREVER #147
Trade Name

DAKOTA CHAPTER OF PHEASANTS FOREVER #47
Trade Name

Dakota Chapter of Pheasants Forever #47

MONDAC CHAPTER OF PHEASANTS FOREVER #619

Trade Name

<i>Filing Type</i>	Trade Name
<i>Status</i>	Active
<i>Owner Name</i>	PHEASANTS FOREVER, INC.
<i>Owner Address</i>	1783 BUERKLE CIRCLE SAINT PAUL, MN 55110-5254
<i>Nature of Business</i>	FUNDRAISING EVENTS ARE CONDUCTED WITHIN THE STATE TO RAISE MONEY TO PROTECT& ENHANCE PHEASANT & OTHER WILDLIFE POPULATIONS THROUGH PUBLIC AWARENESS, EDUCATION, HABITAT RESTORATION, DEVELOPMENT & MAINTENANCE.
<i>Term of Duration</i>	Expires - 5 years
<i>Initial Filing Date</i>	03/05/1999
<i>Expiration Date</i>	03/05/2024
<i>Principal Address</i>	1783 BUERKLE CIR SAINT PAUL, MN 55110-5254
<i>Mailing Address</i>	1783 BUERKLE CIR SAINT PAUL, MN 55110-5254



View History

- Home
- Search
- Forms
- Lists
- Data List Requests

- CHAPTER PHEASANTS FOREVER > 00
Corporation - Nonprofit - Domestic
- DAKOTA EAST CENTRAL CHAPTER OF PHEASANTS FOREVER #537 > 00
Trade Name
- DAKOTA PHEASANTS FOREVER > 00
Corporation - Nonprofit - Domestic
- DAVIES YOUNG GUNS YOUTH CHAPTER OF PHEASANTS FOREVER #945 > 00
Trade Name
- DICKEY COUNTY CHAPTER OF PHEASANTS FOREVER #759 > 00
Trade Name
- DRY LAKE CHAPTER OF PHEASANTS FOREVER #219 > 00
Trade Name
- DRY LAKE CHAPTER OF PHEASANTS FOREVER #863 > 00
Trade Name
- DUNN COUNTY CHAPTER OF PHEASANTS FOREVER #94 > 00
Trade Name
- DUNN COUNTY PHEASANTS FOREVER 00

MONDAC CHAPTER OF PHEASANTS FOREVER #619

<i>Trade Name</i>	
<i>Filing Type</i>	Trade Name
<i>Status</i>	Active
<i>Owner Name</i>	PHEASANTS FOREVER, INC.
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[View History](#)

- Home
- Search
- Forms
- Lists
- Data List Requests

GOLDEN VALLEY
CHAPTER OF
PHEASANTS
FOREVER #486



Trade Name

GOLDEN VALLEY
CHAPTER OF
PHEASANTS
FOREVER #777



Trade Name

GOOSE LAKE
CHAPTER OF
PHEASANTS
FOREVER #386



Trade Name

HEART RIVER
CHAPTER OF
PHEASANTS
FOREVER #229



Trade Name

INDIAN CREEK
CHAPTER OF
PHEASANTS
FOREVER #383



Trade Name

JAMES VALLEY
CHAPTER OF
PHEASANTS
FOREVER #891



Trade Name

Kidder County
Chapter of
Pheasants
Forever #961



Trade Name

KNIFE RIVER
CHAPTER OF
PHEASANTS
FOREVER #67



Trade Name

LAKE MCKENNA
CHAPTER OF
PHEASANTS
FOREVER #766



Trade Name

MONDAC CHAPTER OF PHEASANTS FOREVER #619

Trade Name

<i>Filing Type</i>	Trade Name
<i>Status</i>	Active
<i>Owner Name</i>	PHEASANTS FOREVER, INC.
<i>Owner Address</i>	1783 BUERKLE CIRCLE SAINT PAUL, MN 55110-5254
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View History

- Home
- Search
- Forms
- Lists
- Data List Requests

CHAPTER OF PHEASANTS FOREVER #674
Trade Name

MCKENZIE COUNTY CHAPTER OF PHEASANTS FOREVER #248
Trade Name

MONDAC CHAPTER OF PHEASANTS FOREVER #619
Trade Name

NORTH DAKOTA STATE UNIVERSITY CHAPTER OF PHEASANTS FOREVER #883
Trade Name

NORTHERN RINGNECKS CHAPTER OF PHEASANTS FOREVER #933
Trade Name

PAINTED WOODS CHAPTER OF PHEASANTS FOREVER #481
Trade Name


PEACEFUL VALLEY CHAPTER OF PHEASANTS FOREVER #719
Trade Name

PHEASANTS FOREVER, INC.
Corporation - Nonprofit - Foreign

RANSOM COUNTY CHAPTER OF

> 00 MONDAC CHAPTER OF PHEASANTS FOREVER #619
Trade Name

<i>Filing Type</i>	Trade Name
<i>Status</i>	Active
<i>Owner Name</i>	PHEASANTS FOREVER, INC.
<i>Owner Address</i>	1783 BUERKLE CIRCLE SAINT PAUL, MN 55110-5254
<i>Nature of Business</i>	FUNDRAISING EVENTS ARE CONDUCTED WITHIN THE STATE TO RAISE MONEY TO PROTECT& ENHANCE PHEASANT & OTHER WILDLIFE POPULATIONS THROUGH PUBLIC AWARENESS, EDUCATION, HABITAT RESTORATION, DEVELOPMENT & MAINTENANCE.
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<i>Mailing Address</i>	1783 BUERKLE CIR SAINT PAUL, MN 55110-5254

> 00 
View History

> 00

> 00

00

Home	<i>Trade Name</i>	
Search	RED RIVER VALLEY CHAPTER OF PHEASANTS FOREVER #527	> 00
Forms	<i>Trade Name</i>	
Lists	SAKAKAWEA CHAPTER OF PHEASANTS FOREVER #335	> 00
Data List Requests	<i>Trade Name</i>	
	SARGENT COUNTY CHAPTER OF PHEASANTS FOREVER #180	> 00
	<i>Trade Name</i>	
	SHEYENNE RIVER VALLEY CHAPTER OF PHEASANTS FOREVER #403	> 00
	<i>Trade Name</i>	
	SHEYENNE VALLEY CHAPTER OF PHEASANTS FOREVER #866	> 00
	<i>Trade Name</i>	
	SOUTHWESTERN AREA CHAPTER OF PHEASANTS FOREVER #276	> 00
	<i>Trade Name</i>	
	SQUARE BUTTE CREEK CHAPTER OF PHEASANTS FOREVER #683	> 00
	<i>Trade Name</i>	
	SQUARE BUTTE PHEASANTS FOREVER	> 00
	<i>Corporation - Nonprofit - Domestic</i>	

MONDAC CHAPTER OF PHEASANTS FOREVER #619

<i>Trade Name</i>	
<i>Filing Type</i>	Trade Name
<i>Status</i>	Active
<i>Owner Name</i>	PHEASANTS FOREVER, INC.
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<i>Mailing Address</i>	1783 BUERKLE CIR SAINT PAUL, MN 55110-5254



[View History](#)

Home

Search

Forms

Lists

Data List Requests

CHAPTER OF
PHEASANTS
FOREVER #427
Trade Name



00 MONDAC CHAPTER OF
PHEASANTS FOREVER #619
Trade Name

<i>Filing Type</i>	Trade Name
<i>Status</i>	Active
<i>Owner Name</i>	PHEASANTS FOREVER, INC.
<i>Owner Address</i>	1783 BUERKLE CIRCLE SAINT PAUL, MN 55110-5254
<i>Nature of Business</i>	FUNDRAISING EVENTS ARE CONDUCTED WITHIN THE STATE TO RAISE MONEY TO PROTECT& ENHANCE PHEASANT & OTHER WILDLIFE POPULATIONS THROUGH PUBLIC AWARENESS, EDUCATION, HABITAT RESTORATION, DEVELOPMENT & MAINTENANCE.
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[View History](#)

Outdoor Heritage Fund
Grant Round 23
Application Summary Page
GR 23-10

Project Title: TMBCI Fishing/Boat Access Project
Applicant: Turtle Mountain Band of Chippewa
Primary Contact: Jeff Desjarlais, Jr.
Total Project Costs: \$146,400
OHF Request: \$109,800

Match Amount	Funding Source	Match Type
\$20,000	Turtle Mountain Band of Chippewa	In-Kind
\$9,400	Turtle Mountain Band of Chippewa	Cash
\$29,400.00	Total	

Percentage of Matching Funds: 25%

Project Duration: 2023 - 2024

Major Directive: D

Additional Directive: None

Summary of Project: Purchase seven handicapped accessible fishing/boat access docks to be installed at five tribal lakes for the purpose of expanding recreational opportunities as well as providing lake access for water quality testing.

Technical Committee Comments:

- Committee was pleased to see more tribal involvement with OHF, commended the project, and noted that costs for fishing docks were within reason

Technical questions from the OHF Advisory Board members:

- Are the lakes proposed for docks viable/sustainable fishing waters?
 - Most of Turtle Mountain's work has been with US Fish and Wildlife Service, generally their waters are high quality fisheries



Funded Projects

Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
4-56	\$70,000	TMBCI Sky Chief Park Fishing Pier Project	\$60,000	\$60,000	Completed
¹ 12-136	\$71,250	Sky Chief Park Restroom Facilities Project	\$53,438	\$50,554.90	Completed
13-143	\$99,097	Sky Chief Park Fishing Dock Project	\$74,000	\$74,000	Completed
15-157	\$68,567	Belcourt Lake Park Rejuvenation Project	\$48,567	\$0	Extension through 2023
Totals	\$308,914.00		\$236,005.00	\$184,554.90	

Unsuccessful Applications

Round	Request	Total Project Cost	Title	Vote
1-BBB	\$508,600	\$700,290	Turtle Mountain Chippewa Outdoor Heritage Fund	0-12
2-19	\$60,000	\$90,000	TMBCI Sky Chief Park Educational Stewardship Lodge	4-7
3-26	\$40,000	\$50,000	TMBCI Sky Chief Park Playground Project	3-8
5-27	\$120,000	\$150,000	TMBCI Historic Preservation Stewardship Lodge	1-10
6-19	\$36,000	\$46,000	TMBCI Belcourt Lake Park Community Rest Rooms Project	1-10
7-18	\$50,000	\$70,000	Turtle Mountain Chippewa Fishing Dock Project	2-9
9-17	\$36,000	\$46,000	TMBCI Belcourt Lake Park Restroom Project	N/A
Totals	\$850,600.00	\$1,152,290.00		

OHF Advisory Board Recommendation

Contingencies: None

Conflicts of Interest: None

Funding Vote: 12-0

Funding Amount Vote: \$109,800

¹ Returned commitment of \$2,883.10

Outdoor Heritage Fund Grant Application



Instructions

After completing the form, applications and supporting documentation may be submitted by e-mail to ndicgrants@nd.gov. It is preferred that only electronic copies are submitted.

You are not limited to the spacing provided, except in those instances where there is a limit on the number of words. If you need additional space, please indicate that on the application form, answer the question on a separate page, and include with your submission.

The application and all attachments must be received by the application deadline. You may submit your application at any time prior to the application deadline. **Applicants are strongly encouraged to submit applications prior to the deadline for staff review in order ensure that proposals will be complete when submitted on deadline date.** Incomplete applications may not be considered for funding.

Please review the back of this form to determine project eligibility, definitions, budget criteria, and statutory requirements.

Project Name: TMBCI Fishing/Boat Access Project

Name of Organization: Turtle Mountain Band of Chippewa

Federal Tax ID# : #450223071

Contact Person/Title: Jeff Desjarlais, Jr., TMBCI Natural Resources Director

Address: Box 900, Highway 281 W

City: Belcourt

State: North Dakota

Zip Code: 58316

E-mail Address: desjarlais.jeffrey@yahoo.com

Web Site Address (If applicable): www.tmchippewa.com

Phone: 701-477-2640

List names of co-applicants if this is a joint proposal

MAJOR Directive:

Choose only one response

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive:

Choose all that apply

Directive A.

Directive B.

Directive C.

Directive D.

Type of organization:

State Agency

Political Subdivision

Tribal Entity

Tax-exempt, nonprofit corporation.

Abstract/Executive Summary.

Summarize the project, including its objectives, expected results, duration, total project costs and participants. (no more than 500 words)

The Turtle Mountain Band of Chippewa proposes to purchase seven (7) handicapped accessible Fishing/Boat Access Docks to be installed at five tribal lakes for the purpose of expanding recreational opportunities as well as providing lake access for water quality testing. This is critical to improving tribal fish & wildlife habitats so that current and future generations of tribal members and our visitors to the reservation can continue to enjoy the abundance of natural resources on the reservation.

The total amount requested from the ND Outdoor Heritage Fund is \$117,000 and the tribe will contribute \$29,400 in cash and in-kind tribal resources for a total project budget of \$146,400. The Fishing/Boat Access Docks will be purchased from the local tribal manufacturing company – Metalworks. The TMBCI Natural Resources Department will provide equipment and manpower to:

conduct preparatory site work; develop a handicapped-only parking area; construct cement walkways; purchase signage & parking posts/chains, and; landscape around the lakefront perimeters.

The tribal Natural Resources Department will be responsible for maintaining and grooming the lakefront beach areas, the handicapped parking lot area, the cement walkways, and the Fishing/Boat Access Docks.

Goal: To purchase and install seven (7) Fishing/Boat Access Docks for the purpose of expanding recreational opportunities and to conduct water quality assessment activities for the benefit of fish & wildlife on the Turtle Mountain Chippewa Reservation.

Objectives:

1. Conduct site work in preparation of handicapped park area and cement walkways.
2. Purchase and install seven (7) handicapped accessible Fishing/Boat Access Docks from local tribal manufacturing firm – Metalworks.
3. Install seven Docks at seven tribal lakes.
4. Landscape the landscape area and plant new native trees and shrubs.
5. Promote Fishing/Boat Project in media publications (TM Times, TM Star, TMBCI Web).
6. Properly maintain the lakefront areas for seasonal usage (fall, winter, spring, summer).

Project Duration: One year from start to completion of project activities.

Indicate the intended schedule for drawing down OHF funds.

Turtle Mountain Band of Chippewa intends to draw down funds upon completion of project activities.

Amount of Grant request: \$109,800

Total Project Costs: \$146,400

Note: in-kind and indirect costs can be used for matching funds.

Amount of Matching Funds: \$29,400

A minimum of 25% Match Funding is required. Indicate if the matching funds will be in-kind, indirect or cash. Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Amount of Match	Funding Source	Type of Match (Cash, In-kind or Indirect)
\$ 20,000	Turtle Mountain Band of Chippewa	In-Kind
\$ 9,400	Turtle Mountain Band of Chippewa	Cash

\$		
\$		
\$		
\$		

Certifications

x I certify that this application has been made with the support of the governing body and chief executive of my organization.

x I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted in the back of this application.

Narrative

Organization Information – Briefly summarize your organization’s history, mission, current programs and activities.

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

The TMBCI Tribal Government oversees the Department of Natural Resources (NR) who manages the wildlife and fish, bison, parks and recreation, agricultural, and other natural and cultural resources on Turtle Mountain Tribal lands. The NR Department maintains a full-time staff and partners with local training programs such as Summer Youth, Adult Workforce Training, and Experience Works (tribal elders age 55 and over) to assist the NR throughout the year.

Mission Statement: The Turtle Mountain Band of Chippewa is committed to preserving and protecting the natural and cultural resources of the Turtle Mountain Indian Reservation for the benefit of present and future generations of tribal members and for those who visit our Reservation. As a tribal nation, it is an obligation and duty to protect our natural resources. It is inherited within our traditional beliefs that have been passed down for generations. It is also critical that we pass down to our youth the importance of preserving our natural resources. This is best practiced through “holistic teachings” and the integration of educational and cultural programming, recreational and wellness activities, and outdoor experiential learning.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Note: if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

For tree/shrub/grass plantings: provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, grass species and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree/shrub/grass planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan.

For projects including Section 319 funding: provide in detail the specific best management practices that will be implemented and the specific projects for which you are seeking funding.

For projects including fencing: A minimum cost share of 40% by the recipient is preferred. Include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.

The Turtle Mountain Band of Chippewa proposes to purchase seven (7) handicapped accessible Fishing/Boat Access Docks to be installed at seven tribal lakes for the purpose of expanding recreational opportunities as well as providing lake access for water quality testing. This is critical to improving tribal fish & wildlife habitats so that current and future generations of tribal members and our visitors to the reservation can continue to enjoy the abundance of natural resources on the reservation.

Goal: To purchase and install seven (7) Fishing/Boat Access Docks for the purpose of expanding recreational opportunities and to conduct water quality assessment activities for the benefit of fish & wildlife on the Turtle Mountain Chippewa Reservation.

Objectives:

- 1) Conduct site work in preparation of handicapped park area and cement walkways.
- 2) Purchase and install seven (7) handicapped accessible Fishing/Boat Access Docks from local tribal manufacturing firm – Metalworks.
- 3) Install seven Docks at seven tribal lakes.
- 4) Landscape the landscape area and plant new native trees and shrubs.
- 5) Promote Fishing/Boat Project in media publications (TM Times, TM Star, TMBCI Web)
- 6) Properly maintain the lakefront areas for seasonal usage (fall, winter, spring, summer).

Each of the tribal host opportunities for fishing, walking and nature trails, swimming and water sports, individual and group picnic facilities, and wildlife viewing opportunities -- as these may be developed carefully within the context of an integrated stewardship and management plan.

The TMBCI Natural Resources in the midst of updating its Park Management Plan and have identified the need to conduct thorough water quality analysis and studies in each of our tribal lakes. This will also help determine which lakes would be suitable for a sustainable fish habitat. Along with the studies will be implementation plan strategies that will include timelines, budgets, and infrastructure needs. The need for water studies was reiterated in the tribe's recently adopted tribal Fish Management Plan for 2018-2028.

In the forthcoming months, the tribe will be hiring a full-time.....to assist the Natural Resources Department in developing the tribal fishery management project. Following is the tentative job duties.

Fish & Wildlife Biologist/Project Coordinator - GS 12 Permanent Full-time

Serve as a Fish & Wildlife Biologist responsible for technical assistance and monitoring plans and programs related to Turtle Mountain Band of Chippewa Indians (TMBCI) fish & wildlife program. Prepare and submit program budgets, goals and objectives to conform available funds to comply with policies, standards and procedures. Recommend actions relating to litigation and negotiation support concerning fisheries program activities. Monitor anadromous fish & wildlife regulatory actions of the area to ensure regulations do not deprive members of the band the opportunity to harvest their share of the fish and wildlife resources. Responsible for managing budgets and prepare annual budget estimates and distributions based on allotted funds. Prepares, conducts or coordinates consultation required by Section (7) of the Endangered Species Act for actions taken by or on behalf of the TMBCI effecting listed marine and freshwater aquatic species.

The handicapped fishing piers will be constructed by the local tribal manufacturing firm – Metalworks Industries. The firm has built fishing piers for the Natural Resources Department in the past and they have been a popular addition to our lakes. Metalworks has also fabricated metal bench braces, garbage bins, and other necessary amenities for the Natural Resources Department. The docks will be constructed using USA made materials as that is policy of the tribe and a directive given to tribal enterprises.

The Turtle Mountain Community College, has agreed to assist the tribe by instructional support and training for future natural resource specialist. They have also offered to provide internship to students interested in participating in water studies and other research.

Each fishing/boat dock site is in need of leveling and tree and shrub removal as well as watershed embankment work. The tribe has heavy equipment available such as large bulldozers, scrapers, and hauling trucks that will be used for clearing and landscaping. One dock will be situated at each of the following lakes – Martin, Crow, Wheaton, Schute, Crow, Jarvis, & Black Duck.

The Natural Resources Department will construct a handicapped parking only area at Lake Schute and Black Duck Lake. These lakes are the most accessible and will be adequately suitable for cement walkway to the water shorelines. These sites will have signage posted to assure they will be handicapped-only parking.

Although the fishing/boat docks will have multi-functional usage (expanded fishing opportunities, handicapped accessibility), it ultimately will provide our tribal Natural Resources department access to waterways for water quality studies and related research. The health of our lakes supersedes the tribe's ability to capitalize on fish & wildlife resources, tourism, a sustainable water Marina, etc.

The NR Director, working collaboratively with the tribal Promotion/Media Specialist, will promote the new Fishing/Boat Access Project in all available media campaigns and outlets. The tribal Tourism Department is an active member with several state and national Tourism organizations that promote

tourism activities in Indian Country. The Turtle Mountain Band of Chippewa is a big draw due to its cultural significance and natural landscape and bountiful waterways.

Timeline:	Month 1-3	Survey and stake out dock/parking sites Pre-order docks from Metalworks Pre-order signage from tribal Print Shop Purchase sign poles & hardware Prepare quarterly progress report
	Months 4-6	Construction of docks. Heavy machinery site work Prepare quarterly progress report
	Months 7-9	Continued construction of docks Heavy machinery site work Prepare quarterly progress report
	Months 10-12	Installation of docks Installation of signage Landscaping and tree planting Initiate media campaign Prepare final summation progress report

Major benefits of the proposed Fishing/Boat Access Dock Project include:

1. Provide additional fishing and recreational opportunities for tribal members.
2. The docks will be handicapped accessible
3. Allow access to smaller lakes for water quality studies and research.
4. Railing will provide additional safety to fishing patrons.
5. Will enhance the local tribal tourism industry.
6. Provide healthy environment that promotes social, mental and physical well-being

is project part of a Comprehensive Conservation Plan Yes No

If yes, provide a copy with the application. A copy of TMBCI Fishery Plan is included w/application

Note: Projects involving buildings and infrastructure will only be considered if part of a Comprehensive Conservation Plan. Please refer to the "Definitions" section at the back of the form for more details.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.

Include a brief background and work experience for those managing the project.

The Sky Chief Park complex is managed by the tribal Natural Resources Department and is headed by Mr. Jeff Desjarlais, Jr (JJ). Mr. Desjarlais is spearheading the Fishing/Boat Access Dock project in collaboration with several key partners/stakeholders who have been involved since the development phase of the project including the TMBCI Tribal Government and the TM BIA Agency.

The TMBCI Tribal Government (www.tmchippewa.com) provides a steady source of funding toward the tribal Natural Resources Department and oversees a diverse array of federal, state, and tribal programs on behalf of the tribe. A professional Financial Audit is conducted yearly. The Bureau of Indian Affairs (BIA) has trust responsibilities and provides funding for our Natural Resources including a Youth/Elder mentoring employment program.

The NR Department meet bi-weekly to discuss developmental efforts & implementation strategies in regard to the Sky Chief Park complex. During the meetings, conference calls and video chats are set up with a host of agencies that have contributed to the needs of the tribe's natural resources. To assure progress success, the NR Department is guided by several plans in relation to stewarding the tribe' natural resources including:

- TMBCI Sky Chief Park Management Plan – the tribal 1,313 acre park contains a relatively natural landscape that includes two lakes, a diversity of natural habitats and cultural features and provide opportunities for a range of nature based outdoor recreational activities. The mission of the Park is “to preserve the Sky Chief Park’s natural and cultural heritage values.”
- TMBCI Fish Management Plan 2018-2028 - a comprehensive plan developed with the support of US. Fish & Wildlife and conducted by fish management specialist –Samuel Hultberg and Josh Wert. The plan is an essential guide in monitoring the numerous tribal lakes and waterways located within the Turtle Mountain Band of Chippewa Reservation.

Evaluation – Describe your plan to document progress and results.

Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation and expenditure reports will be required for every grant awarded.

The Tribal Natural Resources Director (JJ) will assure that the tasks and activities of the project are accomplished in an efficient and timely manner. The Tribal Government has assigned Mr. Ron Trottier, District II Councilman, to be liaison with the NR team and to assure the needs of the tribe are addressed.

A quarterly and yearly progress report will be prepared by the NR Director who will in turn disseminate it to the tribal council and BIA for review and discussion. These reports will include the level of progress made toward project objectives, timelines, and measurable outcomes. They will also formulate the basis for reporting to the North Dakota Outdoor Heritage Fund.

Financial Information

Project Budget – Use the table below to provide an itemized list of project expenses and describe the matching funds being utilized for this project.

Indicate if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. **A**

minimum of 25% match funding is required. An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Certain values have been identified for in-kind services as detailed under “Budget Information” at the back of this form. Refer to that section and utilize these values in identifying your matching funds. **NOTE: No indirect costs will be funded. Supporting documentation for project expenses, including bids, must be included or application will be considered incomplete.**

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Fish/Boat Docks	\$ 117,000	\$	\$	\$	\$	\$ 117,000
Site Work	\$	\$	\$ 20,000	\$	\$	\$ 20,000
Concrete Work	\$	\$ 6,000	\$	\$	\$	\$ 6,000
Signage/Posts	\$	\$ 3,400	\$	\$	\$	\$ 3,400
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
Total Costs	\$ 117,000	\$ 9,400	\$ 20,000	\$	\$	\$ 146,400

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

Budget Narrative – Use the space below to provide additional detail regarding project expenses.

Site Work (7 sites):	Shoreline Restoration \$5,000 Leveling and Fill \$10,000 Landscaping \$ 5,000	= \$20,000
Cement Walkways (2 Sites)	Concrete & manpower	= \$6,000
Signage/Posts (7 sites)	Materials & installation costs	= \$3,400
Fishing/Boat Docks (7 units)	Handicapped accessible w/railings 6' x 40' Portable dock walkway Aqua green Solar safety lights Seven units delivered and set up	= 117,000

Sustainability – Indicate how the project will be funded or sustained in future years. Include information on the sustainability of this project after OHF funds have been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

Natural Resources Office will continually seek any funding opportunities afforded the tribe via federal, state, foundation, and private funding. This will involve having pro-active working relationships with a multitude of agencies and organizations – locally, statewide, and

nationally. The tribe is in the process of preparing a portfolio to complement its Work Plan and will be distributed to all potential funding agencies.

Recent leveraging:

- Conservation Law Enforcement Officers (CLEO) – to hire several Officers who will serve to enforce Fish and Wildlife codes and protect Natural Resources habitat areas on the reservation. The first year grant is funded for \$48,000 and is renewable in five-year increments.
- Portable Saw Mill Equipment and facility– to purchase portable saw mill equipment that will be used to make park structures such as cabins, picnic tables, signage, etc. A 32’ x 60’ foot metal building is currently being constructed to house the portable wood mill operation. Thus far, over \$500,000 has been committed to the project with tribal and BIA funds.
- Tribal Senior Program – to hire seniors ages 55 and over to assist with park maintenance including mowing grass, litter disposal, shoreline brushing, etc. Funded by BIA and the tribe in 2023 for 120,000.
 - Tribal Youth Program – to hire youth ages 14-18 to assist to work alongside seniors that was funded in 2023 for 60,000.
 - Belcourt Lake “Boy Scout Camp” development – the development of the sit with an investment of over \$300,000 for site development and addition of amenities such as docks, restroom, and picnic arbors. Funds were secured from the ND Outdoor Heritage Fund and the TMBC Tribal Government.
 - RV Park Development – the tribe has invested over \$30,000 for site development and engineering cost analysis to determine budget needed for installing water, sewer, & electrical power to the RV park site.
 - Greenhouse Lab – the NR department purchased and erected a greenhouse that will be used for engaging youth and elders in gardening and horticulture. The greenhouse is valued at \$20,000.

Pending projects

Sky Chief Park Stewardship Lodge: The TMBCI Tribal Government has recently authorized the Natural Resources Department to conduct a capital campaign for a \$2 million roundhouse facility to be used to host a multitude of educational stewardship activities. The NR Department will be headquartered within the lodge and will be equipped with the necessary technology equipment for video & web-based instructional delivery support.

Tribal Fishery Specialist – the tribe recently has obligated funds to hire a Fish & Wildlife Botanist to assist in studying the current status of the tribal lakes & waterways and recommend strategies for improvement.

TMBCI Tribal Marina/Bait Shop – the tribe is planning to conduct a feasibility study for the development and implementation of a tribal marina and bait shop to be housed at the Sky Chief Park. The tribe submitted a grant application to the National Fish & Wildlife Foundation for an “America the Beautiful” grant that will fund the feasibility as well as other fish management activities.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested.

Any shortcomings in funding will be addressed by meeting with the Tribal Government to determine what tribal resources are available to meet the financial needs of the project. The tribe has been very committed to the Natural Resources Department in recognition of the vast amount of land and water that it is responsible for. It is a beautiful habitat that has nourished the TM Chippewa for generations and provided a wealth of recreational activities and programming.

It is essential the tribal government afford Native youth every opportunity to participate in natural resource educational and social programming to assure long term sustainability. Tribal members do not have to pay park entrance fees and almost all events initiated at the Belcourt lake complex is free to the public.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * *There must be signage at the location of the project acknowledging OHF funding when appropriate.*

The Turtle Mountain Band of Chippewa has access to all local media such as the Turtle Mountain Times & Turtle Mountain Star newspapers, tribal radio KEYA-FM radio, and social media such as facebook and you-tube. The tribe will take advantage of these opportunities and will assure that the ND Outdoor Heritage fund will receive recognition and promotional coverage within these media streams. A plaque recognizing all financial partners will be mounted at the entrance to each of the fishing/boat access dock sites.

Awarding of Grants - Review the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm>.

Can you meet all the provisions of the sample contract? X Yes No

If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be:

ABOUT OHF:

The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance **conservation** practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

EXEMPTIONS

Outdoor Heritage Fund grants may not be used to finance the following:

- Litigation;
- Lobbying activities;
- Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

OHF funds may not be used, except after a finding of exceptional circumstances by the Industrial Commission, to finance:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment

grants may not exceed 5% of the total grants per year (see Definitions/Clarifications for how this will be calculated);

- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Definitions/Clarifications for how this will be calculated);
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Definitions/Clarifications for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

The goal of the Industrial Commission is that at a minimum 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.

The following projects are not eligible for funding, unless there is a finding of exceptional circumstances by the Industrial Commission include:

- Construction or refurbishment of indoor/outdoor ice rinks,
- Construction or refurbishment of indoor/outdoor athletic courts and sports fields,
- Other substantially similar facilities.
- Infrastructure that is not part of a comprehensive conservation plan.
- Projects not meeting a minimum funding request of \$2,500.

Budget Information

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- | | |
|------------------------|---|
| • Labor costs | \$15.00 an hour |
| • Land costs | Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office |
| • Permanent Equipment | Any equipment purchased must be listed separately with documentation showing actual cost. (For example: playground equipment) |
| • Equipment usage | Actual documentation |
| • Seed & Seedlings | Actual documentation |
| • Transportation | Mileage at federal rate |
| • Supplies & materials | Actual documentation |

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example, the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program, please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as "A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature."

Comprehensive Conservation Plan - Defined as “A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of wildlife and fish habitat or natural areas.” This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that is being requested for staffing and/or the hiring of an outside consultant.** This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Maintenance – Activities that preserve or keep infrastructure in a given existing condition, including repairs. Repair means to restore to sound condition after damage, to renew or refresh; except repairs due to damage caused by Acts of God.

Scoring of Grants

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking form that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular meeting to sign the contract and get the project underway or the commitment for funding will

be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant.

Responsibility of Recipient

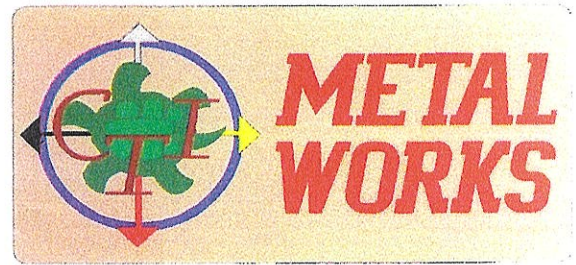
The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

If you have any questions about the application, the Commission can be reached at 701-328-3722 or outdoorheritage@nd.gov.

Revised: November 4, 2019, April 12, 2023

CTI METAL WORKS

PO BOX 900 HWY 5 WEST
4162 US HWY 281
BELCOURT ND 58316



QUOTE

BILL TO

Turtle Mountain Tribe
Department of Natural Resources
PO Box 900
Belcourt, ND 58316

SHIP TO

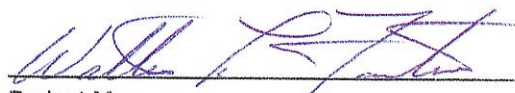
Quote Date: 09/6/2023
Valid For: 30 days

DESCRIPTION	QTY	UNIT PRICE	TOTAL
5' X 40' Boat Dock with accessories	1		15800.00
Adjustable legs flow through decking			0.00
Miscellaneous Hardware			0.00
Marine Paint and Primer			0.00
5' X 40' Total			0.00
			0.00
			0.00
			0.00
			0.00
Delivery and Set-up			1000.00
			0.00
		SUBTOTAL	16800.00
		DISCOUNT	0.00
		SUBTOTAL LESS DISCOUNT	16800.00
		TAX RATE	0.00%
		TOTAL TAX	0.00
		SHIPPING/HANDLING	0.00
		Quote Total	\$ 16,800.00

Thank you for your business!

Terms & Instructions

Payment terms: 50% Down Payment. Please provide balance within 30 days of completion.


Project Manager

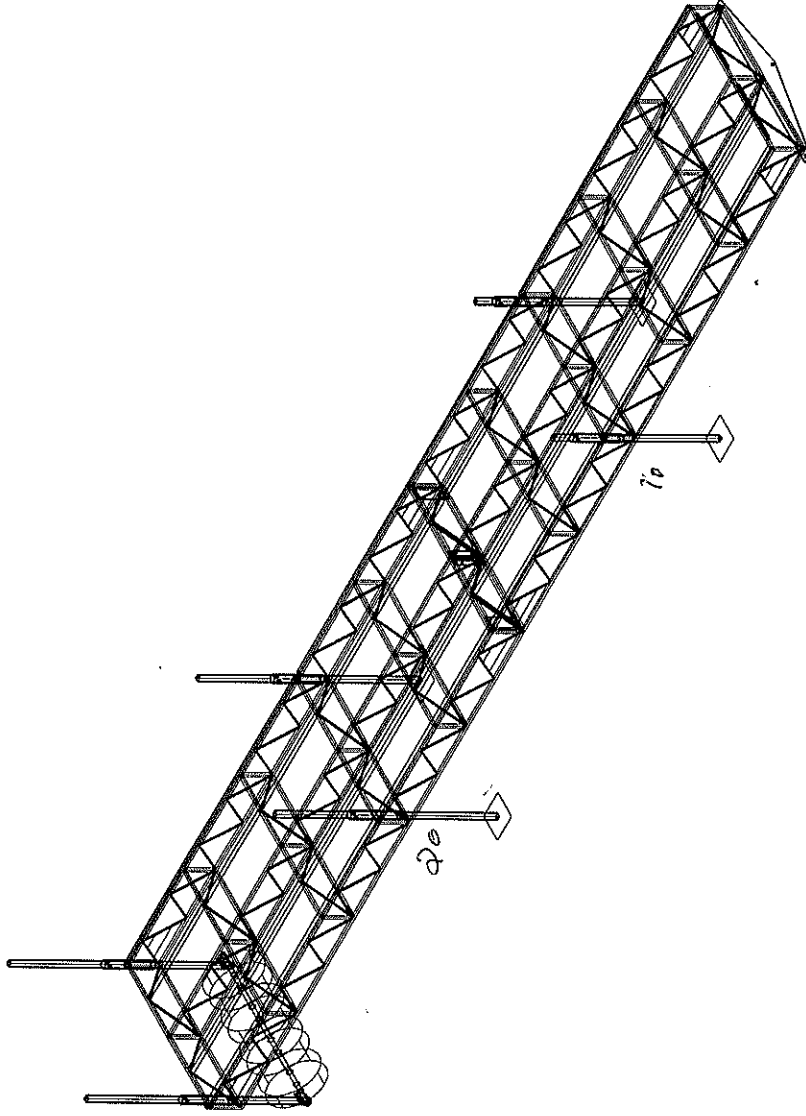
9-6-23
Date

Approved By

Job Title

REVISIONS

No.	Description	Date	Init.



Part Tolerances: .00: +/- 0.03 .000: +/- 0.015 ANGLES: +/- 1 DEG	CTI METALWORKS ASSOCIATES Hwy. 5 West, Belcourt ND 58316		
Part Name: 6' X 40' BOATING DOCK	Drawing No: MWDA4000	Cad No: MWDA4000.PRT	
Material: N/A	Project: MWDA4000	Sheet No: 01 of 01	
Date: 09-02-2022 Drawing By: R.E.G.	Apprd By:	Scale: 1.0=.03	

**Turtle Mountain Band of Chippewa
2018-2028 Management Plan**

**Samuel Hultberg and Josh Wert
U.S. Fish & Wildlife Service
Missouri River FWCO
3425 Miriam Ave.
Bismarck, ND 58501
701-355-8576**

Table of Contents

I.	Introduction	1
II.	History	2
III.	Definition of Terms	3
IV.	Belcourt (Fish) Lake	4
	A. Inventory	4
	B. Development	5
	C. Fishery	5
	D. History of Management Actions	9
	E. Management Problems	9
	F. Management Goals and Objectives	10
	G. Proposed Management Actions	11
	H. Evaluation of Management Actions	11
	I. Other Management Options Considered	12
	J. Projected Time Frame	12
	K. Literature Cited	12
V.	Gordon Lake	13
	A. Inventory	14
	B. Development	14
	C. Fishery	18
	D. History of Management Actions	18
	E. Management Problems	19
	F. Management Goals and Objectives	19
	G. Proposed Management Actions	20
	H. Evaluation of Management Actions	20
	I. Other Management Options Considered	20
	J. Projected Time Frame	20
	K. Literature Cited	20
VI.	Wheaton Lake	21
	A. Inventory	22
	B. Development	22
	C. Fishery	25
	D. History of Management Actions	25
	E. Management Problems	25
	F. Management Goals and Objectives	26
	G. Proposed Management Actions	27
	H. Evaluation of Management Actions	27
	I. Other Management Options Considered	27
	J. Projected Time Frame	27
	K. Literature Cited	27

VII.	Jarvis Lake	28
	A. Inventory	29
	B. Development	29
	C. Fishery	34
	D. History of Management Actions	34
	E. Management Problems	35
	F. Management Goals and Objectives	35
	G. Proposed Management Actions	36
	H. Evaluation of Management Actions	36
	I. Other Management Options Considered	36
	J. Projected Time Frame	36
	K. Literature Cited	36
VIII.	Martin Lake	37
	A. Inventory	38
	B. Development	38
	C. Fishery	39
	D. History of Management Actions	40
	E. Management Problems	40
	F. Management Goals and Objectives	41
	G. Proposed Management Actions	41
	H. Evaluation of Management Actions	41
	I. Other Management Options Considered	41
	J. Projected Time Frame	41
	K. Literature Cited	42
IX.	Crow Lake	43
	A. Inventory	44
	B. Development	44
	C. Fishery	45
	D. History of Management Actions	45
	E. Management Problems	46
	F. Management Goals and Objectives	46
	G. Proposed Management Actions	47
	H. Evaluation of Management Actions	47
	I. Other Management Options Considered	47
	J. Projected Time Frame	47
	K. Literature Cited	47

I. **Introduction**

The Turtle Mountain Band of Chippewa Natural Resources Division (TMNRD) has taken an active role in the monitoring of fish communities from lakes found within the boundaries of the Turtle Mountain Reservation. Fish community data used for estimating population abundance occur annually. The data collected will determine management decisions at each lake.

Though the TMNRD is responsible for coordinating overall efforts for managing reservation and other jurisdictional lakes, the department recognizes that many agencies, organizations, and individuals have a role in assisting with management practices. The federal government has an ongoing relationship with federally recognized Native American Tribes and plays a key role in developing management plans and assisting with data collection. Treaties, statutes, executive orders, judicial decisions, define the relationship between the federal government and each tribe, and agreements not found within state and local governments. With collaboration between the federal and tribal conservation offices, conservation efforts can effectively conserve fish, wildlife, plants, and their habitats.

Aquatic resources are fundamental building blocks of all ecosystems. They provide essential ecological processes in which terrestrial ecosystems depend on. Inconsistent management has been a problem associated with the aquatic resources on the Turtle Mountain Reservation. Annual data collection is necessary to ensure aquatic resources are healthy. Like many North American fisheries, threats to aquatic resources include loss of habitat, degradation of water quality, exotic species introduction, poor land use and watershed planning, and introductions of pesticides and other pollutants.

Long-term sustainability of these fisheries will depend on the ability to recognize, evaluate, correct, and monitor these problems.

II. **History**

The Turtle Mountain Reservation is in the Turtle Mountain geographical area of north central North Dakota of Rolette County. The land found within the Turtle Mountains formed by erosion and glacial deposition. Glacial ice once covered the entire area and once that ice began to recede, large debris deposited to form the Turtle Mountains. Within these deposits, the glacier carved many shallow lakes and wetlands that sculpted the rolling hills and ravines in which streams flowed.

These carved out glacial lakes produce some unique recreational opportunities within the state of North Dakota. Among the many lakes that are found within the Turtle Mountains, the lakes that are most commonly fished on the reservation are the natural lakes of Jarvis and Wheaton and the two impounded reservoirs of Gordon and Belcourt (Fish). Stocking, by the U.S. Fish and Wildlife Service, has been ongoing to help support a recreational fishery. There are also many smaller lakes in the area known to support natural populations of fish including yellow perch and northern pike.

In 2002, the Turtle Mountain Tribal Council passed into legislation, the first ever comprehensive Game and Fish Code. This code serves to regulate hunting and fishing activities within tribal jurisdiction. These regulations allow the tribe to assume greater control over the planning and implementation of game and fisheries activities, which include the development of management strategies for its aquatic resources.

III. Definition of Terms

- **N** – All the individuals of the same species within a defined geographic location at a given time.
- **CPUE – Catch per Unit Effort** – The number or weight of organisms captured with a defined unit of sampling or fishing effort.
- **Population Abundance** – Biomass or numbers of individuals in a population, a portion of the population (such as a year-class), or a sample.
- **WPUE – Weight per Unit Effort** – An indirect measure of the weight of a target species. Changes in the weight per unit effort infers a change to the target species' true weight.
- **Mean Length** – The average length of the target species.
- **Mean Weight** – The average weight of the target species.
- **Wr – Relative Weight** – An index of condition calculated by dividing the weight of a fish by a length-specific standard weight for that species.
- **Avg. Wr** – The average relative weight of the target species.
- **PSD – Proportional Stock Density** – The percentage of a sample of “stock-length” fish that also are greater than or equal to “quality length.” Stock and quality lengths are species-specific.
- **RSD – Relative Stock Density** – The percentage of “stock-length” fish that also are in a defined length interval of larger fish. Stock lengths and larger length-classes (“quality,” “preferred,” “memorable,” and “trophy”) are species-specific.

IV. Belcourt (Fish) Lake

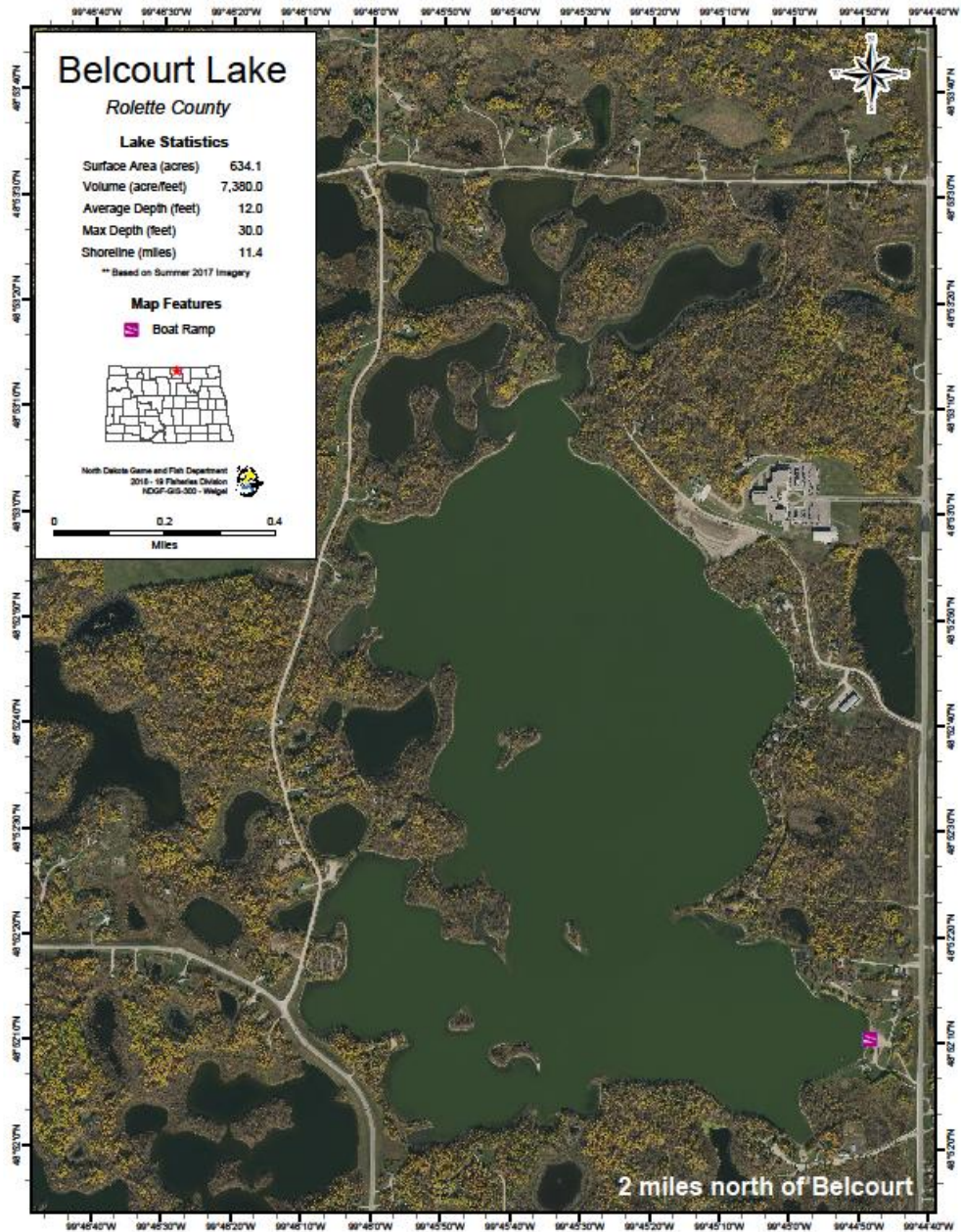


Figure 1: Belcourt Lake found 2 miles north of Belcourt, ND. Picture taken for the ND Game and Fish Website.

A. Inventory

1. **Legal Description:** Township 162 N, Range 70 W, Sections 5, 6, 7, and 8.
2. **Location to nearest town:** Approximately 1.5 miles north of Belcourt, ND.
3. **Ownership:** Considered federal waters by virtue of its location within the exterior boundaries of the Turtle Mountain Band of Chippewa Reservation. Management of the lake lies primarily with the Turtle Mountain Band of Chippewa with trust oversight by the Bureau of Indian Affairs (USDOJ).

4. **Type:** Reservoir
5. **Size:** 633.9 Surface Acres
6. **Elevation:** Average elevation is 2010 feet amsl
7. **Maximum Depth:** 30 feet **Average Depth:** 12 feet
8. **Volume:** 7380 acre-feet of water at max height (2,404,773,000 gallons)
9. **Shoreline miles:** 4.10 miles
10. **Priority Score:** Tier 3
11. **Lake Assessment:** None as of 2018
12. **Watershed Size:** Not determined
13. **Location of normal outlet:** Southeast corner of lake at spillway
14. **Littoral area:** 0-16 feet from shoreline

B. Development

1. Belcourt Lake has two boat ramps for recreational use. Slater’s Beach (SE corner) has a single poured concrete slab ramp that is accessible with higher water levels. Red Bear point (W shore) also has a ramp that is useable during low water levels. The Bureau of Indian Affairs places a dock adjacent to the boat ramp and Slater’s Beach. Lighting is also available at Slater’s Beach that consists of a street light that illuminates with the onset of dusk. No fish cleaning facilities exist.

C. Fishery

1. General Description

- a. Belcourt Lake is a reservoir created by the impoundment of Ox Creek. The dam structure consists of an earthen embankment with a concrete primary spillway. Primary control of the spillway is by a series of floodgates that regulate flow. Original creation of Belcourt Lake was for a municipal water source for the reservation. Modern use is for recreation and flood control. Dam and spillway maintenance was conducted in 2018 (**More information needed**).

2. Species List

Table 1: Fish species found in Belcourt Lake.

Common	Uncommon	Undesired
walleye - S	bluegill - NR	black bullhead
northern pike - NR	black crappie	
yellow perch - NR	fathead minnow - NR	
S- denotes stocked		
NR – denotes natural reproduction		

3. Population Status and Trends

- a. **Walleye** – Walleye introductions began in 1930 with intermittent stocking since then. Since 2000, walleye stocking occurred every year (except 2012 and 2013). During these years, walleye stock rates ranged from 31 to 63 fingerlings per acre. High nutrient loading has an impact on walleye natural reproduction. There does not appear to be any natural reproduction of walleye occurring in Belcourt Lake.

Dissolved oxygen levels, in the winter of 2017, were extremely low causing a significant walleye winterkill. Data collected in the summer of 2018 had zero walleye captures. Walleye stocking occurred early in the summer of 2018 in an effort of reintroduction. It will take a few years for the population to bounce back barring reoccurring winterkill.

- b. **Northern pike** – Northern pike introductions began in 1952 with intermittent stocking since then. Currently, natural reproduction sustains northern pike populations. Northern pike catch rates have varied from three to six fish/net-night (Table 2) during adult population sampling in 2017 and 2018. Based on proportional stock densities, there are more northern pike in the preferred to memorable range (56%) on average in 2017 and 2018. There is also a large percentage in the quality to preferred range (29.5%) in 2017 and 2018.

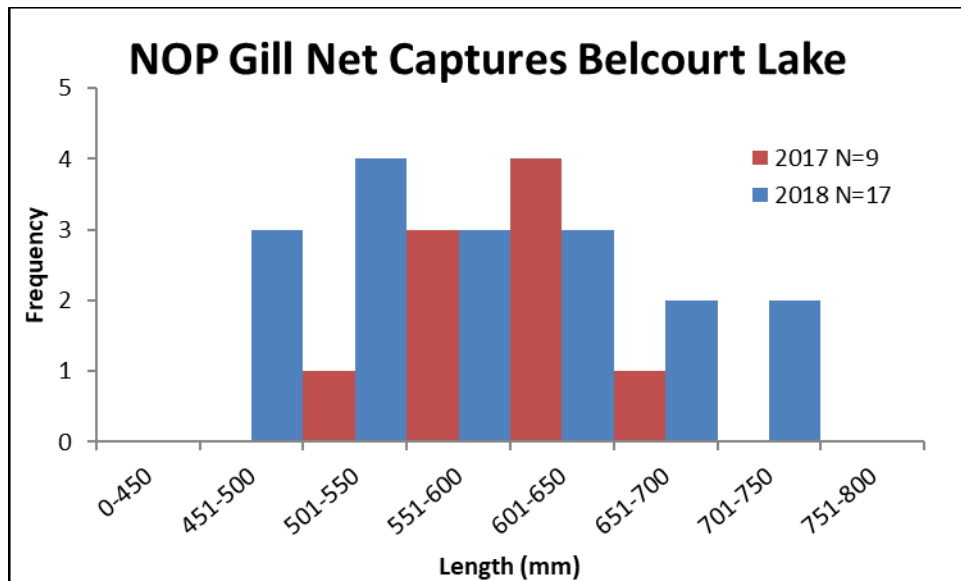


Figure 1: Length frequency histogram of northern pike found in Belcourt Lake from 2017 to 2018.

- c. **Yellow perch** – Yellow perch introductions began in 1942 with intermittent stocking since then. Currently, natural reproduction sustains yellow perch populations. Yellow perch catch rates have remained constant in 2017 and 2018 with captures varying from 13 to 15 fish/net-night (Table 2). Based on proportional stock densities, there are more yellow perch in the stock to quality range (68.5%) on average in 2017 and 2018. There are also some larger quality to preferred fish (25%) on average in 2017 and 2018. Yellow perch growth rates appear to slow down when they reach lengths between 170 and 200 mm. Therefore, yellow perch management is as a forage fish with very few high quality yellow perch in the population.

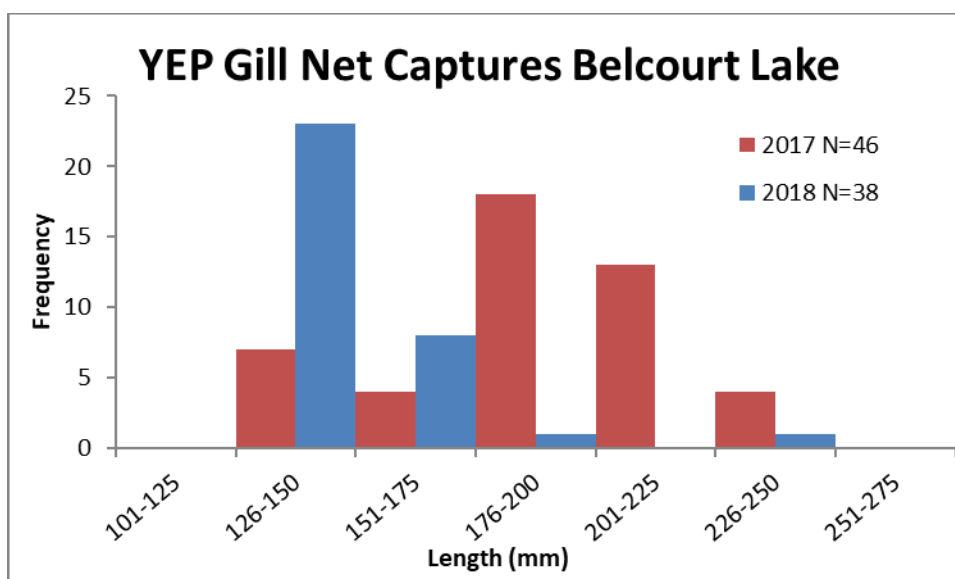


Figure 2: Length frequency histogram of yellow perch found in Belcourt Lake from 2017 to 2018.

- d. **Bluegill** – Bluegill introductions began in 1945 with zero fish stocked in the past 7 years. One adult bluegill capture occurred in 2017 with zero captures in 2018. Currently the bluegill population is at a low abundance, which might have to do with a partial winterkill in winter of 2017 and with the high abundance of black bullheads in the system.

Table 2: Population trend – 6’ x 125’ x 3/4” – 2” gill nets in Belcourt Lake in 2017 and 2018.

Target Species		2017	2018	Mean
Walleye	N	26	0	13
	CPUE (#/net-night)	8.7	0	4.35
	WPUE	8764	0	4382
	Mean Length (mm)	483	0	241.5
	Mean Weight (g)	1198	0	599
	Avg Wr	93.06	0	46.53
	PSD	12	0	6
	RSD S-Q	0	0	0
	RSD Q-P	12	0	6
	RSD P-M	46	0	23
	RSD M-T	42	0	21
		2017	2018	Mean
Northern pike	N	9	17	13
	CPUE (#/net-night)	3	5.7	4.35
	WPUE	4196.7	6954	5575.35
	Mean Length (mm)	609	592	600.5
	Mean Weight (g)	1398	1304	1351
	Avg Wr	93.06	96.3	94.68
	PSD	0	10	5
	RSD S-Q	0	29	14.5
	RSD Q-P	0	59	29.5
	RSD P-M	100	12	56
	RSD M-T	0	0	0
		2017	2018	Mean
Yellow perch	N	46	38	42
	CPUE (#/net-night)	15	12.7	13.85
	WPUE	1494	568	1031
	Mean Length (mm)	192	152	172
	Mean Weight (g)	97.4	97.4	97.4
	Avg Wr	94	109	101.5
	PSD	47	3	25
	RSD S-Q	50	87	68.5
	RSD Q-P	47	3	25
	RSD P-M	2	0	1

4. History of Angler Use

- a. The most desired species, by anglers, include walleye, northern pike, yellow perch, and bluegill. These are the species that are most sought after during all seasons. Based on population assessments, natural reproduction appears to be limited with walleye. Populations of these fish have remained constant with annual stocking and management measures. With a high nutrient load, Belcourt Lake is susceptible to periodic winterkill.

D. History of Management Actions

1. Eradications

- a. The most undesirable species found in Belcourt Lake is the black bullhead. Steps taken to remove this species has been shallow netting measures undertaken by the EPA Department. Local anglers also aid in removal through individual measures. Black bullheads compete for the same resources that desired game species use. Black bullhead removal conducted throughout the sampling season.

2. Dam Reconstruction

- a. Summer of 2018 – (More information needed)

3. Stocking

- a. The N.D. Game and Fish and the U.S. Fish and Wildlife Service provide stocking information. Walleye, bluegill, northern pike, yellow perch, black crapping, smallmouth bass, channel catfish, largemouth bass, and rainbow trout stockings have occurred historically.

4. Special Regulations –

- a. More information needed

E. Management Problems

1. Physical/Chemical

- a. Belcourt Lake suffers from a high nutrient load in the watershed that connects Wheaton Lake, Gordon Lake, and Belcourt Lake. Phosphorous and nitrogen are two common nutrients that are found naturally in sediment released by decomposing plant matter. In balanced levels, these nutrients can help aquatic ecosystems thrive. Chronic nutrient loading can lead to water quality issues that affect Belcourt Lake. Excess nutrient loads can cause undesired algae blooms that can cause fish kills.

The Turtle Mountain Band of Chippewa have collect water quality measurements since 2001. They requested the assistance of Houston Engineering, Inc. to identify the impacts of high nutrient loading in the Belcourt Lake watershed. Sources of this phosphorous loading includes Surface water runoff, atmospheric deposition, septic system loading, and discharge from upstream lakes.

The information collected will be useful in developing water quality goals, establish nutrient loading capacities, and provide a basis to improve management of the Belcourt Lake watershed.

2. Development

- a. Facilities – Talk with the Turtle Mountain Department of Natural Resources and N.D. Game and Fish about piers, boat ramps, docks, lights, fish cleaning stations, etc.

- b. Enhancement – None
- 3. Fishery
 - a. With Belcourt Lake being highly susceptible to winterkill, populations will need monitoring to ensure they are sustainable.
 - b. Yellow perch continue to be small and it is unlikely that Belcourt Lake will produce quality-sized perch.
 - c. Black bullheads have been a continuous problem.
- 4. Sociological
 - a. Anglers have an unrealistic expectation of the quality of perch and walleye Belcourt Lake can produce.

F. Management Goals and Objectives

- 1. Goal
 - a. To maintain Belcourt Lake as a rustic, secluded, multi-purpose, recreational lake that provides the local community with a quality outdoor experience.
- 2. Objectives
 - a. To meet the management goal by maintaining a diverse quality sport fishery for walleye, yellow perch, northern pike, and bluegill.

Table 3: Accepted stock density index ranges for balanced fish populations. Target values by sampling effort and species should equal or exceed ranges.

Species	Capture Rate	Wr	PSD
walleye	10 fish/net-night	90	30-60
northern pike	5 fish/net-night	90	30-60
bluegill	10 fish/net-night	90	20-60
yellow perch	10 fish/net-night	90	30-60

- b. Improve habitat for desired species.
- c. Upgrade the capacity of the Turtle Mountain Department of Natural Resources to allow for improved monitoring and maintenance actions.
- d. To decrease the number of black bullhead currently in the system.
- e. Develop basic facilities and amenities to increase use of Belcourt Lake during summer months.

G. Proposed Management Actions

1. Physical/Chemical

- a. Reduce the current nutrient load in Belcourt Lake. Vegetative buffer zones can be effective at capturing excess nutrients on a waterbody. These buffers can extend 3-5 feet around the shoreline and around drainage areas.
- b. Another option would be to introduce an aeration system that increases dissolved oxygen. This would increase the activity of aerobic bacteria that would deter the growth of unwanted algae blooms.
- c. Stabilize water levels throughout the year. With the installation of box culverts below the spillway, excess spring runoff should be controllable. With stabilized water levels, the shoreline of Belcourt will not slump and erode into the lake.
- d. Bank stabilization will need implementing to prevent further erosion of the shoreline.
- e. To help control the black bullhead population, fishing tournaments that specifically target black bullheads would be a good option. This would be a great outreach opportunity to increase public awareness of the bullhead problem.

2. Development

- a. Discuss development opportunities with the Department of Natural Resources

3. Fishery

- a. Stocking of walleye (even years) and bluegill (odd years) will occur on an alternate year basis. Stocking rates will be dependent on the current population trends. There are no plans for introducing new species.

4. Sociological

- a. Regulations – Talk to the department about current regulations on fish limits.
- b. Information/Education – Information kiosks and signs posted at each boat ramp will inform the public on current regulations and management problems.
- c. Interagency Communication – Coordinate with the Turtle Mountain Department of Natural Resources on sampling dates and data collected.

H. Evaluation of Management Actions

1. Evaluation Design

- a. Summer population surveys will need to occur annually. These surveys will provide important information on population dynamics, size structure, relative abundance, condition, and reproductive success. The data collected will influence management decisions.

- b. Water quality measurements are crucial and taken periodically during late summer and mid-winter.

I. Other Management Options Considered

- 1. **Ideas?**

J. Projected Time Frame

January-February	Conduct winter water quality sampling
June	Conduct summer population sampling
July-August	Conduct summer water quality sampling

K. Literature Cited

- Carlander, K., Whitney, R., Speaker, E., and Madden, K. Evaluation of Walleye Fry Stocking in Clear Lake, Iowa, by Alternate-Year Planting. Transactions of the American Fisheries Society, Vol. 89, 3, pp 249-254 (1960).
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V. Gordon Lake

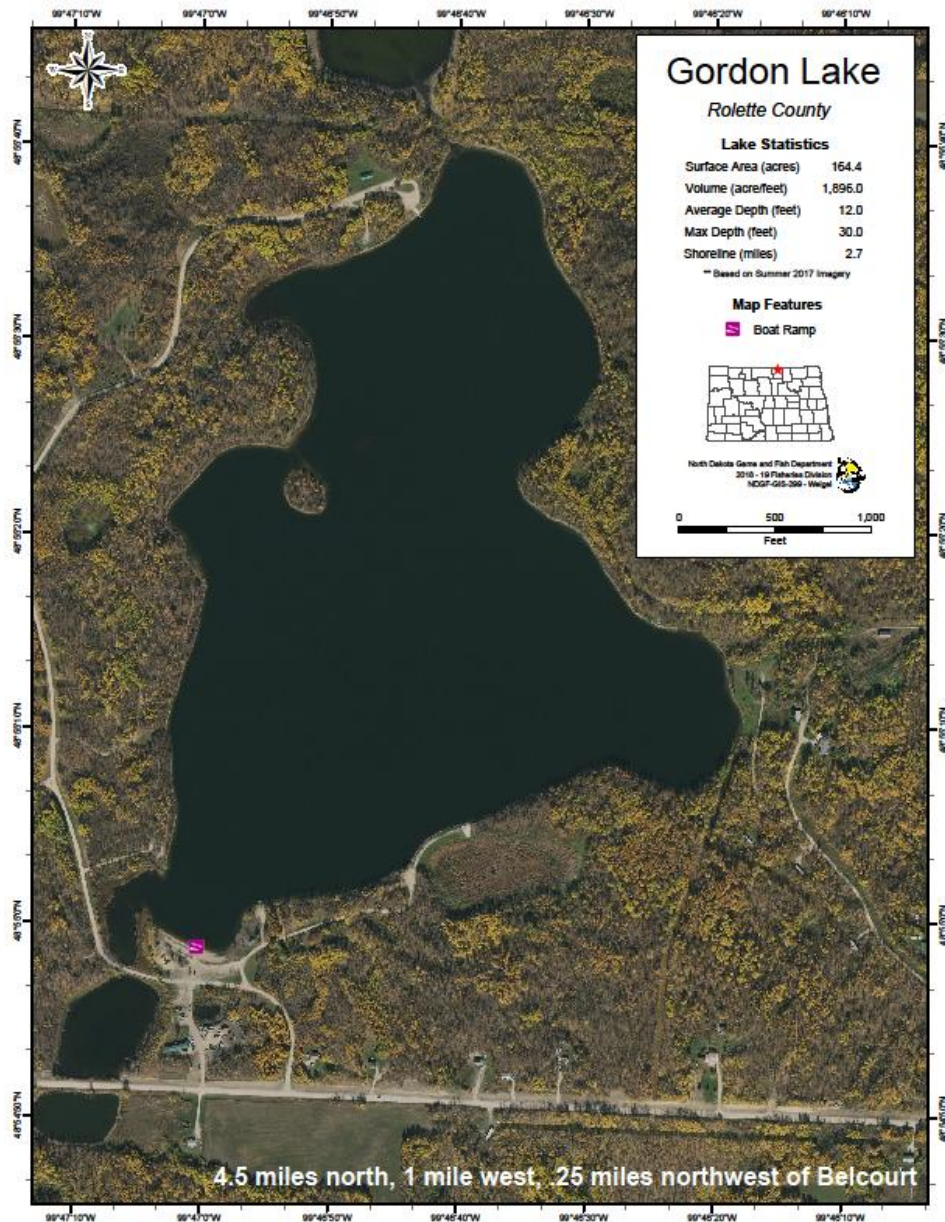


Figure 2: Gordon Lake located 4.5 miles north and 1 mile west of Belcourt, ND. Picture taken from the ND Game and Fish website.

A. Inventory

1. **Legal Description:** Township 163N, Range 70W, sections 30 and 19.
2. **Location to nearest town:** 4.5 miles north, 1 mile west, .25 miles northwest of Belcourt
3. **Ownership:** Considered federal waters by virtue of its location within the exterior boundaries of the Turtle Mountain Band of Chippewa Reservation. Management of the lake lies primarily with the Turtle Mountain Band of Chippewa with trust oversight by the Bureau of Indian Affairs (USDOI).

4. **Type:** Gordon Lake is a reservoir created by the impoundment of an unnamed creek. The dam structure consists of an earthen embankment with an earthen primary spillway. This spillway is uncontrolled and is for emergency overflows only. Original creation of Gordon Lake was for recreation completed during the Civilian Conservation Corps era. Modern use if for recreation and flood control.
5. **Size:** 158 surface acres
6. **Elevation:** 2090 feet amsl
7. **Maximum Depth:** 25-35 feet **Average Depth:** 12 feet
8. **Volume:** 1896 acre-feet
9. **Shoreline miles:** 0.90 miles
10. **Priority Score:** Tier 4
11. **Lake Assessment:** None as of 2018
12. **Watershed Size:** Has not been formally determined
13. **Location of normal outlet:** The primary outlet is located at the southern end of the lake (NW4, NE4, Section 30 T163N R70W) at its principal spillway.
14. **Littoral area:** 0-15 feet from shore

B. Development

1. Gordon Lake has a boat ramp for recreational use on the north part of the lake. There is a single poured concrete slab ramp with a dock placed adjacent to the ramp by the Bureau of Indian Affairs. Lighting is available near the boat ramp with the onset of dusk. Gordon Lake also has limited, rustic camping areas along the western and northern shores. There is no fish cleaning facility on the lake. Near the boat ramp, there is also a picnic shelter.

C. Fishery

1. **General Description**
 - a. Gordon Lake is a reservoir created by the impoundment of an unnamed creek. The dam structure consists of an earthen embankment with an earthen primary spillway. This spillway is uncontrolled and is for emergency overflows only. Original creation of Gordon Lake was for recreation and completed during the Civilian Conservation Corps era. Modern use is for recreation and flood control.
2. **Species List**

Table 4: Fish species found in Gordon Lake.

Common	Uncommon
walleye - S	bluegill - NR
northern pike - NR	fathead minnow - NR
yellow perch - NR	

S - denotes stocked
NR – denotes naturally reproduction

3. Population Status and Trends

- a. **Walleye** – Walleye introductions began in 1910 with intermittent stocking since then. Since 2003, walleye stocking occurred each year (except 2011, 2012, and 2013) at rates ranging from 32 to 99 fingerlings per acre. There does not appear to be natural reproduction occurring in Gordon Lake.

Relative weights of walleye have remained steady (Wr 's = 84.9 to 91) in the past decade. Walleye catch rates have varied from eight to 18 fish/net-night in the past decade. Based on proportional stock densities, there are more walleye in the preferred to memorable (42.7%) range on average in the past decade. There is also a high percentage of fish (on average) in the standard to quality (27.7%) range (Table 4). The population appears to be healthy, with many year classes present.

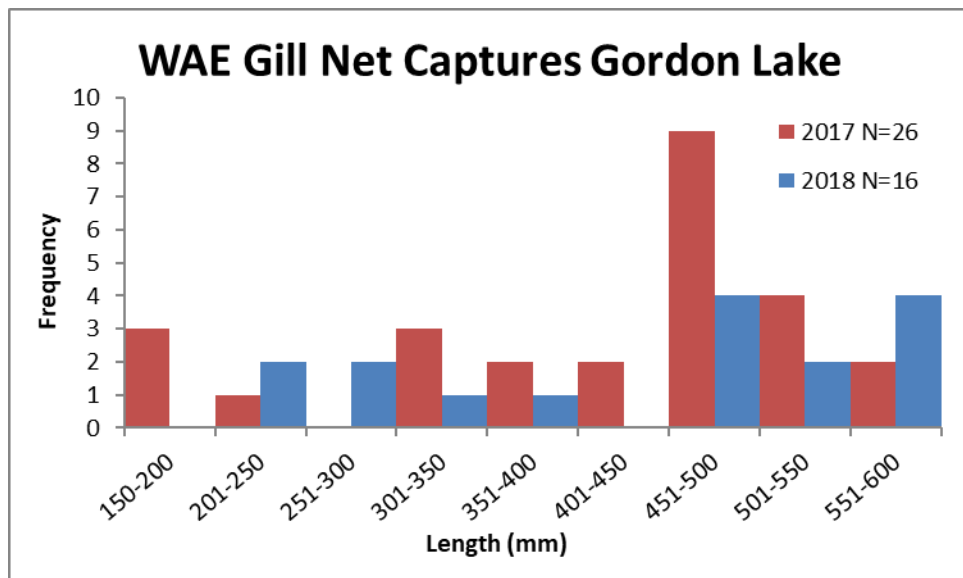


Figure 3: Length frequency histogram of walleye found in Gordon Lake from 2017 to 2018.

- b. **Northern pike** – Northern pike introductions began in 1940 with intermittent stocking since then. Northern pike stockings have not occurred 1998. Currently, natural reproduction sustains northern pike populations. Northern pike catch rates have varied from four to 10 fish/net-night in the past decade. Based on proportional stock densities, there are more fish found in the standard to quality (50.3%) range on average (Table 4) from the past decade

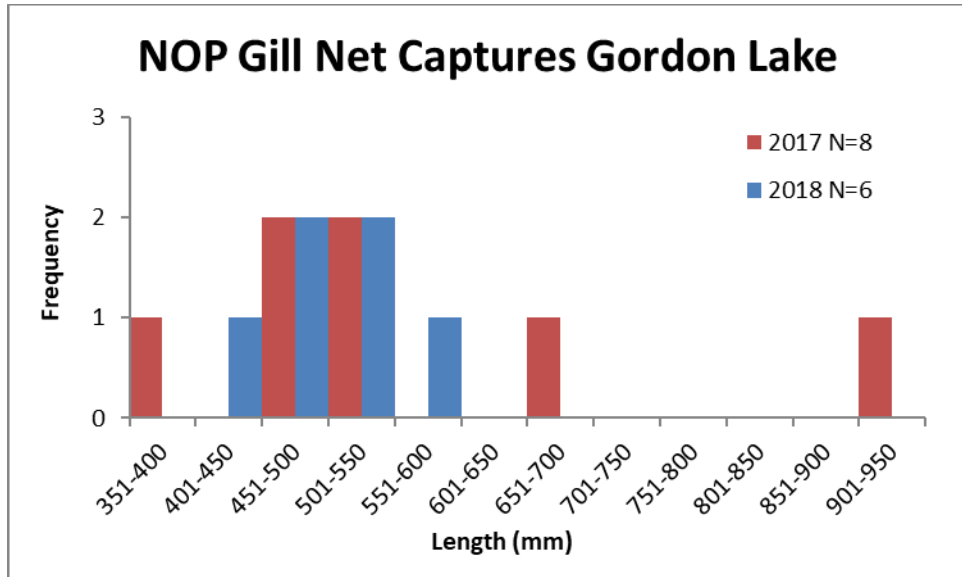


Figure 4: Length frequency histogram of northern pike found in Gordon Lake from 2017 to 2018.

- c. **Yellow perch** – Yellow perch introductions began in 1929 with intermittent stocking since then. Yellow perch stocking has not occurred since 1998. Currently, natural reproduction sustains yellow perch populations. Yellow perch catch rates have varied from six to 23 fish/net-night in the past decade. Based on proportional stock densities, yellow perch populations are comprised mainly of standard to quality (73%) sized fish (Table 4). Growth rates of yellow perch appear to slow between 130 and 200 millimeters with quality to preferred (30.7%) fish captured on average. Yellow perch management is as a forage fish for walleye and northern pike.

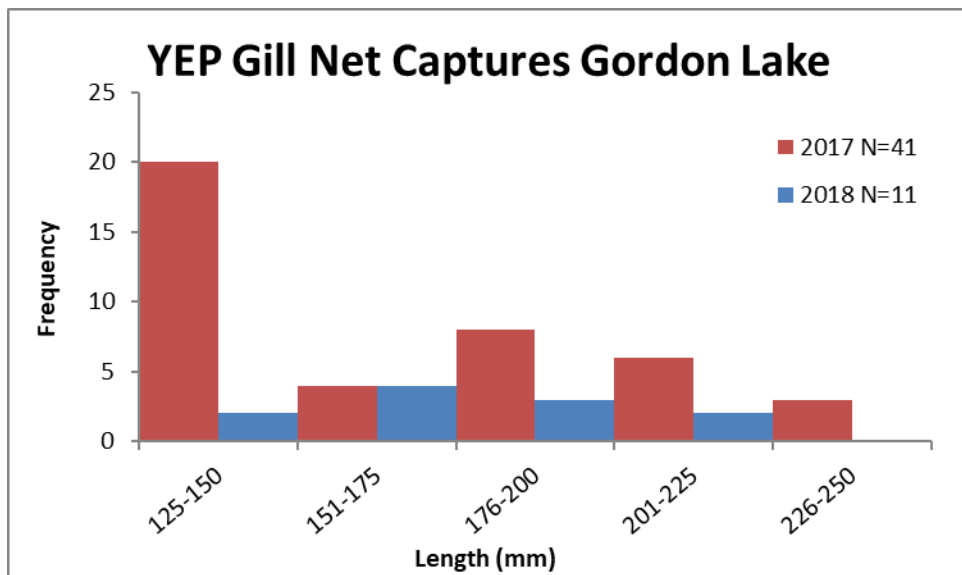


Figure 5: Length frequency histogram of yellow perch found in Gordon Lake from 2017 to 2018.

- d. **Bluegill** – Bluegill introductions began in 1929 with intermittent stocking since then. Since 2003, bluegill stock rates ranged from 50 to 297 fingerlings per acre. Currently, natural reproduction is maintaining bluegill populations. Gill nets are inefficient at capturing bluegill, with all bluegill captures occurring in trap nets. Trap net captures are primarily composed of small bluegill, which offer a forage for walleye and northern pike.

Table 5: Population trend – 6' x 125' x ¾"-2" gill nets in Gordon Lake from 2011 to 2018.

Target Species		2011	2017	2018	Mean
Walleye	N	36	26	16	26
	CPUE (#/net-night)	18	13	8	13
	WPUE	13363.5	16275.5	10104	13247.7
	Mean Length (mm)	409	480	488.8	459.3
	Mean Weight (g)	742	1252	1263	1085.7
	Avg Wr	87	91	84.9	87.6
	PSD	39	23	13	25
	RSD S-Q	39	19	25	27.7
	RSD Q-P	39	23	13	25
	RSD P-M	22	50	56	42.7
	RSD M-T	0	8	6	4.7
		2011	2017	2018	Mean
Northern pike	N	14	8	20	14
	CPUE (#/net-night)	7	4	10	17
	WPUE	4141	5095.5	8604.5	5947
	Mean Length (mm)	451	541	542	511.3
	Mean Weight (g)	592	1273	905.7	923.6
	Avg Wr	97.3	95.8	92.1	95.1
	PSD	14	25	55	31.3
	RSD S-Q	43	63	45	50.3
	RSD Q-P	14	25	55	31.3
	RSD P-M	0	12	0	4
		2011	2017	2018	Mean
Yellow perch	N	45	41	12	32.7
	CPUE (#/net-night)	22.5	20.5	6	16.3
	WPUE	1865.5	1563.5	418.5	1282.5
	Mean Length (mm)	179	172	188.8	179.9
	Mean Weight (g)	83	77	69.9	76.6
	Avg Wr	100	101.8	81.7	94.5
	PSD	13	46	33	30.7
	RSD S-Q	84	68	67	73
	RSD Q-P	13	46	33	30.7
	RSD P-M	2	0	0	0.7

4. History of Angler Use

- a. The most desired species, by anglers, include northern pike, yellow perch, bluegill, and walleye. These are the species that are most sought after during all seasons. Based on population assessments, natural reproduction has been occurring with bluegill, northern pike, and yellow perch. Populations of these fish have remained constant each year.

D. History of Management Actions

1. Eradications

- a. There has been no local expression in regards to undesirable species found in Gordon Lake.

2. Stocking

- a. The N.D. Game and Fish and the U.S. Fish and Wildlife Service provide stocking information. Walleye, northern pike, and yellow perch stockings have occurred historically.

3. Special Regulations

- a. More information needed.

E. Management Problems

1. Physical/Chemical

- a. Gordon Lake suffers from a high nutrient load similar to Belcourt Lake. Phosphorous and nitrogen are two common nutrients that are found naturally in sediment released by decomposing plant matter. In balanced levels, these nutrients can help aquatic ecosystems thrive. Chronic nutrient loading can lead to water quality issues that will eventually affect Gordon Lake. Excess nutrient loads can cause undesired algae blooms that can cause fish kills.

The Turtle Mountain Band of Chippewa have collect water quality measurements since 2001. They requested the assistance of Houston Engineering, Inc. to identify the impacts of high nutrient loading in the Belcourt Lake watershed. Sources of this phosphorous loading includes Surface water runoff, atmospheric deposition, septic system loading, and discharge from upstream lakes.

The information collected will be useful in developing water quality goals, establish nutrient loading capacities, and provide a basis to improve management of the Belcourt Lake watershed.

2. Development

- a. Facilities - Talk with the Turtle Mountain Department of Natural Resources and N.D. Game and Fish about piers, boat ramps, docks, lights, fish cleaning stations etc.

- b. Enhancement - None

3. Fishery
 - a. Walleye populations appear to remain constant over the last two years with a stable population.
 - b. Yellow perch continue to be small despite lowered abundance in 2018. It is unlikely that Gordon Lake will produce quality-sized perch.

F. Management Goals and Objectives

1. Goal
 - a. To maintain Gordon Lake as a rustic, secluded multi-purpose, recreational lake that provides the local community with a quality outdoor experience.
2. Objectives
 - a. To meet the management goal by maintaining a diverse quality sport fishery for walleye, yellow perch, northern pike, and bluegill.

Table 6: Accepted stock density index ranges for balanced fish populations. Target values by sampling effort and species should equal or exceed ranges.

<u>Species</u>	<u>Capture Rate</u>	<u>Wr</u>	<u>PSD</u>
walleye	10 fish/net-night	90	30-60
northern pike	5 fish/net-night	90	30-60
bluegill	10 fish/net-night	90	20-60
yellow perch	10 fish/net-night	90	30-60

- b. Improve habitat for desired species.
- c. Upgrade the capacity of the Turtle Mountain Department of Natural Resources to allow for improved monitoring and maintenance actions.
- d. Develop basic facilities and amenities to increase use of Gordon Lake during summer months.

G. Proposed Management Actions

1. Physical/Chemical
 - a. Reduce the current nutrient load in Gordon Lake. Vegetative buffer zones can be effective at capturing excess nutrients on a waterbody. These buffers can extend 3-5 feet around the shoreline and around drainage areas.
 - b. Another option would be to introduce an aeration system that increases dissolved oxygen. This would increase the activity of aerobic bacteria that would deter the growth of unwanted algae blooms.
 - c. Bank stabilization will need implementing to prevent further erosion of the shoreline.

2. Development
 - a. Discuss development opportunities with the Department of Natural Resources
3. Fishery
 - a. Stocking of walleye (odd years) will occur on an alternate year basis. Stocking rates will be dependent on the current population trends. There are no new introductions planned.
4. Sociological
 - a. Regulations – Talk to the department about current regulations on fish limits.
 - b. Information/Education – Information kiosks and signs posted at each boat ramp will inform the public on current regulations and management problems.
 - c. Interagency Communication – Coordinate with the Turtle Mountain Department of Natural Resources on sampling dates and data collected.

H. Evaluation of Management Actions

1. Evaluation Design
 - a. Summer population surveys will need to occur annually. These surveys will provide important information on population dynamics, size structure, relative abundance, condition, and reproductive success. The data collected will influence management decisions.
 - b. Water quality measurements are crucial and taken periodically during late summer and mid-winter.

I. Other Management Options Considered

1. Ideas?

J. Projected Time Frame

January-February	Conduct winter water quality sampling
June	Conduct summer population sampling
July-August	Conduct summer water quality sampling

K. Literature Cited

Carlander, K., Whitney, R., Speaker, E., and Madden, K. Evaluation of Walleye Fry Stocking in Clear Lake, Iowa, by Alternate-Year Planting. Transactions of the American Fisheries Society, Vol. 89, 3, pp 249-254 (1960).

Murphy, B. and Willis, D. *Fisheries Techniques Second Edition*. (1996)

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Osborne, L. and Kovacic, D. Riparian vegetated buffer strips in water-quality restoration and stream management. *Freshwater Biology*, 29, pp 243-258 (1993).

VI. Wheaton Lake

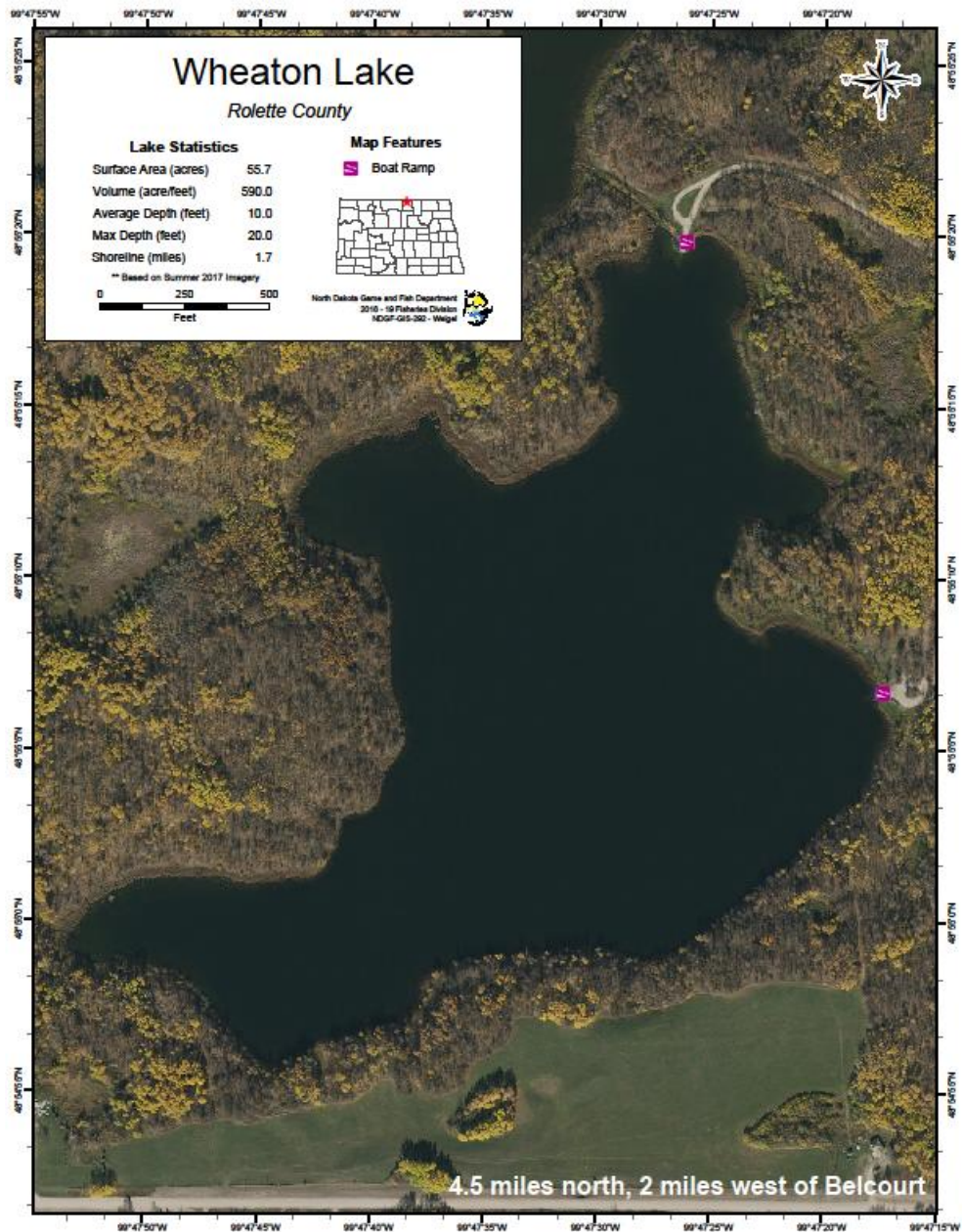


Figure 3: Wheaton Lake located 4.5 miles north and 2 miles west of Belcourt, ND. Picture taken from the ND Game and Fish website.

A. Inventory

1. **Legal Description:** Township 163 N, Range 71 W, Sections 24 and 25.
2. **Location to nearest town:** 4.5 miles north, 2 miles west of Belcourt
3. **Ownership:** Considered federal waters by virtue of its location within trust lands of the Turtle Mountain Chippewa Reservation. Management of the lake lies primarily with the Turtle Mountain Band of Chippewa with trust oversight by the Bureau of Indian Affairs (USDOI).
4. **Type:** Naturally occurring glacial lake

5. **Size:** 59 surface acres
6. **Elevation:** Average elevation is 2109 feet amsl
7. **Maximum Depth:** 20-25 feet **Average Depth:** 10 feet
8. **Volume:** 590 acre-feet
9. **Shoreline miles:** 0.56 miles
10. **Priority Score:** Tier 3
11. **Lake Assessment:** None as of 2018
12. **Watershed Size:** Not determined
13. **Location of normal outlet:** The natural outlet is at the southwest corner of the lake flowing west.
14. **Littoral area:** 0-15 feet from shoreline

B. Development

1. Wheaton Lake has two boat ramps for recreational use. There are single poured concrete slab ramps that are accessible at the eastern and northern recreational beach areas. The Bureau of Indian Affairs places a dock adjacent to the boat ramp annually. Currently there are no piers, kiosks, toilet facilities, lighting, or fish cleaning facilities at Wheat Lake.

C. Fishery

1. General Description

- a. Wheaton Lake is a naturally occurring glacial lake formed by a dead-ice moraine. As glacial ice stopped advancing in the Turtle Mountains, large amounts of sediment accumulated on top of the ice. This insulation of sediment prevented the underlying ice from melting for several thousand years. This slow melting resulted in irregularities at the surface, causing the sediment on top of the ice to slump into lower areas. When this sediment slumped, the ice beneath the sediment began to melt more rapidly and transformed the area into a hole or a depression. These depressions created what are now the many lakes found in the Turtle Mountain area and the surrounding landscape.

2. Species List

Table 7: Fish species found in Wheaton Lake.

Common
northern pike - NR
yellow perch – NR
bluegill - NR
S- denotes stocked
NR – denotes natural reproduction

3. Population Status and Trend

a. **Northern Pike** – Northern pike introductions began in 1967 with zero fish stocked since 2012. Currently, natural reproduction maintains northern pike populations. Based on sampling from 2017 and 2018, northern pike catch rates have varied from six to 14 fish per net/night. Based on proportional stock densities, there are more northern pike in the quality to preferred range (64%) in 2017 (Table 6) than the quality to preferred range (54%) in 2018. Northern pike appear to have had a good spawn in 2017 with there being more standard to quality range (43%) fish captured in 2018 than standard to quality range (0%) fish captured in 2017.

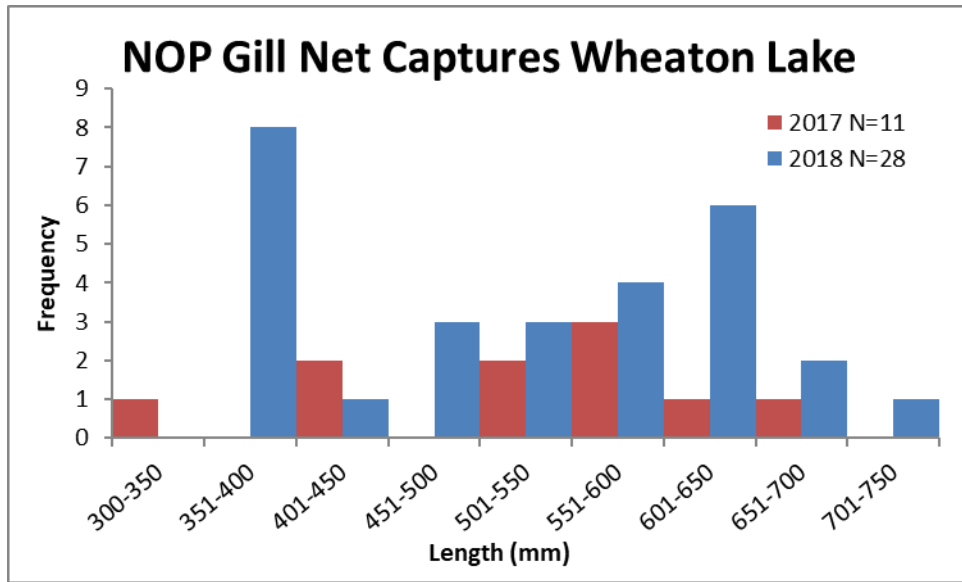


Figure 6: Length frequency histogram of northern pike found in Wheaton Lake from 2017 to 2018.

- b. **Bluegill** – Bluegill stocking never occurred in Wheaton Lake. Gill nets are inefficient at capturing bluegill with all bluegill captures occurring in trap nets. Trap net catches are composed primarily of small bluegill, which offer a forage for northern pike. Natural reproduction is occurring with bluegill.
- c. **Yellow perch** – Yellow perch introductions began in 1997 with one other stocking event occurring in 1998. Fish stock rates ranged from 85 to 135 fingerlings per acre. Currently, natural reproduction sustains yellow perch populations. Yellow perch catch rates have varied from 34 to 35 fish/net-night in 2017 and 2018. Based on proportional stock densities, a high percentage of yellow perch are in the stock to quality (62%) range on average (Table 6). Growth rates of yellow perch appear to slow down between 130 and 200 millimeters. Yellow perch populations do not meet the accepted proportional stock index ranges. Management of yellow perch is for a forage fish with few preferred fish in the population.

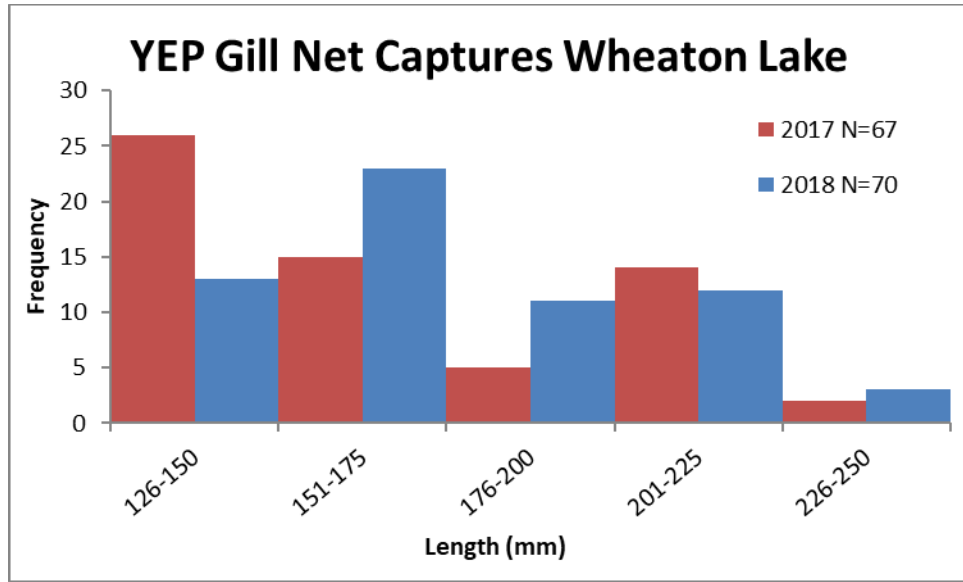


Figure 7: Length frequency history for yellow perch captures in Wheaton Lake from 2017 to 2018.

Table 8: Population trend – 6’ x 125’ x ¾” – 2” gill nets in Wheaton Lake from 2017 to 2018.

Target Species		2017	2018	Mean
Northern pike	N	11	28	19.5
	CPUE (#/net-night)	5.5	14	9.75
	WPUE	3967	12959	8463
	Mean Length (mm)	533	528.2	530.6
	Mean Weight (g)	991.8	996.9	994.35
	Avg Wr	100	96.7	98.35
	PSD	64	54	59
	RSD S-Q	0	43	21.5
	RSD Q-P	18	54	36
	RSD P-M	64	3	33.5
			2017	2018
Yellow perch	N	67	70	68.5
	CPUE (#/net-night)	33.5	35	34.25
	WPUE	2265.5	2349.5	2307.5
	Mean Length (mm)	171.9	176.6	174.25
	Mean Weight (g)	71.9	77	74.45
	Avg Wr	99.3	98.7	99
	PSD	30	26	28
	RSD S-Q	63	61	62
	RSD Q-P	30	26	28
	RSD P-M	1	0	1

4. History of Angler Use

- a. The most desired species, by anglers, include northern pike, yellow perch, and bluegill. These are the species that are most sought after during all seasons. Based on population assessments, natural reproduction has been occurring with each species. Populations of these fish have remained constant each year.

D. History of Management Actions

1. Eradications

- a. There has been no local expression in regards to undesirable species found in Wheaton Lake.

2. Stocking

- a. The N.D. Game and Fish and the U.S. Fish and Wildlife Service provide stocking information. Walleye, northern pike, and yellow perch stockings have occurred historically.

3. Special Regulations

- a. More information needed

E. Management Problems

1. Physical/Chemical

- a. Wheaton Lake is in the same watershed as Gordon and Belcourt Lake. High nutrient loading could be a problem in the future.

2. Development

- a. Facilities – Talk with the Turtle Mountain Department of Natural Resources and the N.D. Game and Fish about piers, boat ramps, docks, lights, fishing cleaning stations, etc.

- b. Enhancement – None

3. Fishery

- a. Northern pike captures have increased in 2018 with smaller fish captured. Natural reproduction is occurring.
- b. Yellow perch numbers are high with their size remaining small. It is unlikely that Wheaton Lake will produce quality-size perch.

F. Management Goals and Objectives

1. Goal

- a. To maintain Wheaton Lake as a rustic, secluded, multi-purpose, recreational lake that provides the local community with a quality outdoor experience.

2. Objectives

- a. To meet management goals by maintaining a diverse quality sport fishery for northern pike, yellow perch, and bluegill.

Table 9: Accepted stock density index ranges for balanced fish populations. Target values by sampling effort and species should equal or exceed ranges.

<u>Species</u>	<u>Capture Rate</u>	<u>Wr</u>	<u>PSD</u>
northern pike	5 fish/net-night	90	30-60
bluegill	10 fish/net-night	90	20-60
yellow perch	10 fish/net-night	90	30-60

- b. Improve habitat for desired species
- c. Upgrade the capacity of the Turtle Mountain Department of Natural Resources to allow for improved monitoring and maintenance actions.
- d. Develop basic facilities and amenities to increase use of Wheaton Lake during summer months.

G. Proposed Management Actions

1. Physical/Chemical

- a. The Department will seek to maintain water levels at Wheaton Lake to maximize fish habitat and populations. Wheaton Lake will need to undergo similar management practices to Belcourt and Gordon Lake to prevent high nutrient loads and unwanted algae blooms.
- b. Reduce the current nutrient load in Wheaton Lake. Vegetative buffer zones can be effective at capturing excess nutrients on a waterbody. These buffers can extend 3-5 feet around the shoreline and around drainage areas.

2. Development

- a. Discuss development opportunities with the Department of Natural Resources

3. Fishery

- a. Stocking will not occur at Wheaton Lake in the near future. Northern pike and yellow perch populations are sustainable. There are no plans for introducing new species.

4. Sociological

- a. Regulations – Talk to the department about current regulations on fish limits.
- b. Information/Education – Information kiosks and signs posted at each boat ramp will inform the public on current regulations and management problems.
- c. Interagency Communication – Coordinate with the Turtle Mountain Department of Natural Resources on sampling dates and data collected.

H. Evaluation of Management Actions

1. Evaluation Design

- a. Summer population surveys will need to occur annually. These surveys will provide important information on population dynamics, size structure, relative abundance, condition, and reproductive success. The data collected will influence management decisions.
- b. Water quality measurement are crucial and taken periodically during late summer and mid-winter.

I. Other Management Options Considered

1. Ideas?

J. Projected Time Frame

January- February	Conduct winter water quality sampling
June	Conduct summer population sampling
July-August	Conduct summer water quality sampling

K. Literature Cited

- Bluemle, J. 2002. Buried Glaciers and Dead-ice Moraine. North Dakota Geological Survey.
- Murphy, B. and Willis, D. *Fisheries Techniques Second Edition*. (1996)
- Nielsen, L. and Johnson, D. *Fisheries Techniques*. (1989)
- Osborne, L. and Kovacic, D. Riparian vegetated buffer strips in water-quality restoration and stream management. *Freshwater Biology*, 29, pp 243-258 (1993).

VII. Jarvis Lake

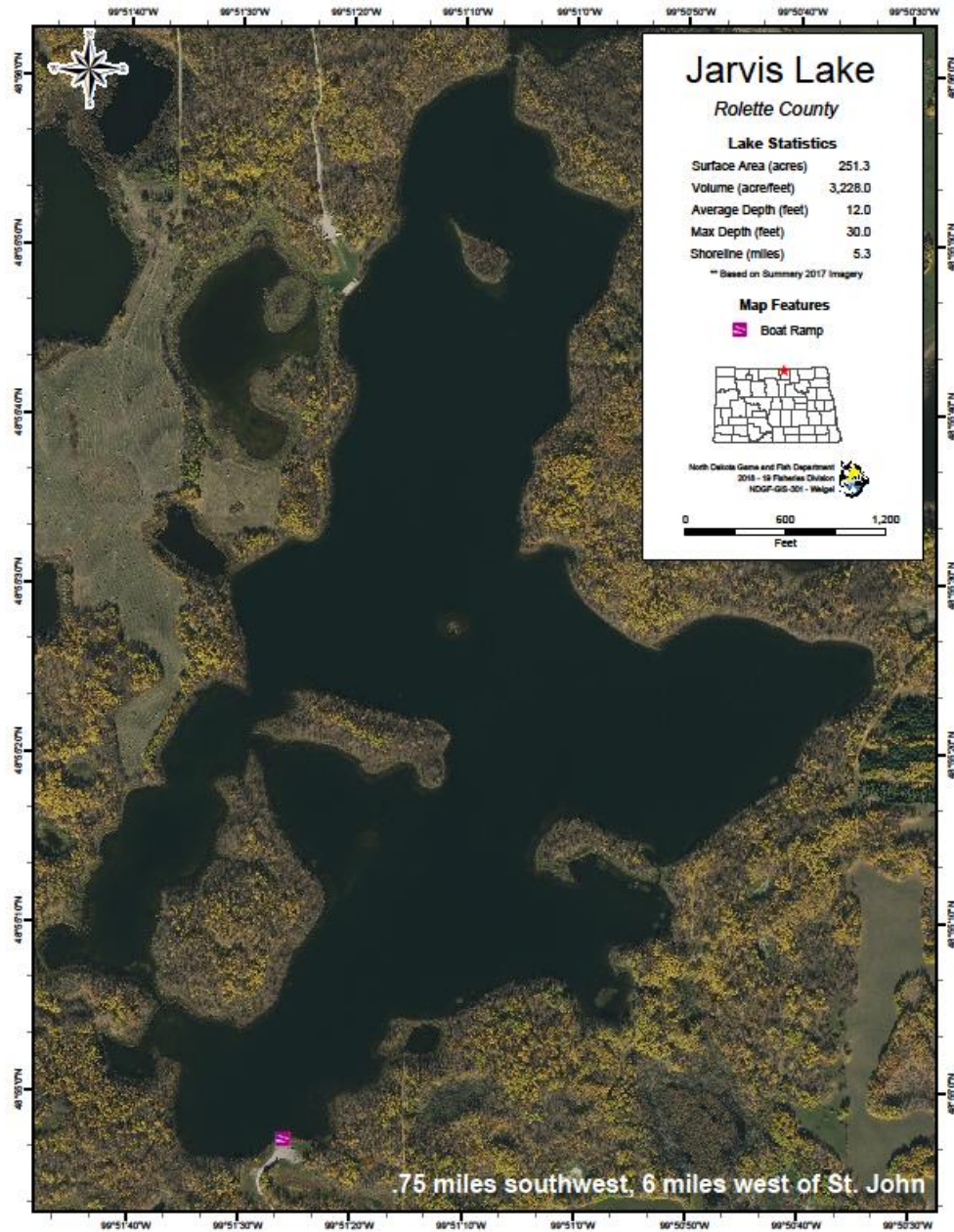


Figure 4: Jarvis Lake located $\frac{3}{4}$ mile southwest and 6 miles west of St. John. Picture taken from the ND Game and Fish website.

A. Inventory

1. **Legal Description:** Township 163 N, Range 71 W, Sections 21, 22, 27, and 28.
2. **Location to nearest town:** Approximately .75 miles southwest, and 6 miles west of St. John, ND.

3. **Ownership:** Considered federal waters by virtue of its location within the exterior boundaries of the Turtle Mountain Band of Chippewa Reservation. Management of the lake lies primarily with the Turtle Mountain Band of Chippewa with trust oversight by the Bureau of Indian Affairs (USDOJ).
4. **Type:** Naturally occurring glacial lake
5. **Size:** 251.3 Surface Acres
6. **Elevation:** Average elevation is 2135 feet amsl
7. **Maximum Depth:** 30 feet **Average Depth:** 12 feet
8. **Volume:** 3,228.0 acre/feet
9. **Shoreline miles:** 5.3 miles
10. **Priority Score:** Tier 3
11. **Lake Assessment:** None as of 2018
12. **Watershed Size:** Not determined
13. **Location of normal outlet:** The natural outlet is at the southwest corner of the lake flowing west.
14. **Littoral area:** 0-15 feet from shoreline

B. Development

1. Jarvis Lake has one primitive boat ramp for recreational use in the SW corner. The Bureau of Indian Affairs places a dock adjacent to the boat ramp annually. Currently there are not any piers, kiosks, toilet facilities, lighting, or fish cleaning facilities at Jarvis Lake.

C. Fishery

1. General Description

- a. Jarvis Lake is a naturally occurring glacial lake formed by a dead-ice moraine. As glacial ice stopped advancing in the Turtle Mountains, large amounts of sediment accumulated on top of the ice. This insulation of sediment prevented the underlying ice from melting for several thousand years. This slow melting resulted in irregularities at the surface, causing the sediment on top of the ice to slump into lower areas. When this sediment slumped, the ice beneath the sediment began to melt more rapidly and transformed the area into a hole or a depression. These depressions created what are now the many lakes found in the Turtle Mountain area and the surrounding landscape.

2. Species List

Table 10: Fish Species found in Jarvis Lake.

Common	Uncommon
walleye - S	Fathead minnow - NR
northern pike - NR	
yellow perch - NR	
bluegill - NR	
S- denotes stocked	
NR - denotes natural reproduction	

3. Population Status and Trend

- a. **Walleye** – Walleye introductions began in 1910 with intermittent stocking since then. Since 2003, walleye stocking occurred each year (except 2011, 2012, and 2013) at rates ranging from 40 to 60 fingerlings per acre. There does not appear to be natural reproduction in Jarvis Lake.

Relative weights of walleye have remained steady (Wr 's = 89.4 to 89.8) in the past two years. Walleye catch rates have varied from seven to eight fish/net-night in the past two years of sampling. Based on proportional stock densities for 2018, walleye adult populations are comprised mostly of larger quality fish (46%) and preferred to memorable fish (31%) in 2018 (Table 8). The population appears to be healthy with many year classes present.

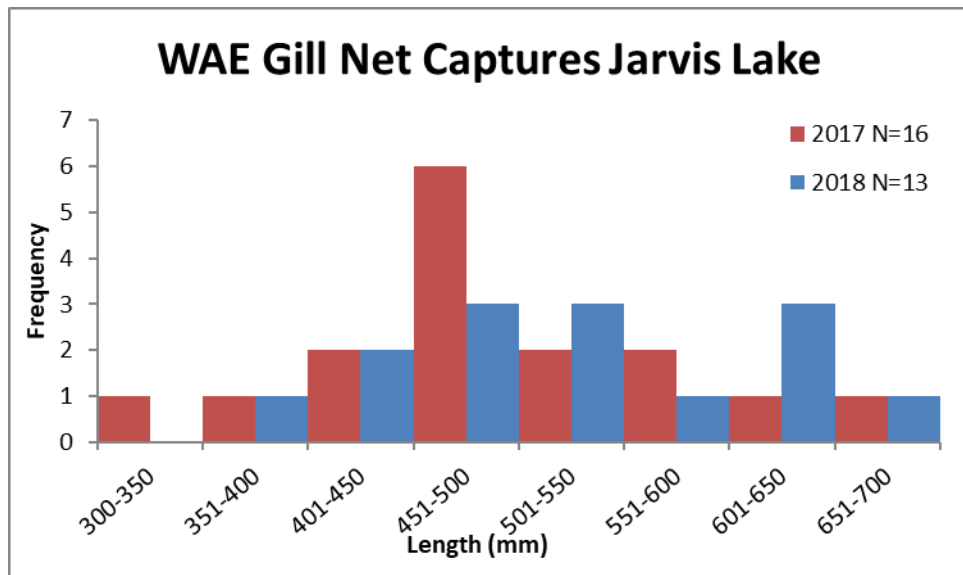


Figure 7: Length frequency histogram of walleye captured in Jarvis Lake from 2017-2018.

- b. **Northern Pike** – Northern pike introduction began in 1966 with intermittent stocking since then. Currently northern pike populations are reproducing naturally. Northern pike catch rates have varied from three to 12 fish/net-night in the past two years. Based on proportional stock densities, there are more northern pike in the stock to quality range (35%) in 2018 (Table 8) than in 2017 (0%). Northern pike seem to have had a good spawn in 2017 with there being less quality to preferred (26%) fish captured in 2018.

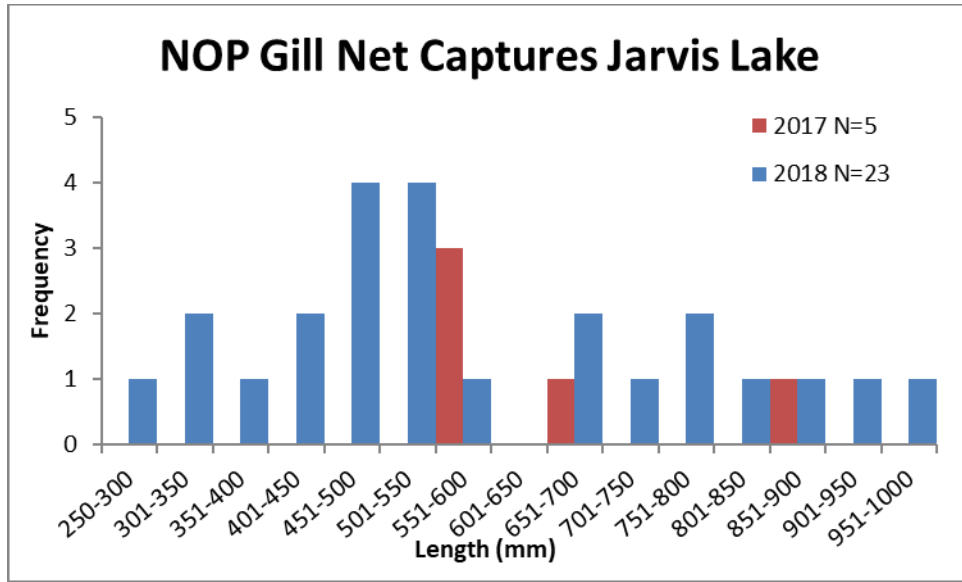


Figure 8: Length frequency histogram of northern pike captures in Jarvis Lake from 2017 to 2018.

- c. **Bluegill** – Bluegill introductions began in 1931 with intermittent stocking since then. Since 2003, bluegill stock rates ranged from 30 to 154 fingerlings per acre. Gill nets are inefficient at capturing bluegill with most captures coming from trap nets. Trap net catches are composed primarily of small bluegill, which offer forage for northern pike and walleye.

Bluegill catch rates varied from four to seven fish/net-night in the past two years. Based on proportional stock densities, all sampled fish were in the stock to quality range in 2017. In 2018, 62% sampled (Table 8) were in that range. There were also a large percentage of quality to preferred (38%) fish captured in 2018. Natural reproduction is occurring with bluegill.

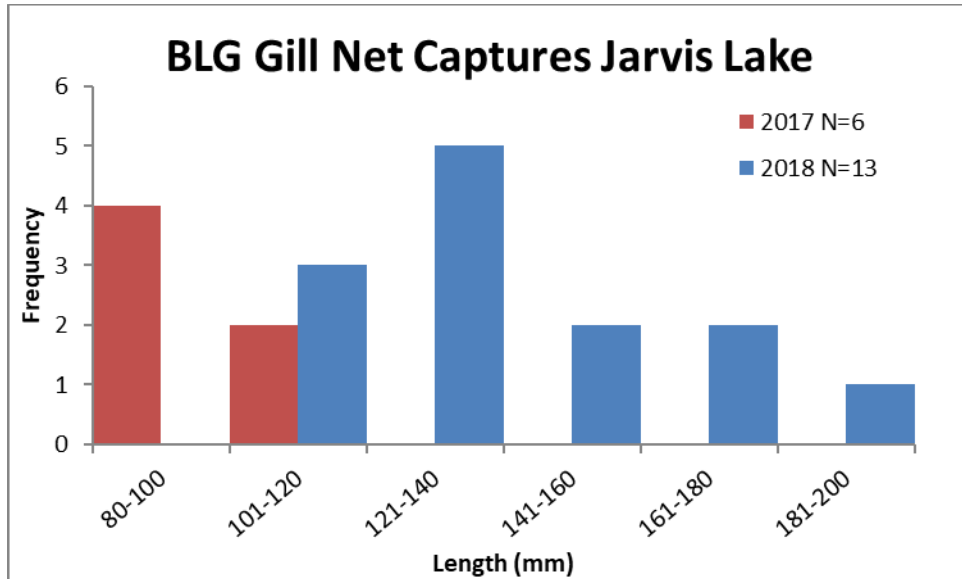


Figure 9: Length frequency histogram showing bluegill captures in Jarvis Lake from 2017 to 2018.

- d. **Yellow Perch** – Yellow perch introductions began in 1931 with intermittent stocking since then. Currently, natural reproduction sustains yellow perch populations. Yellow perch catch rates have varied from 45 to 71 fish per net/night in the past two years. Based on proportional stock densities, there are more stock to quality (61%) perch in Jarvis Lake than quality to preferred (26%) perch in 2018 (Table 8). Growth rates of yellow perch appear to slow between 200 to 250 mm. Management of yellow perch is for a forage fish with few preferred fish in the population.

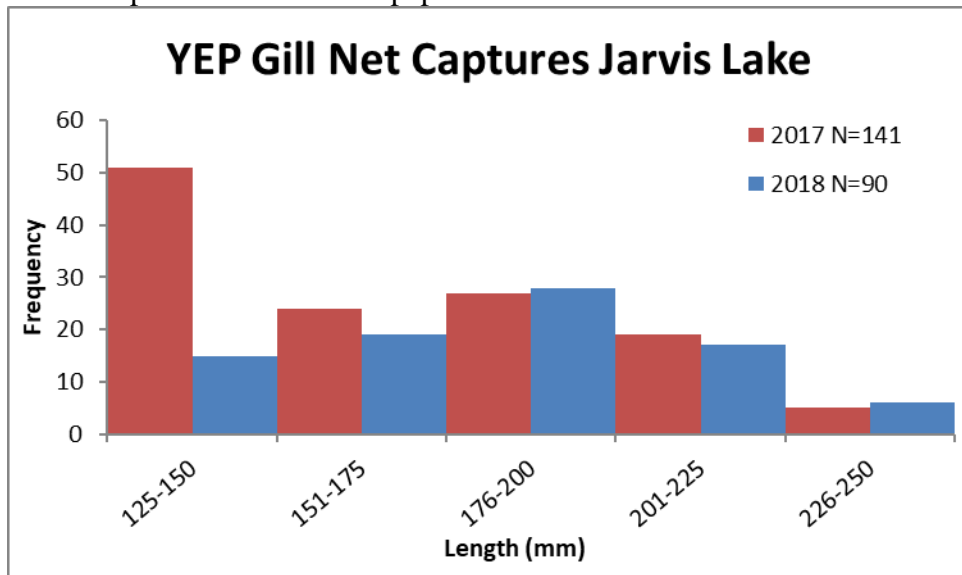


Figure 10: Length frequency histogram showing yellow perch captures in Jarvis Lake from 2017 to 2018.

Table 11: Population trend – 6' x 125' x ¾" – 2" gill nets in Jarvis Lake from 2011 to 2018.

Target Species		2011	2017	2018	Mean
Walleye	N	22	16	13	17
	CPUE (#/net-night)	11	8	6.5	8.5
	WPUE	7565	8941.5	10277	8927.8
	Mean Length (mm)	399.1	485.6	527.7	470.8
	Mean Weight (g)	687.7	1277.4	1581.1	1182.1
	Avg Wr	89.2	89.8	89.4	89.5
	PSD	14	44	31	29.7
	RSD S-Q	59	19	0	26
	RSD Q-P	14	44	46	34.7
	RSD P-M	27	31	31	29.7
	RSD M-T	0	6	23	9.7
		2011	2017	2018	Mean
Northern pike	N	6	5	23	11.3
	CPUE (#/net-night)	3	2.5	11.5	5.7
	WPUE	3500.5	4252.5	17634.5	8462.5
	Mean Length (mm)	529.2	664	576.9	590.0
	Mean Weight (g)	1166.8	2126.3	1603.1	1632.1
	Avg Wr	100.7	102.4	98.5	100.5
	PSD	33	80	26	46.3
	RSD S-Q	50	0	35	28.3
	RSD Q-P	33	80	26	46.3
	RSD P-M	17	20	13	16.7
	RSD M-T	0	0	13	13
		2011	2017	2018	Mean
bluegill	N	0	7	13	6.7
	CPUE (#/net-night)	0	3.5	6.5	3.3
	WPUE	0	48.5	462.5	170.3
	Mean Length (mm)	0	102	141.9	81.3
	Mean Weight (g)	0	33	71.2	34.7
	Avg Wr	0	119.6	108.9	76.2
	PSD	0	0	38	12.7
	RSD S-Q	0	86	62	46.3
	RSD Q-P	0	0	38	12.7
	RSD P-M	0	0	0	0

		2011	2017	2018	Mean
Yellow perch	N	73	141	90	101.3
	CPUE (#/net-night)	36.5	70.5	45	50.7
	WPUE	5297	3556	3060	3971
	Mean Length (mm)	210.7	178.2	181.3	190.1
	Mean Weight (g)	146.4	91.2	86.2	107.9
	Avg W _r	103.2	99.2	97.5	99.9
	PSD	44	23	26	31
	RSD S-Q	37	49	61	49
	RSD Q-P	44	23	26	31
	RSD P-M	19	1	0	6.7

4. History of Angler Use

- a. The most desired species, by anglers, include walleye, northern pike, yellow perch, and bluegill. These are the species that are most sought after during all seasons. Based on population assessments, natural reproduction appears to be limited with walleye. Populations of these fish have remained constant with annual stocking and management measures.

D. History of Management Actions

1. Eradications

- a. There have been no local expression in regards to undesirable species found in Jarvis Lake.

2. Stocking

- a. The N.D. Game and Fish and the U.S. Fish and Wildlife Service provide stocking information. Walleye, bluegill, northern pike, yellow perch, black crappie, and rainbow trout have historically been stocked in Jarvis Lake.

3. Special Regulations

- a. **More Information Needed**

E. Management Problems

1. Physical/Chemical

- a. Jarvis Lake was included in the study conducted by Houston Engineering. Though it is not in the same watershed as the Belcourt Lake watershed, land use management will be crucial for preventing future nutrient loading in Jarvis Lake.

2. Development

- a. Facilities – **Talk with the Turtle Mountain Department of Natural Resources and N.D. Game and Fish about piers, boat ramps, docks, lights, fish cleaning stations, etc.**

- b. Enhancement – None
- 3. Fishery
 - a. Walleye numbers have remained constant in 2017 and 2018, with larger fish in the system. Natural reproduction does not appear to be occurring in high numbers.
 - b. Yellow perch numbers are high with their size remaining small. It is unlikely that Jarvis Lake will produce quality-size perch.

F. Management Goals and Objectives

- 1. Goal
 - a. To maintain Jarvis Lake as a rustic, secluded, multi-purpose, recreational lake that provides the local community a quality outdoor experience.
- 2. Objectives
 - a. To meet management goals by maintaining a diverse quality sport fishery for walleye, yellow perch, northern pike, and bluegill.

Table 12: Accepted stock density index ranges for balanced fish populations. Target values by sampling effort and species should equal or exceed ranges.

<u>Species</u>	<u>Capture Rate</u>	<u>Wr</u>	<u>PSD</u>
walleye	10 fish/net-night	90	30-60
northern pike	5 fish/net-night	90	30-60
bluegill	10 fish/net-night	90	20-60
yellow perch	10 fish/net-night	90	30-60

- b. Improve habitat for desired species.
- c. Upgrade the capacity of the Turtle Mountain Department of Natural Resources to allow for improved monitoring and maintenance actions.
- d. Develop basic facilities and amenities to increase use of Jarvis Lake during summer months.

G. Proposed Management Actions

- 1. Physical/Chemical
 - a. The Department will seek to maintain water levels at Jarvis Lake to maximize fish habitat and populations.
- 2. Development
 - a. Discuss development opportunities with the Department of Natural Resources
- 3. Fishery
 - a. Stocking of walleye (even years) will occur on an alternate year basis. Stocking rates will be dependent on the current population trends. There are no plans for introducing new species.

4. Sociological
 - a. Regulations – Talk to the department about current regulations on fish limits.
 - b. Information/Education – Information kiosks and signs posted at each boat ramp will inform the public on current regulations and management problems.
 - c. Interagency Communication – Coordinate with the Turtle Mountain Department of Natural Resources on sampling dates and data collected.

H. Evaluation of Management Actions

1. Evaluation Design
 - a. Summer population surveys will need to occur annually. These surveys will provide important information on population dynamics, size structure, relative abundance, condition, and reproductive success. The data collected will influence management decisions.
 - b. Water quality measurements are crucial and taken periodically during late summer and mid-winter.

I. Other Management Options Considered

1. Ideas?

J. Projected Time Frame

January-February	Conduct winter water quality sampling
June	Conduct summer population sampling
July-August	Conduct summer water quality sampling

K. Literature Cited

Bluemle, J. 2002. Buried Glaciers and Dead-ice Moraine. North Dakota Geological Survey.

Murphy, B. and Willis, D. *Fisheries Techniques Second Edition*. (1996)

Nielsen, L. and Johnson, D. *Fisheries Techniques*. (1989)

VIII. Martin Lake



A. Inventory

1. **Legal Description:** Township 162N, Range 70W, Sections 14 and 15
2. **Location to nearest town:** 1.2 miles east, 1 mile north, and 0.8 miles east of Belcourt
3. **Ownership:** Martin Lake is considered federal waters by virtue of its location within trust lands of the Turtle Mountain Chippewa Reservation. Management of the lake lies primarily with the Turtle Mountain band of Chippewa with trust oversight by the Bureau of Indian Affairs (USDOI).
4. **Type:** Naturally occurring glacial lake
5. **Size:** 171.9 acres
6. **Elevation:** 1989 feet amsl
7. **Maximum Depth:** 19 feet found in 2018 sampling **Average Depth:** Unknown
8. **Volume:** Unknown
9. **Shoreline miles:** 6.2 miles
10. **Priority Score:** Unknown
11. **Lake Assessment:** None as of 2018

- 12. **Watershed Size:** Not determined
- 13. **Location of normal outlet:** Unknown
- 14. **Littoral area:** Unknown

B. Development

- 1. Martin Lake does not currently have a boat ramp. The main access is on the Northeast part of the lake along BIA Rd. 6. Currently there are no piers, docks, toilet facilities, or fish cleaning facilities at Martin Lake.

C. Fishery

1. General Description

- a. Martin Lake is a naturally occurring glacial lake formed by a dead-ice moraine. As glacial ice stopped advancing in the Turtle Mountains, large amounts of sediment accumulated on top of the ice. This insulation of sediment prevented the underlying ice from melting for several thousand years. This slow melting resulted in irregularities at the surface, causing the sediment on top of the ice to slump into lower areas. When this sediment slumped, the ice beneath the sediment began to melt more rapidly and transformed the area into a hole or a depression. These depressions created what are now the many lakes found in the Turtle Mountain area and the surrounding landscape.

2. Species List

Table 13: Fish species found in Martin Lake.

Common
yellow perch – NR
fathead minnow - NR
NR – Denotes Natural Reproduction

3. Population Status and Trend

- a. **Yellow perch** – With sampling of Martin Lake only occurring in 2018, there is not enough data collected to determine a population trend. Yellow perch have never been stocked by the U.S. Fish and Wildlife Service, but there is natural reproduction occurring. Based on adult population sampling in 2018, there appears to be too many yellow perch (Table 10) in the lake. With the population size being too large, yellow perch are unable to grow to a quality size.

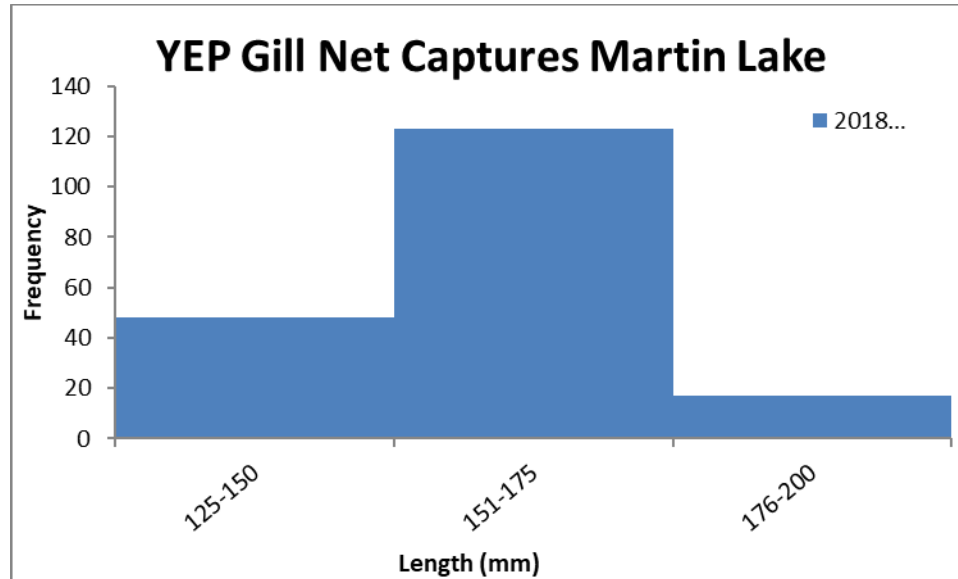


Figure 11: Length frequency histogram of yellow perch captures in Martin Lake in 2018.

Table 14: Population trend – 6’ x 125’ x ¾” – 2” gill nets in Martin Lake.

Target Species		2018
Yellow perch	N	219
	CPUE (#/net-night)	109.5
	WPUE	2222
	Mean Length (mm)	160.6
	Mean Weight (g)	53.5
	Avg Wr	94.1
	PSD	0
	RSD S-Q	100
	RSD Q-P	0
	RSD P-M	0

4. History of Angler Use

- a. The most desired species, by anglers, include northern pike, yellow perch, bluegill, and walleye. These are the species that are most sought after during all seasons. Anglers are interested in having more walleye lakes on the Turtle Mountain Reservation. Martin Lake could develop into a good walleye fishery based on current forage species present.

D. History of Management Actions

1. Eradications

- a. There has been no local expression in regards to undesirable species found in Martin Lake.
- b.

2. Stocking
 - a. The N.D. Game and Fish and the U.S. Fish and Wildlife Service provide stocking information. There have not been any fish stocked in Martin Lake.
3. Special Regulations
 - a. **More information needed**

E. Management Problems

1. Physical/Chemical
 - a. With too many yellow perch in the system, a predator introduction will keep yellow perch levels sustainable.
2. Development
 - a. Facilities – There currently is not a boat ramp or any facilities on Martin Lake. The development of a primitive boat ramp on the northeast part of the lake is in discussion. The development of a boat ramp, fishing piers, and a boat dock will be crucial for the public to gain access to Martin Lake.
 - b. Enhancement – None
3. Fishery
 - a. Populations will need monitoring each year to ensure they are sustainable.
4. Sociological
 - a. As a potential new walleye fishery, anglers will need to be patient for the fishery to grow. It could take a few years for future stockings to develop into quality size fish.

F. Management Goals and Objectives

1. Goal
 - a. To develop Martin Lake as a rustic, secluded, multi-purpose, recreational lake that provides the local community with a quality outdoor experience.
2. Objectives
 - a. To meet management goals by developing a diverse quality sport fishery for yellow perch and walleye.

Table 15: Accepted stock density index ranges for balanced fish populations. Target values by sampling effort and species should equal or exceed ranges.

<u>Species</u>	<u>Capture Rate</u>	<u>Wr</u>	<u>PSD</u>
walleye	10 fish/net-night	90	30-60
yellow perch	10 fish/net-night	90	30-60

- b. Improve habitat for desired species.

- c. Upgrade the capacity of the Turtle Mountain Department of Natural Resources to allow for improved monitoring and maintenance actions.
- d. Develop basic facilities and amenities to increase use of Martin Lake during summer months.

G. Proposed Management Actions

1. Physical/Chemical

- a. The department will seek to maintain water levels at Martin Lake to maximize fish habitat and populations. Future population sampling and water quality measurements to ensure the lake is healthy enough to sustain fish populations.

2. Development

- a. Discuss development opportunities with the Department of Natural Resources

3. Fishery

- a. A recommendation of the stocking of walleye on an alternate year basis (odd years). Stocking rates will be dependent on the current population trends.

4. Sociological

- a. Regulations – Talk to the department about current regulations on fish limits.
- b. Information/Education – Information kiosks and signs posted at each boat ramp will inform the public on current regulations and management problems.
- c. Interagency Communication – Coordinate with the Turtle Mountain Department of Natural Resources on sampling dates and data collected.

H. Evaluation of Management Actions

1. Evaluation Design

- a. Summer population surveys will need to occur annually. These surveys will provide important information on population dynamics, size structure, relative abundance, condition, and reproduction success. The data collected will influence management decisions.

I. Other Management Options Considered

1. Ideas?

J. Projected Time Frame

- | | |
|------------------|---------------------------------------|
| January-February | Conduct winter water quality sampling |
| June | Conduct summer population sampling |
| July-August | Conduct summer water quality sampling |

K. Literature Cited

Carlander, K., Whitney, R., Speaker, E., and Madden, K. Evaluation of Walleye Fry Stocking in Clear Lake, Iowa, by Alternate-Year Planting. Transactions of the American Fisheries Society, Vol. 89, 3, pp 249-254 (1960).

Murphy, B. and Willis, D. *Fisheries Techniques Second Edition*. (1996)

Nielsen, L. and Johnson, D. *Fisheries Techniques*. (1989)

IX. Crow Lake



A. Inventory

1. **Legal Description:** Township 163N, Range 71W, Section 15
2. **Location to nearest town:** ½ mile N, 6.5 miles W, ½ mile S of St. John
3. **Ownership:** Crow Lake is federal waters by virtue of its location within trust lands of the Turtle Mountain Chippewa Indian Reservation. Management of the lake lies primarily with the Turtle Mountain Band of Chippewa with trust oversight by the Bureau of Indian Affairs (USDOI).
4. **Type:** Naturally occurring glacial lake
5. **Size:** 58.5 acres
6. **Elevation:** 2123 feet amsl
7. **Maximum Depth:** 22 feet found in 2018 **Average Depth:** Unknown
8. **Volume:** Unknown
9. **Shoreline miles:** 2 miles
10. **Priority Score:** Unknown

11. **Lake Assessment:** None as of 2018
12. **Watershed Size:** Not determined
13. **Location of normal outlet:** Unknown
14. **Littoral area:** Unknown

B. Development

1. Crow Lake does not currently have a boat ramp. The main access is on the Southwest corner of the lake. Currently there are no piers, docks, toilet facilities, or fish cleaning facilities at Crow Lake.

C. Fishery

1. **General Description**

- a. Crow Lake is a naturally occurring glacial lake formed by a dead-ice moraine. As glacial ice stopped advancing in the Turtle Mountains, large amounts of sediment accumulated on top of the ice. This insulation of sediment prevented the underlying ice from melting for several thousand years. This slow melting resulted in irregularities at the surface, causing the sediment on top of the ice to slump into lower areas. When this sediment slumped, the ice beneath the sediment began to melt more rapidly and transformed the area into a hole or a depression. These depressions created what are now the many lakes found in the Turtle Mountain area and the surrounding landscape.

2. **Species List**

Table 16: Fish species found in Crow Lake.

Common
yellow perch – NR
fathead minnow – NR
brook stickleback - NR
NR – Denotes Natural Reproduction

3. **Population Status and Trend**

- a. **Yellow perch** – With sampling in Crow Lake only occurring in 2018, there is not enough data collected to determine a population trend. The U.S. Fish and Wildlife Service have never stocked yellow perch, but there is natural reproduction occurring (Table 12). Based on adult population sampling in 2018, it is difficult to make any management decisions at this time.

Table 17: Population trend – 6’ x 125’ x ¾”-2” gill nets in Crow Lake.

Target Species		2018
Yellow perch	N	6
	CPUE (#/net-night)	3
	WPUE	81.5
	Mean Length (mm)	143
	Mean Weight (g)	38.6
	Avg Wr	103.1
	PSD	0
	RSD S-Q	83
	RSD Q-P	0
	RSD P-M	0

4. History of Angler Use

- a. The most desired species, by anglers, include northern pike, yellow perch, bluegill, and walleye. These are the species that are most sought after during all seasons. Anglers are interested in having more walleye lakes on the Turtle Mountain Reservation. Crow Lake has the potential to develop as a good walleye and yellow perch fishery.

D. History of Management Actions

1. Eradications

- a. There has been no local expression in regards to undesirable species found in Crow Lake.

2. Stocking

- a. The N.D. Game and Fish and the U.S. Fish and Wildlife Service provide stocking information. There have not been any fish stocked in Crow Lake.

3. Special Regulations

- a. More information needed

E. Management Problems

1. Physical/Chemical

- a. There is not enough data collected from Crow Lake to make any management decisions.

2. Development

- a. Facilities – There currently is not a boat ramp or any facilities at Crow Lake. Development of Crow Lake will not occur until there is an established fishery.
- b. Enhancement – None

3. Fishery
 - a. With little information available from Crow Lake and very few fish captures in 2019, more information and data is necessary.

F. Management Goals and Objectives

1. Goal
 - a. To develop Crow Lake as a rustic, secluded, multi-purpose, recreational lake that provides the local community with a quality outdoor experience.
2. Objectives
 - a. To meet management goals by developing a diverse quality sport fishery for yellow perch and possibly walleye in the future.

Table 18: Accepted stock density index ranges for balanced fish populations. Target values by sampling effort and species should equal or exceed ranges.

<u>Species</u>	<u>Capture Rate</u>	<u>Wr</u>	<u>PSD</u>
yellow perch	10 fish/net-night	90	30-60

- b. Improve habitat for desired species.
- c. Upgrade the capacity of the Turtle Mountain Department of Natural Resources to allow for improved monitoring and maintenance actions.
- d. Develop basic facilities and amenities to increase use of Crow Lake during summer months.

G. Proposed Management Actions

1. Physical/Chemical
 - a. The department will seek to maintain water levels at Crow Lake to maximize fish habitat and populations. Future population sampling and water quality measurements to ensure the lake is healthy enough to sustain fish populations.
2. Development
 - a. There are currently no plans for development until a fishery is established.
3. Fishery
 - a. There are currently no plans to stock Crow Lake. Stocking will be dependent on the current population trends.
4. Sociological
 - a. Regulations – Talk to the department about current regulations on fish limits.
 - b. Information/Education – Information kiosks and signs posted at each boat ramp will inform the public on current regulations and management problems.

- c. Interagency Communication – Coordinate with the Turtle Mountain Department of Natural Resources on sampling dates and data collected.

H. Evaluation of Management Actions

1. Evaluation Design

- a. Summer population surveys will occur annually. These surveys will provide important information on population dynamics, size structure, relative abundance, condition, and reproductive success. The data collected will influence management decisions.

I. Other Management Options Considered

1. **Ideas?**

J. Projected Time Frame

January-February	Conduct winter water quality sampling
June	Conduct summer population sampling
July-August	Conduct summer water quality sampling

K. Literature Cited

- Carlander, K., Whitney, R., Speaker, E., and Madden, K. Evaluation of Walleye Fry Stocking in Clear Lake, Iowa, by Alternate-Year Planting. Transactions of the American Fisheries Society, Vol. 89, 3, pp 249-254 (1960).
- Murphy, B. and Willis, D. *Fisheries Techniques Second Edition*. (1996)
- Nielsen, L. and Johnson, D. *Fisheries Techniques*. (1989)



TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

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September 7, 2023

ND Industrial Commission
State Capital 14th Floor
600 E. Boulevard Ave., Dept. 405
Bismarck, ND 58505-0840

Commission Board:

Letter of Support & Commitment

On behalf of the Turtle Mountain Band of Chippewa Tribal Government, I extend my support and commitment to our Natural Resources Department's application to the ND Industrial Commission for an Outdoor Heritage Fund grant. The proposed project to build access docks at our tribal lakes will be highly beneficial for our tribal members as well as visitors to the TM Chippewa Reservation. In addition to providing recreational opportunities, it will provide access to tribal waterways so that we can make continual improvement to fish & wildlife habitats.

Because of our growing population, it is essential that we invest time and resources to continually monitor and analyze the health of our tribal lakes and waterways. Additionally, we also want to assure there are ample recreational opportunities so that our tribal members live a healthy lifestyle that outdoor activities will provide. The Park has walking trails and other amenities that sway people away from sedentary lifestyles.

Planning is essential to development so I have committed time to be involved in the development of the Sky Chief Park and the Natural Resources department. I will continue to work with the TMBCI Tribal Council to leverage the financial resources necessary to move the tribe toward implementation of the many initiatives developed and sponsored at Sky Chief Park. As such, along with my support, I will assure that TMBCI Tribal Government will meet a 25% OHF match requirement through tribal financial resources. I also assure that the Sky Chief Park will continue to be publicly accessible to tribal members as well as visitors to the Turtle Mountain Chippewa Reservation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ron W. Trottier".

Ron Trottier, TMBCI District Two Representative/Treasurer

cc: TMBCI Tribal Government



Red River Basin Wildlife and Water Quality Enhancement Pilot Program



Red River Basin Wildlife and Water Quality Enhancement Pilot Program
Amendment Request
October 26, 2023

Amendment Details



Adjust match for Producer Management agreements. These are funded by NDGF and DEQ at 50% of the current rental rate. NDGF and DEQ will be paying these at 60% of the rental rate. Total match will not change, however the ratio will.

Original budget

Project Expense Description	OHF Request	Match Share (Cash)	Match Share (In-Kind)	Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
*OHF Cost shared practices	\$270,000.00	\$180,000.00	\$0.00	\$0.00	\$0.00	\$450,000.00
** Producer Management Agreements	\$0.00	\$0.00	\$275,000.00	\$0.00	\$275,000.00	\$550,000.00
*** Watershed Coordinator Assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$271,400.00	\$271,400.00
**** SCD Assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$42,000.00	\$42,000.00
	\$270,000.00	\$180,000.00	\$275,000.00	\$0.00	\$588,400.00	\$1,313,400.00

Amended budget

Project Expense Description	OHF Request	Match Share (Cash)	Match Share (In-Kind)	Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
*OHF Cost shared practices	\$270,000.00	\$180,000.00	\$0.00	\$0.00	\$0.00	\$450,000.00
** Producer Management Agreements	\$0.00	\$0.00	\$330,000.00	\$0.00	\$220,000.00	\$550,000.00
*** Watershed Coordinator Assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$271,400.00	\$271,400.00
**** SCD Assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$42,000.00	\$42,000.00
	\$270,000.00	\$180,000.00	\$330,000.00	\$0.00	\$533,400.00	\$1,313,400.00

Note: Match Share (In-kind) column in WebGrants budget is incorrect and will need to be updated to reflect these changes.

Amendment Details



Match Share (In-kind) column in WebGrants budget is incorrect and will need to be updated to reflect these changes.

Project Expenses - Multi-List

Project Budget - Use the table to provide an itemized list of project expenses and describe the matching funds being utilized for this project.

Indicate if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. **A minimum of 25% match funding is required.** An application will be scored higher the greater the amount of match funding provided.

NOTE: No indirect costs will be funded.

Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

[NRCS Field Office Tech Guide Link](#)

If you are requesting funds for staffing or utilizing it as match, it must be listed as a separate expense.

Project Expense Description	OHF Request	Match Share (Cash)	Match Share (In-Kind)	Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
* OHF Cost shared practices	\$270,000.00	\$180,000.00	\$0.00	\$0.00	\$0.00	\$450,000.00
** Producer Management Agreements	\$0.00	\$0.00	\$550,000.00	\$0.00	\$0.00	\$550,000.00
*** Watershed Coordinator Assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$271,400.00	\$271,400.00
**** SCD Assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$42,000.00	\$42,000.00
	\$270,000.00	\$180,000.00	\$550,000.00	\$0.00	\$313,400.00	\$1,313,400.00

Amendment Details



Adjust Producer Management Agreement length. Currently these may be up to 5 years, landowners are requesting longer agreements. Amend language to allow for up to 10 years.

The SCDs will also have the option to provide cost share assistance for Management Agreements that partially compensate participating producers for management changes and maintenance of the practices on the eligible acres. Cost share for the Management Agreements will be supported at a **50/50 cost share** ratio using Section 319 funds available through NDDEQ & Private Land Habitat and Access Improvement funds available through ND Game and Fish Department. These agreements can be **up to 5 years** in length. **Cost share will be based on 50% of the most current rental rates** in the County Rents and Prices publication distributed by the ND Department of Trust Lands. Participating SCD will be responsible for the approval of the agreements and submission to the ND Game and Fish Department for processing. The BMP Tracker database will be used to develop producer agreements and track the practice type, amount, cost and location as well as produce reports.

EXEMPTIONS

Outdoor Heritage Fund grants may not be used to finance the following:

- Litigation;
- Lobbying activities;
- Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

OHF funds may not be used, except after a finding of exceptional circumstances by the Industrial Commission, to finance:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Definitions/Clarifications for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Definitions/Clarifications for how this will be calculated);
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Definitions/Clarifications for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

The goal of the Industrial Commission is that at a minimum 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.

The following projects are not eligible for funding, unless there is a finding of exceptional circumstances by the Industrial Commission include:

- Construction or refurbishment of indoor/outdoor ice rinks,
- Construction or refurbishment of indoor/outdoor athletic courts and sports fields,

- Other substantially similar facilities.
- Infrastructure that is not part of a comprehensive conservation plan.
- Projects not meeting a minimum funding request of \$2,500.

Budget Information

A minimum of 25% match funding is required. No indirect costs will be funded.

For projects including fencing: A minimum cost share of 40% by the recipient is preferred. Include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.

Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification. Projects involving perimeter fencing must follow NRCS eligibility standards.

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

Labor Costs	\$15.00/hour <u>Average of the average hourly wage of North Dakota as shown by the US Bureau of Labor Statistics and the Independent Sector Value of Volunteer Time Report 2023 Value: \$28.76</u>
Land Costs	Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
Permanent Equipment	Any equipment purchased must be listed separately with documentation shown actual cost (For example: playground equipment)
Equipment Usage	Actual documentation
Seed & Seedlings	Actual documentation
Transportation	Mileage at federal rate
Supplies and materials	Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example, the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program, please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as "A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature."

Comprehensive Conservation Plan - Defined as "A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the

project and the protection or preservation of natural areas and outdoor recreation.” This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that is being requested for staffing and/or the hiring of an outside consultant.** This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Maintenance – Activities that preserve or keep infrastructure in a given existing condition, including repairs. Repair means to restore to sound condition after damage, to renew or refresh; except repairs due to damage caused by Acts of God.



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

North Dakota Mill and Elevator Association

Audit Report for the Years Ended June 30, 2023 and 2022

Client Code 475

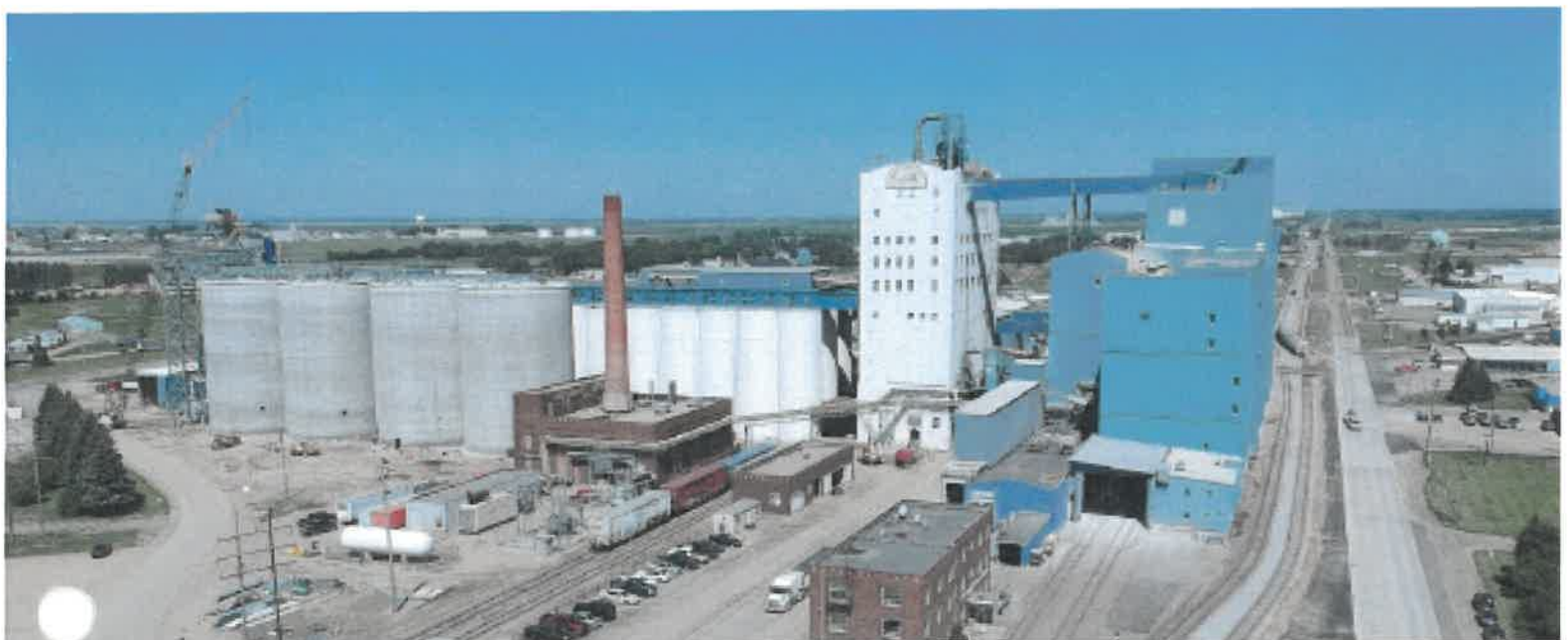


TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	9
Comparative Statement of Net Position	9
Comparative Statement of Revenues, Expenses, and Changes in Net Position	10
Comparative Statement of Cash Flows	11
Notes to the Financial Statements	12
REQUIRED SUPPLEMENTARY INFORMATION	36
Schedule of Employer's Share of Net Pension Liability	36
Schedule of Employer Contributions	36
Notes to Required Supplementary Information	37
Schedule of Employer's Share of Net OPEB Liability	38
Schedule of Employer Contributions	38
Notes to Required Supplementary Information	39
SUPPLEMENTARY INFORMATION	40
Schedule of Appropriations	40
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	41
Governance Communication	43



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INDEPENDENT AUDITOR'S REPORT

Members of the Legislative Assembly

Industrial Commission

Vance Taylor, President and CEO, North Dakota Mill and Elevator Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the North Dakota Mill and Elevator Association, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the North Dakota Mill and Elevator Association's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the North Dakota Mill and Elevator Association, as of June 30, 2023 and June 30, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Dakota Mill and Elevator Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the North Dakota Mill and Elevator Association are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities of the North Dakota Mill and Elevator that is attributable to the transactions of the North Dakota Mill and Elevator Association. They do not purport to, and do not, present fairly the financial position of the state of North Dakota, as of June 30, 2023 and 2022, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Dakota Mill and Elevator Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Dakota Mill and Elevator Association's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Dakota Mill and Elevator Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Employer's Share of Net Pension Liability, the Schedule of Employer Contributions for pensions, the Schedule of Employer's Share of Net OPEB Liability and the Schedule of Employer Contributions for OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively compare the North Dakota Mill and Elevator Association's basic financial statements. The Schedule of Appropriations is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the

auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Appropriations is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2023 on our consideration of the North Dakota Mill and Elevator Association's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Dakota Mill and Elevator Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Dakota Mill and Elevator Association's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion
State Auditor
Bismarck, North Dakota
October 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of North Dakota Mill and Elevator Association's annual financial report presents management's discussion and analysis of the Mill's financial performance during the fiscal year that ended June 30, 2023. Please read this information in conjunction with the financial statements that follow this section.

FINANCIAL HIGHLIGHTS

Condensed Financial Data

	FY 2023	FY 2022	FY 2021
Current Assets	\$ 130,869,833	\$ 142,549,577	\$ 85,572,875
Noncurrent Assets	7,316,413	934,959	821,191
Capital Assets	178,485,939	158,945,834	127,583,562
Total Assets	<u>\$ 316,672,185</u>	<u>\$ 302,430,370</u>	<u>\$ 213,977,628</u>
Deferred Outflow of Resources	\$ 17,792,067	\$ 16,830,966	\$ 16,965,528
Current Liabilities	\$ 113,671,512	\$ 131,851,550	\$ 56,750,590
Noncurrent Liabilities	86,273,461	53,962,626	60,325,694
Total Liabilities	<u>\$ 199,944,973</u>	<u>\$ 185,814,176</u>	<u>\$ 117,076,284</u>
Deferred Inflow of Resources	\$ 9,485,629	\$ 16,547,166	\$ 3,938,828
Invested in Capital Assets	\$ 135,431,478	\$ 136,668,904	\$ 127,583,562
Unrestricted	(10,397,828)	(19,768,910)	(17,655,518)
Total Net Position	<u>\$ 125,033,650</u>	<u>\$ 116,899,994</u>	<u>\$ 109,928,044</u>
Operating Revenue			
Gross Sales	\$ 532,743,300	\$ 473,013,523	\$ 339,161,011
Sales Deductions	(86,902,223)	(80,550,375)	(71,335,777)
Net Sales	<u>\$ 445,841,077</u>	<u>\$ 392,463,148</u>	<u>\$ 267,825,234</u>
Nonoperating Revenue			
Interest Income	90,643	3,298	4,431
Miscellaneous	35,616	154,340	361,366
Total Revenues	<u>\$ 445,967,336</u>	<u>\$ 392,620,786</u>	<u>\$ 268,191,031</u>
Operating Expenses			
Material Cost	\$ 375,142,839	\$ 333,147,294	\$ 210,828,503
Manufacturing, Selling, General	48,487,503	42,922,097	42,633,744
Nonoperating Expenses			
Interest Expense	5,025,601	1,842,941	1,247,260
Other	73,128	30,665	21,205
Total Expenses	<u>\$ 428,729,071</u>	<u>\$ 377,942,997</u>	<u>\$ 254,730,712</u>
Revenue Over Expenses	\$ 17,238,265	\$ 14,677,789	\$ 13,460,320
Transfer to Industrial Commission	(54,520)		(47,080)
Transfer to General Fund	(8,188,176)	(6,971,950)	(6,393,652)
Transfer to Ag Fuel Tax Fund	(861,913)	(733,889)	(673,016)
Change in Net Position	<u>\$ 8,133,656</u>	<u>\$ 6,971,950</u>	<u>\$ 6,346,572</u>
Beginning Net Position, as restated	\$ 116,899,994	\$ 109,928,044	\$ 103,581,472
Ending Net Position	<u>\$ 125,033,650</u>	<u>\$ 116,899,994</u>	<u>\$ 109,928,044</u>

- Gross sales reached \$532,743,000.
- During the fiscal year, the Mill shipped 15,931,000 hundredweight of flour.
- The Mill made a profit of \$17,238,000.
- Mill operations provided more than \$424,326,000 to the region and another \$984,436,000 in secondary economic activity for a total economic impact of more than \$1,408,762,000.

RESULTS OF OPERATIONS

Certain operating information is set forth below, as a percentage of gross sales for the fiscal years ended June 30, 2023, June 30, 2022 and June 30, 2021:

	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Gross Margin	13.3%	12.5%	16.8%
Material Costs	70.4%	70.4%	62.6%
Operating Costs	9.1%	9.1%	12.6%
Profits	3.2%	3.1%	4.0%

Gross sales reached \$532,743,000 for the fiscal year compared to \$473,013,000 last year and \$339,161,000 in fiscal year 2021. Sales of spring wheat flour were 14,631,000 hundredweight or 92 percent of our total sales while sales of durum products were 1,300,000 hundredweight. This compares to sales of 14,362,000 hundredweight of spring wheat flour and 1,245,000 hundredweight of durum products last year. Bulk flour sales represent 84 percent of the flour sold. Flour packed in bags accounted for 16 percent of the flour sold.

As a result of this sales volume, the Mill spent more than \$366,191,000 buying wheat and durum. This is up from the previous year purchases of \$319,708,000 and up from purchases in fiscal year 2021 of \$205,702,000. In fiscal year 2023 the Mill settled the purchase of 35,634,000 bushels of wheat and durum while in fiscal year 2022 the Mill settled the purchase of 31,459,000 bushels. The majority of the grain purchased is from North Dakota growers or grain elevators.

In addition to spending over \$366,191,000 on grain, most of which went to North Dakota farmers, the Mill also spent \$35,871,000 with other North Dakota based suppliers. Payroll costs for the North Dakota Mill were \$22,264,000 for the year ended June 30, 2023. These three items when added together show that the Mill provided a direct economic impact to the region of over \$424,326,000. A North Dakota State University study stated that for every dollar in direct economic activity from wheat processing, another \$2.32 was generated in secondary economic activity. Thus, the Mill produced \$984,436,000 in secondary economic activity resulting in a total economic impact of more than \$1,408,686,000.

Operating costs were \$48,488,000 compared to \$42,922,000 last year and \$42,634,000 in fiscal year 2021. This is an increase of \$5,565,000 from last year. The primary causes for this increase in operating cost is due to the increase in fumigation costs, increases in wages and benefits, increased insurance costs, and increased depreciation costs. Operating cost per hundredweight of production increased to \$3.03 from \$2.74 in fiscal year 2022 and \$2.71 in fiscal year 2021.

Gross margins as a percent of gross sales were 13.3 percent for fiscal year 2023 moving from 12.5 percent in fiscal year 2022 and 16.8 percent in fiscal year 2021. Profits as a percent of gross sales were 3.2 percent compared to 3.1 percent last year and 4.0 percent in fiscal year 2021. The Mill experienced a profit of \$17,238,000 compared to a profit of \$14,678,000 last year.

LIQUIDITY

The North Dakota Mill's cash requirements relate primarily to capital improvements and a need to finance inventories and receivables based on raw material costs and levels. These cash needs are expected to be fulfilled by the Mill through operations and an established operating line of credit with the Bank of North Dakota. The Mill has a \$125,000,000 operating line of credit with the Bank of North Dakota. The Mill also has a term note and a construction note with the Bank of North Dakota.

CASH FLOWS FROM OPERATIONS

Operating activities for the year ended June 30, 2023, provided cash of \$42,972,000 compared to a use of \$7,922,000 in fiscal year 2022 and providing cash of \$17,762,000 in fiscal year 2021. Cash was used primarily for capital projects and transfers to APUF and the General Fund. There was an operating profit for this same period of \$22,211,000 compared to \$16,394,000 in fiscal year 2022 and \$14,363,000 in 2021.

CASH FLOWS FROM FINANCING ACTIVITIES

The North Dakota Mill had \$57,637,000 of short-term debt outstanding and payable to the Bank of North Dakota on June 30, 2023 compared to \$69,000,000 last year and \$26,000,000 in fiscal year 2021. The Mill also had \$43,902,000 in long term debt outstanding and payable to the Bank of North Dakota on June 30, 2023 compared to \$32,748,000 in fiscal year 2022 and \$36,401,000 in fiscal year 2021.

NET POSITION

Current assets decreased \$5,327,000 from last year. This decrease from last year is due primarily to decreases in accounts receivable. Receivables decreased \$11,451,000 while inventories rose \$6,173,000 from last year's values.

The carrying value of capital assets increased \$19,540,000 to \$178,486,000 for the year ended June 30, 2023. For more detailed information regarding capital assets and long-term debt activity see the Notes to the Financial Statements.

Current liabilities decreased \$18,180,000 from last year. Long term liabilities increased \$14,131,000 from last year. The major changes were in the long term notes payable to the Bank of North Dakota, which increased \$11,061,000 and to the net pension liability which increased \$15,675,000. The total net position increased by \$8,134,000, resulting in an improvement in overall financial position.

COMMODITY PRICE RISK

The North Dakota Mill utilizes futures contracts offered through regulated commodity exchanges to reduce risk. The Mill is exposed to risk of loss in the market value of inventories and fixed purchase and sales contracts. To reduce this risk, opposite and offsetting futures positions are taken.

INDUSTRY

U.S. annual wheat flour production increased in 2022 to 430 million hundredweights up 2.2% from 2021. Production of whole wheat flour in the U.S. was estimated at 19.16 million hundredweights which is a 3% decrease from 2021. Durum flour and semolina production was 30.6 million hundredweights, up 1.5% from 2021. We expect grain and financial markets to continue to be volatile.

North Dakota produced another quality spring wheat and durum crop this year. Average spring wheat protein is estimated to be 14.1%. Harvest conditions were good. Spring wheat quality has an effect on flour quality. The crop this year is working well for our customers.

FINANCIAL STATEMENTS
Comparative Statement of Net Position

ASSETS	June 30, 2023	June 30, 2022
Current assets:		
Cash and cash equivalents	\$ 225	\$ 316,384
Receivables, net (note 4)	80,692,136	100,614,091
Inventories (note 5)	46,036,722	39,864,086
Notes receivable	2,117,647	
Prepaid expense	2,023,103	1,755,016
Total current assets	\$ 130,869,833	\$ 142,549,577
Noncurrent assets:		
Notes receivable	\$ 6,352,941	
Patronage capital credits	688,471	\$ 659,959
Other assets	275,000	275,000
Capital assets, net (note 6)	178,485,938	158,945,834
Total noncurrent assets	185,802,350	159,880,793
Total assets	\$ 316,672,183	\$ 302,430,370
DEFERRED OUTFLOW OF RESOURCES		
Accumulated decrease in fair value of hedging derivative instruments	\$ 148,375	\$ 5,747,088
Derived from pensions	17,059,774	10,794,194
Derived from other post-employment benefits	583,918	289,684
Total deferred outflows of resources	\$ 17,792,067	\$ 16,830,966
LIABILITIES		
Current liabilities:		
Checks issued in excess of cash	\$ 3,291,163	
Accounts payable and other liabilities (note 7)	31,492,835	\$ 38,294,751
Due to state general fund	8,188,175	6,971,950
Due to ag products utilization fund	861,913	733,889
Hedging derivative instruments	148,375	5,747,088
Short term notes payable	57,636,505	69,000,000
Long-term liabilities - current portion		
Compensated absences	98,609	95,369
Notes payable	3,838,349	3,745,527
Lease liability	8,115,585	7,262,977
Total current liabilities	\$ 113,671,509	\$ 131,851,551
Noncurrent liabilities:		
Net other post-employment benefit liability	\$ 939,974	\$ 427,768
Net pension liability	24,149,157	8,474,445
Long-term liabilities - noncurrent portion		
Compensated absences	1,079,519	1,044,049
Notes payable	40,063,712	29,002,410
Lease liability	20,041,099	15,013,953
Total noncurrent liabilities	86,273,461	53,962,625
Total liabilities	\$ 199,944,970	\$ 185,814,176
DEFERRED INFLOWS OF RESOURCES		
Derived from pensions	\$ 9,477,546	\$ 16,388,877
Derived from other post-employment benefits	8,083	158,289
Total deferred inflows of resources	\$ 9,485,629	\$ 16,547,166
NET POSITION		
Invested in capital assets	\$ 135,431,478	\$ 136,668,905
Unrestricted	(10,397,827)	(19,768,911)
Total net position	\$ 125,033,651	\$ 116,899,994

The accompanying notes are an integral part of the financial statements.

Comparative Statement of Revenues, Expenses, and Changes in Net Position

OPERATING REVENUES	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Sales (net of sales deductions of \$86,902,224 and \$80,550,372, respectively)	\$ 445,841,075	\$ 392,463,149
Total operating revenues	<u>\$ 445,841,075</u>	<u>\$ 392,463,149</u>
 OPERATING EXPENSES		
Material cost	\$ 375,142,840	\$ 333,147,292
Wages and benefits	24,761,502	21,980,915
Repairs and maintenance	3,670,118	2,672,582
Operating supplies	1,620,052	1,822,172
Utilities	5,046,128	4,761,065
Insurance	2,178,314	1,996,251
Outside services	2,115,462	1,692,830
Office supplies	75,352	125,107
Computer expense	371,148	291,000
Communications	64,938	63,344
Travel and entertainment	266,680	215,536
Employee expense	348,348	189,767
Safety expense	198,935	258,633
Postage and mailing	38,825	27,491
Advertising	153,967	140,018
Dues and subscriptions	228,416	199,430
Legal and professional	49,229	39,396
Depreciation	7,300,087	6,446,563
Total operating expenses	<u>\$ 423,630,341</u>	<u>\$ 376,069,392</u>
Operating income	<u>\$ 22,210,734</u>	<u>\$ 16,393,757</u>
 NONOPERATING REVENUES (EXPENSES)		
Interest income	\$ 90,643	\$ 3,298
Interest expense	(5,025,601)	(1,842,941)
Disposal of assets	(120,074)	(60,479)
Miscellaneous income	155,690	214,819
Other expense	(73,127)	(30,665)
Total nonoperating expenses	<u>\$ (4,972,469)</u>	<u>\$ (1,715,968)</u>
Gain before transfers	<u>\$ 17,238,265</u>	<u>\$ 14,677,789</u>
 Transfer to state general fund	\$ (8,188,175)	\$ (6,971,950)
Transfer to ag products utilization fund	(861,913)	(733,889)
Transfer to Industrial Commission	(54,520)	
Change in net position	<u>\$ 8,133,657</u>	<u>\$ 6,971,950</u>
Total net position - beginning of year	<u>\$ 116,899,994</u>	<u>\$ 109,928,044</u>
Total net position - ending	<u>\$ 125,033,651</u>	<u>\$ 116,899,994</u>

The accompanying notes are an integral part of the financial statements.

Comparative Statement of Cash Flows

	June 30, 2023	June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 544,403,772	\$ 425,418,084
Payments to suppliers	(479,695,166)	(411,798,619)
Payments to employees	(21,736,183)	(21,541,515)
Net cash provided (used) by operating activities	<u>\$ 42,972,423</u>	<u>\$ (7,922,050)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from noncapital debt	\$ 59,950,464	\$ 65,000,000
Principal paid on noncapital debt	(75,057,611)	(25,653,273)
Interest paid on noncapital debt	(4,842,150)	(1,842,941)
Ag promotion	(73,128)	(30,665)
Transfer to Industrial Commission	(54,520)	
Transfer to state general fund	(6,971,950)	(6,393,652)
Transfer to ag products utilization fund	(733,889)	(673,016)
Net cash provided (used) by noncapital financing activities	<u>\$ (27,782,784)</u>	<u>\$ 30,406,453</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt	\$ 14,897,776	
Principal paid on capital debt and leases	(8,295,991)	\$ (7,911,957)
Interest paid on capital debt and leases	(815,913)	(393,674)
Acquisition and construction of capital assets	(21,301,583)	(15,720,219)
Net cash used by capital and related financing activities	<u>\$ (15,515,711)</u>	<u>\$ (24,025,850)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income on investments	\$ 9,913	\$ 3,298
Net cash provided by investing activities	<u>\$ 9,913</u>	<u>\$ 3,298</u>
Net increase in cash and cash equivalents	\$ (316,159)	\$ (1,538,149)
Cash and cash equivalents, beginning	316,384	1,854,533
Cash and cash equivalents, ending	<u>\$ 225</u>	<u>\$ 316,384</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 22,210,734	\$ 16,393,757
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	15,844,462	14,486,355
Pension and OPEB expense	3,639,448	1,476,009
Interest expense paid on lease activities	632,462	393,674
Other nonoperating income	209,197	214,814
Decrease (Increase) in receivables, net	19,921,956	(47,810,255)
Decrease (Increase) in notes receivable	(8,470,677)	
Decrease (Increase) in inventories	(6,172,638)	(9,930,072)
Decrease (Increase) in prepaid expense	(268,087)	(774,523)
Decrease (Increase) in patronage capital credits	(28,512)	(113,768)
Increase (Decrease) in accounts payable	(3,951,108)	18,822,058
Increase (Decrease) in accrued payroll	421,042	85,919
Increase (Decrease) in other liabilities	19,315	(43,491)
Increase (Decrease) in accrued sick and vacation pay	38,709	(80,805)
Decrease (Increase) in deferred outflows for pension and OPEB	(1,073,880)	(1,041,722)
Net cash provided by operating activities	<u>\$ 42,972,423</u>	<u>\$ (7,922,050)</u>
SUPPLEMENTAL DISCLOSURE ON NON CASH TRANSACTIONS		
Assets acquired through lease	\$ 14,348,772	\$ 30,189,019
Total non cash transactions	<u>\$ 14,348,772</u>	<u>\$ 30,189,019</u>

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, as summarized below and the financial statements for the North Dakota Mill and Elevator Association (Mill) are in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

For financial reporting purposes, the Mill has included all its operations as enterprise funds and has considered all potential component units for which the Mill is financially accountable and other organizations for which the nature and significance of their relationship with the Mill are such that exclusion would cause the Mill's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of the Mill to impose its will on that organization; or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Mill.

Based upon these criteria, there are no component units to be included within the Mill as a reporting entity and the Mill is included within the state of North Dakota as a reporting entity.

B. BASIS OF PRESENTATION

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Mill's activities are considered to be an enterprise fund, single business-type activity (BTA) and accordingly, are reported within a single column in the basic financial statements.

C. BASIS OF ACCOUNTING

The enterprise fund is accounted for on a flow of economic resources measurement focus. The accrual basis of accounting is utilized by the enterprise fund. Revenue is recognized at the time of shipment from the Mill or from the transloading site. Expenses are recognized at the time goods and services were received and accepted.

D. CASH AND CASH EQUIVALENTS

This classification appears on the Comparative Statement of Net Position and the Comparative Statement of Cash Flows and includes petty cash and cash on deposit with the Bank of North Dakota.

E. RECEIVABLES

Accounts receivable represents amounts due from customers for credit sales. Other receivables consist of grain margin accounts, and promissory notes from employees. Notes receivable represents amounts due from customers. The grain margin accounts and hedging derivative instruments are used to buy and sell spring wheat futures contracts on the Minneapolis Grain Exchange. Any activity would be recognized at cost after the settlement period. The allowance method is used to account for estimated uncollectible accounts receivable.

F. INVENTORIES

Grain committed to production is valued at cost. Grain committed to sale is valued at net commitment price. Excess grain inventories are valued at June 30 Minneapolis grain market values, less freight costs to Minneapolis. Flour, feed, and resale inventories are valued at ingredient cost plus manufacturing costs incurred in their production. Supplies inventories are valued at cost. The first-in, first-out basis is used for all inventories.

G. CAPITAL ASSETS

Capital assets are stated at cost. When it is determined that a project consisting of machinery, equipment, or buildings will span more than one year, a "construction in progress" project folder is established to facilitate the accumulation until completion. Upon completion, the completed item is transferred to the applicable asset category. Movable equipment with a cost of \$5,000 or more is capitalized and reported in the accompanying financial statements.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets, generally 10 to 20 years for infrastructure, 30 to 40 years for buildings, 5 to 25 years for plant equipment, 7 to 10 years for office equipment and furniture, 3 to 8 years for intangibles, and 5 to 10 years for leasehold improvements. The leased right of use assets are amortized on a straight-line basis over the shorter of lease term or the assets useful life.

H. NONCURRENT LONG-TERM LIABILITIES

Noncurrent long-term liabilities include compensated absences that will not be paid within the next fiscal year and long-term notes payable to BND.

I. LEASES

Leased right of use assets and the corresponding lease liability are recorded at the present value of future payments over the shorter of the lease term or the assets useful life. The future lease payments are discounted using the implicit rate identified in the lease, or if not identified, then the Mill's incremental borrowing rate is used. The leased right of use assets are amortized on a straight-line basis.

J. COMPENSATED ABSENCES

Annual Leave - Union employees earn vacation within a range of 6 days to 30 days per year depending on length of continuous service. Other employees are entitled to earn annual leave,

based on tenure of employment, within a range of 12 days to 30 days per year. Individuals may bank earned vacation time to a total accumulation of 30 days payable at retirement or upon severance of employment.

Sick Leave - Union employees earn sick pay at the rate of one day for each two months of continuous employment. Upon termination, union employees shall be paid an amount equal to \$50 times the total unused days of accumulated leave, not to exceed \$5,000. Other employees earn sick pay at the rate of one day per month. Upon termination, these employees are entitled to be paid 10% of their accumulated sick leave, if employed 10 years or longer.

K. SCALE ACCRUED PURCHASES

Grain received/unloaded at the Mill that has not yet been settled by the Mill.

L. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. OTHER POST EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. NET POSITION

The Mill's net position is classified as follows:

Invested in Capital Assets – This represents the Mill's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets.

Unrestricted Net Position – Unrestricted net position includes resources derived from customer sales which may be used to meet the Mill's ongoing obligations.

O. REVENUE AND EXPENSE RECOGNITION

The Mill presents its revenues and expenses as operating or nonoperating based on recognition definitions from GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting. Operating activities are those activities that are necessary and essential to the mission of the Mill. Operating revenues include all charges to customers. Revenues from interest income, gains on sale of capital assets, and bad debt recovery are considered nonoperating since these are either investing, capital, or noncapital financing activities. Operating expenses are all expense transactions incurred other than those related to investing, capital, or noncapital financing activities and do not include interest expense and disposal of non-depreciated capital assets.

P. NEW ACCOUNTING PRONOUNCEMENTS

During fiscal year 2022, the Mill adopted GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and GASB Statement No. 92, *Omnibus 2020*.

During fiscal year 2023, the Mill adopted GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*

The Mill will implement the following new pronouncements for fiscal years ending after 2023: GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*. The effect that these GASB Statements will have on future financial statements has not yet been determined.

NOTE 2 | BUDGETING AND BUDGETARY CONTROL

The Mill provides its own operating funds. A two-year budget appropriation is approved by the State Legislature. The Mill's budgeting is on the accrual basis. The Mill does not use encumbrance accounting.

NOTE 3 | DEPOSITS

North Dakota Century Code (N.D.C.C.) sections 6-09-07 and 21-04-02 govern the deposit and investment of public funds.

N.D.C.C. section 6-09-07 states, "All state funds...must be deposited in the Bank of North Dakota...or must be deposited in accordance with constitutional and statutory provisions." N.D.C.C. section 21-04-02 provides that public funds belonging to or in the custody of the state shall be deposited in the Bank of North Dakota.

At June 30, 2023 and 2022, the carrying amounts of the Mill's deposits were \$225 and \$316,384, respectively, and the bank balances were \$1,000,000 and \$1,398,017, respectively. All deposits are exposed to custodial credit risk because they are not covered by depository insurance and the deposits are uncollateralized. These monies are deposited in the Bank of North Dakota and are guaranteed by the state of North Dakota (N.D.C.C. section 6-09-10).

NOTE 4 | RECEIVABLES

Receivables at June 30, 2023 and 2022 consist of the following:

June 30, 2023	Gross Receivables	Allowance		Net Receivables
		Bad Debts	Billbacks/ Promotional	
Current Receivables				
Accounts	\$ 80,685,389	\$ (2,536,627)	\$ (690,788)	\$ 77,457,974
Margin accounts	3,167,535			3,167,535
Other	66,627			66,627
Total Current Receivables	<u>\$ 83,919,551</u>	<u>\$ (2,536,627)</u>	<u>\$ (690,788)</u>	<u>\$ 80,692,136</u>

June 30, 2022	Gross Receivables	Allowance		Net Receivables
		Bad Debts	Billbacks/ Promotional	
Current Receivables				
Accounts	\$ 97,234,190	\$ (3,456,072)	\$ (433,296)	\$ 93,344,822
Margin accounts	7,131,519			7,131,519
Other	137,750			137,750
Total Current Receivables	<u>\$ 104,503,459</u>	<u>\$ (3,456,072)</u>	<u>\$ (433,296)</u>	<u>\$ 100,614,091</u>

At June 30, 2023 and 2022, the ages of gross accounts receivable were as follows:

	2023	2022
Current	\$ 42,692,976	\$ 50,771,488
1-30 Days	25,556,752	29,016,470
31-60 Days	8,819,340	11,697,905
61-90 Days	2,378,607	2,843,923
Over 90 Days	1,237,714	2,904,404
	<u>\$ 80,685,389</u>	<u>\$ 97,234,190</u>

NOTE 5 | INVENTORIES

At June 30, 2023 and 2022, inventories consisted of the following:

	2023	2022
Grain	\$ 33,477,529	\$ 27,266,713
Flour, Feed, Resale	11,427,208	11,732,993
Supplies	1,131,985	864,380
Total Inventories	<u>\$ 46,036,722</u>	<u>\$ 39,864,086</u>

The Mill's net position in the grain market at June 30, 2023 and 2022 was as follows:

	2023 Bushels		2022 Bushels	
	Wheat	Durum	Wheat	Durum
Company Owned (Priced) Grain and Flour on Hand	2,733,924	217,338	1,783,585	358,905
Open Purchase Contracts				
Cash	3,284,556	1,030,798	5,507,731	784,946
Futures	6,650,000		4,790,000	
Subtotal	12,668,480	1,248,136	12,081,316	1,143,851
Committed to Production	(12,928,349)	(1,151,782)	(12,424,198)	(889,731)
Net Position (Short) Long	(259,869)	96,354	(342,882)	254,120

Any gains or losses on net open position would only occur if there were changes in the market price of wheat or durum prior to the Mill covering their open position. Losses on open purchase contracts could occur if there was a failure to deliver the commodity. The amount of loss would depend upon the difference between the contract price and the market price at that time.

NOTE 6 | CAPITAL ASSETS

The summary of changes in capital assets for fiscal years ended June 30, 2023 and 2022 is below:

	Balance				Balance June 30, 2023
	July 1, 2022	Additions	Deletions	Transfers	
Capital Assets, Non-Depreciable:					
Land	\$ 1,783,611				\$ 1,783,611
Construction in Progress	26,141,763	\$ 21,323,657		\$ (30,349,875)	17,115,545
Total Capital Assets, Non-Depreciable	\$ 27,925,374	\$ 21,323,657	\$ -	\$ (30,349,875)	\$ 18,899,156
Capital Assets, Depreciable/Amortizable:					
Infrastructure	\$ 17,891,799		\$ (353,459)	\$ 1,248,952	\$ 18,787,292
Buildings	72,188,025		(139,574)	413,267	72,461,718
Machinery & Equipment	102,125,191	\$ 62,500	(737,308)	28,502,555	129,952,938
Intangibles	1,894,093			149,539	2,043,632
Furniture & Fixtures	1,017,392		(30,188)	35,562	1,022,766
Leased Right of Use Asset	29,552,600	14,348,772	(3,141,008)		40,760,364
Total Capital Assets, Depreciable/Amortizable	\$ 224,669,100	\$ 14,411,272	\$ (4,401,537)	\$ 30,349,875	\$ 265,028,710
Less Accumulated Depreciation and Amortization:					
Infrastructure	\$ 3,400,894	\$ 645,687	\$ (353,459)		\$ 3,693,122
Buildings	21,194,337	1,833,752	(83,759)		22,944,330
Machinery & Equipment	59,651,739	4,571,845	(606,991)		63,616,593
Intangibles	1,216,408	168,095	(170)		1,384,333
Furniture & Fixtures	781,757	77,321	(30,188)		828,890
Leased Right of Use Asset	7,403,505	8,544,375	(2,973,220)		12,974,660
Total Accumulated Depreciation and Amortization	\$ 93,648,640	\$ 15,841,075	\$ (4,047,787)		\$ 105,441,928
Total Capital Assets, Depreciable, Net	\$ 131,020,460	\$ (1,429,803)	\$ (353,750)	\$ 30,349,875	\$ 159,586,782
Capital Assets, Net	\$ 158,945,834	\$ 19,893,854	\$ (353,750)	\$ -	\$ 178,485,938

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital Assets, Non-Depreciable:					
Land	\$ 1,783,611				\$ 1,783,611
Construction in Progress	22,370,377	\$ 15,720,218		\$ (11,948,832)	26,141,763
Total Capital Assets, Non-Depreciable	\$ 24,153,988	\$ 15,720,218		\$ (11,948,832)	\$ 27,925,374
Capital Assets, Depreciable/Amortizable:					
Infrastructure	\$ 17,788,029			\$ 103,770	\$ 17,891,799
Buildings	72,276,573		\$ (261,118)	172,570	72,188,025
Machinery & Equipment	91,620,753		(1,068,810)	11,573,248	102,125,191
Intangibles	1,794,849			99,244	1,894,093
Furniture & Fixtures	1,017,392				1,017,392
Leased Right of Use Asset		30,189,019	(636,419)		29,552,600
Total Capital Assets, Depreciable/Amortizable	\$ 184,497,596	\$ 30,189,019	\$ (1,966,347)	\$ 11,948,832	\$ 224,669,100
Less Accumulated Depreciation and Amortization:					
Infrastructure	\$ 2,803,425	\$ 597,469			\$ 3,400,894
Buildings	19,554,622	1,844,779	\$ (205,064)		21,194,337
Machinery & Equipment	56,966,480	3,749,011	(1,063,752)		59,651,739
Intangibles	1,059,104	157,304			1,216,408
Furniture & Fixtures	684,391	97,366			781,757
Leased Right of Use Asset		8,039,924	(636,419)		7,403,505
Total Accumulated Depreciation and Amortization	\$ 81,068,022	\$ 14,485,853	\$ (1,905,235)		\$ 93,648,640
Total Capital Assets, Depreciable, Net	\$ 103,429,575	\$ 15,703,166	\$ (61,112)	\$ 11,948,832	\$ 131,020,460
Capital Assets, Net	\$ 127,583,563	\$ 31,423,384	\$ (61,112)	\$ -	\$ 158,945,834

NOTE 7 | ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2023 and 2022 were as follows:

	2023	2022
Accounts Payable	\$ 10,724,343	\$ 16,493,852
Scale Accrued Purchases	16,193,116	17,665,878
Accrued Gain Sharing	4,047,147	3,314,540
Accrued Payroll	251,270	747,649
Accrued Payroll Taxes and Benefits	216,782	31,969
Accrued Commissions	60,177	40,863
Total accounts payable and accrued liabilities	\$ 31,492,835	\$ 38,294,751

NOTE 8 | SHORT-TERM NOTES PAYABLE

The Mill uses a revolving line of credit to finance current operations with the Bank of North Dakota. The line of credit is for \$125 million as of June 30, 2023 and \$67.3 million is unused. The line of credit is for \$100 million as of June 30, 2022 and \$31 million unused. All Mill assets including but not limited to equipment, accounts, and inventory are pledged as collateral for the line of credit along with the notes payable discussed in Note 10. The interest rate is variable at 1.0% over the 3-month FHLB (Federal Home Loan Bank), adjusted quarterly. As of June 30, 2023 and 2022, the rates were 6.21% and 1.89%, respectively. Short-term debt activity for the year ended June 30, 2023 and 2022 was as follows:

	Balance July 1, 2022	Draws	Repayments	Balance June 30, 2023
Line of credit	\$ 69,000,000	\$ 59,950,464	\$ (71,313,959)	\$ 57,636,505

	Balance July 1, 2021	Draws	Repayments	Balance June 30, 2022
Line of credit	\$ 26,000,000	\$ 65,000,000	\$ (22,000,000)	\$ 69,000,000

NOTE 9 | LONG-TERM LIABILITIES

The summary of changes in the long-term liabilities for June 30, 2023 and 2022 is as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Compensated Absences	\$ 1,139,418	\$ 950,840	\$ (912,130)	\$ 1,178,128	\$ 98,609	\$ 1,079,519
Notes Payable	32,747,937	14,897,776	(3,743,652)	43,902,061	3,838,349	40,063,712
Lease Liability	22,276,930	14,348,772	(8,469,018)	28,156,684	8,115,585	20,041,099
Total Long-Term Liabilities	\$ 56,164,285	\$ 30,197,388	\$ (13,124,800)	\$ 73,236,873	\$ 12,052,543	\$ 61,184,330

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
Compensated Absences	\$ 1,220,224	\$ 958,952	\$ (1,039,758)	\$ 1,139,418	\$ 95,369	\$ 1,044,049
Notes Payable	36,401,211		(3,653,273)	32,747,937	3,745,527	29,002,410
Lease Liability		30,189,019	(7,912,089)	22,276,930	7,262,977	15,013,953
Total Long-Term Liabilities	\$ 37,621,435	\$ 31,147,971	\$ (12,605,121)	\$ 56,164,285	\$ 11,103,873	\$ 45,060,412

Compensated absences are also shown as long-term liabilities for annual and sick leave payable to employees upon retirement or severance of employment. See details in Note 1.

NOTE 10 | NOTES PAYABLE

The Mill borrowed \$40 million during fiscal year 2021 from the Bank of North Dakota to finance current operations and it is recorded as a notes payable. The interest rate is fixed at 2.5% and the term is ten years. In fiscal year 2023, the Mill entered into a \$40 million long term note with the Bank of North Dakota to fund the construction of a Midds Storage and Handling Facility. The note has a fixed 3.0% interest rate, 5-year term, requiring interest only monthly payments for the first 2 years, followed by 3 years of monthly principal and interest payments based on a 10-year amortization. In fiscal year 2023, the Mill drew down \$14,897,776 for the long term note with the remaining to be drawn down in fiscal year 2024. All Mill assets including but not limited to equipment, accounts, and inventory are pledged as collateral for the notes payable along with the line of credit discussed in Note 8.

The schedule of maturities of notes payable is as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 3,838,349	\$ 1,130,305	\$ 4,968,654
2025	6,541,898	1,031,390	7,573,288
2026	7,598,637	931,823	8,530,460
2027	7,809,057	829,737	8,638,794
2028	9,304,049	391,521	9,695,570
2029 - 2030	8,810,071	231,658	9,041,729
	<u>\$ 43,902,061</u>	<u>\$ 4,546,434</u>	<u>\$ 48,448,495</u>

NOTE 11 | LEASE OBLIGATIONS

During fiscal years ended June 30, 2023 and 2022, the Mill had leases for bulk rail and box cars with original terms of 1 to 26 years on 1035 and 991 cars, respectively. The Mill also has leases with GM Financial for the CEO's automobile, BNSF for land and track rental, CSX for track rental, US Bancorp for two shuttlewagons, and Pitney Bowes for a postage meter. A summary of changes in leased assets is as follows:

	Balance July 1, 2022	Additions	Decreases	Balance June 30, 2023
Capital Assets:				
Leased Land	\$ 104,472			\$ 104,472
Leased Infrastructure	82,367			82,367
Leased Machinery & Equipment	29,359,874	\$ 14,348,772	\$ (3,141,008)	40,567,638
Leased Furniture & Fixtures	5,888			5,888
Total Leases Being Amortized	<u>\$ 29,552,601</u>	<u>\$ 14,348,772</u>	<u>\$ (3,141,008)</u>	<u>\$ 40,760,365</u>

Less Accumulated Amortization:

Leased Land	\$ 22,641	\$ 92,290		\$ 114,931
Leased Infrastructure	7,379,183	8,450,403	(2,973,220)	12,856,366
Leased Machinery & Equipment	1,682	1,682		3,364
Leased Furniture & Fixtures				
Total Accumulated Amortization	<u>\$ 7,403,506</u>	<u>\$ 8,544,375</u>	<u>\$ (2,973,220)</u>	<u>\$ 12,974,661</u>

Leased Right of Use Asset, Net

	<u>\$ 22,149,095</u>	<u>\$ 5,804,397</u>	<u>\$ (167,788)</u>	<u>\$ 27,785,704</u>
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	Balance July 1, 2021	Additions	Decreases	Balance June 30, 2022
Capital Assets:				
Leased Land	\$ -	\$ 104,472		\$ 104,472
Leased Infrastructure		82,367		82,367
Leased Machinery & Equipment		29,996,292	\$ (636,418)	29,359,874
Leased Furniture & Fixtures		5,888		5,888
Total Leases Being Amortized	<u>\$ -</u>	<u>\$ 30,189,019</u>	<u>\$ (636,418)</u>	<u>\$ 29,552,601</u>

Less Accumulated Amortization:

Leased Land		\$ 22,641		\$ 22,641
Leased Infrastructure		8,015,601	\$ (636,418)	7,379,183
Leased Machinery & Equipment		1,682	-	1,682
Leased Furniture & Fixtures				
Total Accumulated Amortization	<u>\$ -</u>	<u>\$ 8,039,924</u>	<u>\$ (636,418)</u>	<u>\$ 7,403,506</u>

Leased Right of Use Asset, Net

	<u>\$ -</u>	<u>\$ 22,149,095</u>	<u>\$ -</u>	<u>\$ 22,149,095</u>
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The minimum future lease interest and principal payments for each of the next five years and in the aggregate is as follows:

Fiscal Year	Principal	Interest	Total
2024	8,115,586	875,483	8,991,069
2025	6,457,058	664,240	7,121,298
2026	4,985,313	476,376	5,461,689
2027	3,741,101	308,197	4,049,298
2028	2,695,663	160,808	2,856,471
2029-2033	2,161,963	92,124	2,254,087
	<u>\$ 28,156,684</u>	<u>\$ 2,577,228</u>	<u>\$ 30,733,912</u>

NOTE 12 | BONUS AND OTHER EMPLOYEE AGREEMENTS

The CEO’s annual bonus opportunity is based on performance, up to 30% of base salary. The employee’s annual bonus opportunity is based on achieving production, safety, and profit goals. Production and safety goals have a 4% bonus potential and if profit before gain sharing expense accrual and pension expense exceeds \$6 million for fiscal year 2023 and \$5 million for fiscal year 2022, the profit bonus would be 1% of base salary for each million in profits (before gain sharing expense accrual), or fraction thereof. The bonus potential was accrued. (See Note 7)

NOTE 13 | PENSION PLAN

The Mill participates in the North Dakota Public Employees' Retirement System (NDPERS), administered by the state of North Dakota. The following brief description of NDPERS is provided for general information purposes only. Participants should refer to N.D.C.C. chapter 54-52 for more complete information.

A. Description of Pension Plans

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

B. Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited

service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016, the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

C. Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

D. Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

E. Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer

contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

- 1 to 12 months of service – Greater of one percent of monthly salary or \$25
- 13 to 24 months of service – Greater of two percent of monthly salary or \$25
- 25 to 36 months of service – Greater of three percent of monthly salary or \$25
- Longer than 36 months of service – Greater of four percent of monthly salary or \$25

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023 and 2022, the Mill reported a liability of \$24,149,157 and \$8,474,445, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Mill's proportion of the net pension liability was based on the Mill's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2022, the Mill's proportion was 0.838493 percent, which was an increase of 0.025441 percent from its proportion measured as of June 30, 2021. As June 30, 2021, the Mill's proportion was 0.813052 percent, which was a decrease of 0.007255 from its proportion measured as of June 30, 2020.

For the years ended June 30, 2023 and 2022, the Mill recognized a pension expense of \$3,454,939 and \$1,398,417, respectively. At June 30, 2023 and June 30, 2022, the Mill reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,970	\$ 461,291
Changes of assumptions	14,441,551	8,952,962
Net difference between projected and actual earnings on pension	883,854	
Changes in proportion and differences between employer contributions and proportionate	651,262	63,293
Employer contributions subsequent to the measurement date	957,137	
Total	\$ 17,059,774	\$ 9,477,546

\$957,137 reported as deferred outflows of resources related to pensions resulting from the Mill contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 146,310	\$ 864,933
Changes of assumptions	9,379,565	12,228,993
Net difference between projected and actual earnings on pension		3,143,038
Changes in proportion and differences between employer contributions and proportionate share of contributions	351,570	151,913
Employer contributions subsequent to the measurement date	916,749	
Total	\$ 10,794,194	\$ 16,388,877

\$916,749 reported as deferred outflows of resources related to pensions resulting from the Mill contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 1,935,293
2025	2,135,411
2026	238,896
2027	2,315,491
2028	
Thereafter	

Actuarial assumptions. The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.5% to 17.75% including inflation
Investment rate of return	5.00%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30%	6.30%
International Equity	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.77%
Cash Equivalents	0%	0.00%

Discount rate. For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.69%; and the resulting Single Discount Rate is 5.10%.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate. The following presents the Mill's proportionate share of the net pension liability as of June 30, 2022 calculated using the discount rate of 5.10 percent, as well as what the Mill's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.10 percent) or 1-percentage-point higher (6.10 percent) than the current rate:

	1% Decrease (4.10%)	Current Discount Rate (5.10%)	1% Increase (6.10%)
Employer's proportionate share of the net pension liability	\$31,875,226	\$24,149,157	\$17,806,322

The following presents the Mill's proportionate share of the net pension liability as of June 30, 2021 calculated using the discount rate of 7.00 percent, as well as what the Mill's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Employer's proportionate share of the net pension liability	\$13,477,216	\$8,474,445	\$4,308,852

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

NOTE 14 | POST RETIREMENT BENEFITS

The Mill participates in the North Dakota Public Employees' Retirement System (NDPERS) other post employment benefits (OPEB) administered by the state of North Dakota. The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

A. Description of OPEB Plans

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019, the benefit may be used for any eligible health, prescription drug

plan, dental, vision, or long term care plan premium expense. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

B. OPEB Benefits

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "prefunded credit applied" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023 and 2022, the Mill reported a liability of \$939,974 and \$427,768, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as

of June 30, 2022 and 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Mill's proportion of the net OPEB liability was based on the Mill's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2022, the Mill's proportion was 0.783110 percent, which was an increase of 0.013983 percent. At June 30, 2021, the Mill's proportion was 0.769127 percent which was a decrease of 0.007423 percent from its proportion measures as of June 30, 2020.

For the years ended June 30, 2023 and 2022, the Mill recognized OPEB expense of \$184,509 and \$77,592, respectively. At June 30, 2023 and 2022, the Mill reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,284	\$ 8,083
Changes of assumptions	236,769	
Net difference between projected and actual earnings on OPEB plan investments	126,564	
Changes in proportion and differences between employer contributions and proportionate share of contributions	81,558	
Employer contributions subsequent to the measurement date	116,743	
Total	\$ 583,918	\$ 8,083

\$116,743 reported as deferred outflows of resources related to OPEB resulting from the Mill's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,565	\$ 11,725
Changes of assumptions	66,245	
Net difference between projected and actual earnings on OPEB plan investments		146,564
Changes in proportion and differences between employer contributions and proportionate share of contributions	73,901	
Employer contributions subsequent to the measurement date	124,973	
Total	\$ 289,684	\$ 158,289

\$124,973 reported as deferred outflows of resources related to OPEB resulting from the Mill's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended June 30:

2024	\$ 126,612
2025	118,868
2026	98,772
2027	114,840
2028	
Thereafter	

Actuarial assumptions. The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Investment rate of return	5.75%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with

rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC’s target asset allocation as of July 1, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	5.85%
Small Cap Domestic Equities	6%	6.75%
Domestic Fixed Income	35%	0.50%
International Equities	26%	6.25%

Discount rate. The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Employer’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the Plans as of June 30, 2022, calculated using the discount rate of 5.39%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
Employer’s proportionate share of the net OPEB liability	\$1,199,821	\$939,974	\$721,840

The following presents the net OPEB liability of the Plans as of June 30, 2021, calculated using the discount rate of 6.50%, as well as what the RHIC net OPEB liability would be if it were

calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Employer's proportionate share of the net OPEB liability	\$634,435	\$427,768	\$252,897

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued NDPERS financial report.

NOTE 15 | DEFERRED COMPENSATION PLAN

The state offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all state employees, permits them to defer a portion of their current salary until future years. Participation in the plan is optional. The deferred compensation is not available to the employees until separation of employment, unforeseeable emergency, de minimis distribution, or qualified domestic relations orders.

All compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive use of the employee or their beneficiary.

The Mill employees deposit to deferred compensation for June 30, 2023 and 2022 was \$358,636 and \$349,865, respectively.

NOTE 16 | CONCENTRATIONS

The Mill sells a substantial portion of its product to five major customers. Sales to these customers totaled approximately 8,229,996 and 8,599,348 hundredweight for the years ended June 30, 2023 and 2022, respectively. For June 30, 2023 and 2022, sales to these customers were 52% and 55% of total sales, respectively.

Approximately 70% of employees are employed under a four-year bargaining agreement that will expire at June 30, 2025. This contract contains a provision that states there shall be no strikes, slowdowns, or stoppages of work, picketing, boycotts, or other interference with the full operations of the business of the Mill by the employees covered by this agreement and there shall be no lockout by the Mill.

NOTE 17 | RELATED PARTY TRANSACTIONS

For fiscal years 2023 and 2022, section 54-18-19 of the N.D.C.C. provides that the Industrial Commission shall transfer to the state general fund, 50% of the annual earnings and undivided profits of the Mill after any transfers to other state agricultural-related programs. The moneys

must be transferred on an annual basis in the amounts and at the times requested by the director of the Office of Management and Budget. For the years ended June 30, 2023 and 2022, the Mill had a due to state general fund of \$8,188,175 and \$6,971,950, respectively.

Section 54-18-21 of the N.D.C.C. provides that the Industrial Commission shall transfer 5% of the net income earned by the Mill during that fiscal year to the Agricultural Products Utilization Fund. For the years ended June 30, 2023 and 2022, the Mill had a due to the Agricultural Products Utilization Fund of \$861,913 and \$733,889, respectively.

As referred to in Note 3, the Mill does all banking with the Bank of North Dakota. They also have a revolving line of credit with the Bank of North Dakota and notes payable, which are discussed in Notes 8 and 10.

The Mill paid the Industrial Commission, a state of North Dakota agency, \$54,520 in fiscal year 2023.

NOTE 18 | HEDGING DERIVATIVE INSTRUMENTS

Fair value measurements are used to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

Fair Value Hierarchy

In accordance with GASB Statement No. 72, assets and liabilities are grouped at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of assumptions used to determine fair value. These levels are:

Level 1 - Valuation is based upon quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Determination of Fair Value

In accordance with GASB Statement No. 72, fair values are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Mill's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurement in accordance with the fair value hierarchy.

The following is a description of valuation methodologies used for liabilities recorded at fair value.

Hedging Derivative Instruments

Fair values of the grain future contracts are determined on the Minneapolis Grain Exchange.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The balances of assets and liabilities measured at fair value on a recurring basis at June 30, 2023 and 2022 are as follows:

	2023			
	Total	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs Level 3
Liabilities				
Hedging Derivative Instruments	\$ 148,375	\$ 148,375		
Total	\$ 148,375	\$ 148,375		

	2022			
	Total	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs Level 3
Liabilities				
Hedging Derivative Instruments	\$ 5,747,088	\$ 5,747,088		
Total	\$ 5,747,088	\$ 5,747,088		

The fair values balances and notional amount of hedging derivative instruments outstanding at June 30, 2023 and the changes in fair values of such hedging derivative instruments for the year then ended as reported in the 2023 financial statements are \$148,375, classified as Hedging Derivative Instruments (one contract equals 5000 bushels) and \$148,375, classified as Deferred Outflows of Resources – Accumulated decrease in fair value of hedging derivative instruments.

The fair values balances and notional amount of hedging derivative instruments outstanding at June 30, 2022 and the changes in fair values of such hedging derivative instruments for the year then ended as reported in the 2022 financial statements are \$5,747,088, classified as Hedging Derivative Instruments (one contract equals 5000 bushels) and \$5,747,088, classified as Deferred Outflows of Resources – Accumulated decrease in fair value of hedging derivative instruments.

The fair value of the grain futures contracts was determined on the Minneapolis Grain Exchange. The daily limit for any trade days margin requirement is \$.60 per bushel, unless two or more wheat futures contract months within a crop year close at limit bid or limit offer, then the limit will increase by 50% per bushel the next business day. Daily price limits will revert back to \$.60 per bushel the business day after which no wheat futures contract month closes at the expanded limit bid or limit offer.

The Mill has entered into futures contracts for spring wheat to lock in a price for a future delivery or settlement period. These contracts are entered into to protect the Mill against price fluctuations of the commodity. The price protection is needed to cover any long or short positions compared to flour sales. The tables below shows the cost and market values of these spring wheat futures at June 30, 2023 and 2022:

2023					
Month	# Contracts Long/(Short)	Average Cost	Quoted Prices in Active Mkts	Cost	Market Value
Sept. 23	617	8.3344	8.1700	\$25,661,225	\$25,204,450
Dec. 23	594	8.1983	8.2650	24,332,075	24,547,050
March 24	56	8.1068	8.3450	2,273,850	2,336,600
May 24	34	8.1904	8.3450	1,394,263	1,418,650
Sept. 24	20	7.7576	7.7800	775,763	778,000
Dec. 24	9	7.6800	7.7700	345,600	349,650
				<u>\$54,782,776</u>	<u>\$54,634,400</u>

2022					
Month	# Contracts Long/(Short)	Average Cost	Quoted Prices in Active Mkts	Cost	Market Value
Sept. 22	31	10.7337	9.9000	\$ 1,676,600	\$ 1,534,500
Dec. 22	737	11.4551	10.0325	42,141,225	36,969,763
March 23	121	10.8364	10.1725	6,482,500	6,154,363
May 23	69	10.5530	10.2475	3,640,775	3,535,388
				<u>\$53,941,100</u>	<u>\$48,194,014</u>

The Mill is exposed to credit risk on hedging derivative instruments that are in asset positions. All grain futures trades are completed using two different national brokerage firms on the Minneapolis Grain Exchange. ADM Investor Services is rated A by the Standard & Poor's Rating Service. RJ O'Brien is a privately held business and is not rated by the Standard & Poor's Rating Service.

The Mill is exposed to rollover risk on grain futures trades whenever the hedge ratio (defined in aggregate of the size across all futures months relative to the underlying net cash position) does not equal 1.0. On June 30, 2023 and 2022, the tables below shows the hedge ratio by futures month going forward:

June 30, 2023		June 30, 2022	
Period	Hedge Ratio	Period	Hedge Ratio
September 2023	1.1	September 2022	1.0
December 2023	1.0	December 2022	1.0
March 2024	1.1	March 2023	1.0
May 2024	1.0	May 2023	0.9
September 2024	1.0	Net Position	1.0
December 2024	1.0		
Net Position	1.0		

NOTE 19 | RISK MANAGEMENT

The Mill is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Mill carries liability insurance and property insurance through the state's Risk Management Fund (RMF) and commercial insurance, respectively.

The 1995 Legislative Session established the RMF, an internal service fund, to provide a self-insurance vehicle for funding the liability exposures of state agencies resulting from the elimination of the state's sovereign immunity. The RMF manages the tort liability of the state, its agencies, and employees. All state agencies participate in the RMF and each fund's contribution was determined using a projected cost allocation approach. The statutory liability of the state is limited to a total of \$460,250 per person and \$1,625,000 per occurrence.

The Mill participated in North Dakota Workforce Safety and Insurance (WSI), an enterprise fund of the state of North Dakota. The WSI is a state insurance fund and a 'no fault' insurance system covering the state's employers and employees financed by premiums assessed to employers. The premiums are available for the payment of claims to employees injured in the course of employment.

The Mill participates in the State Bonding Fund which currently provides blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

There have been no significant reductions in insurance coverage from the prior years and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 20 | COMMITMENTS AND CONTINGENCIES

At June 30, 2023 and 2022, the Mill had committed to purchase 3,84,556 and 5,507,731 bushels of spring wheat, respectively, and 1,030,798 and 784,946 bushels of durum, respectively.

In addition, at June 30, 2023 and 2022, construction commitments totaled \$46,129,454 and \$49,523,236, respectively, amounts authorized totaled \$63,245,000 and \$63,390,000, respectively, and amounts expended/construction in progress totaled \$17,115,546 and \$26,141,764, respectively.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Employer's Share of Net Pension Liability
ND Public Employees Retirement System
Last 10 Fiscal Years*

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered-employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.838493%	\$24,149,157	\$9,733,537	248.10%	54.47%
2022	0.813052%	\$8,474,445	\$9,206,923	92.04%	78.26%
2021	0.820307%	\$25,807,034	\$9,048,978	285.19%	48.91%
2020	0.842955%	\$9,880,043	\$8,768,169	112.68%	71.66%
2019	0.832005%	\$14,040,992	\$8,547,332	164.27%	62.80%
2018	0.749966%	\$12,054,415	\$7,655,981	157.45%	61.98%
2017	0.836299%	\$8,150,549	\$8,427,920	96.71%	70.45%
2016	0.867931%	\$5,901,783	\$7,732,208	76.33%	77.15%
2015	0.817003%	\$5,185,693	\$6,882,262	75.35%	77.70%

*Complete data for this schedule is not available prior to 2015. The amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Schedule of Employer Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years*

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2023	\$957,137	(\$957,137)	\$0	\$10,155,610	9.42%
2022	\$916,749	(\$916,749)	\$0	\$9,733,537	9.42%
2021	\$811,839	(\$811,839)	\$0	\$9,206,923	8.82%
2020	\$772,196	(\$772,196)	\$0	\$9,048,978	8.53%
2019	\$796,459	(\$796,459)	\$0	\$8,768,169	9.08%
2018	\$708,182	(\$708,182)	\$0	\$8,547,332	8.29%
2017	\$642,553	(\$642,553)	\$0	\$7,655,981	8.39%
2016	\$630,801	(\$630,801)	\$0	\$8,427,920	7.48%
2015	\$573,685	(\$573,685)	\$0	\$7,732,208	7.42%

*Complete data for this schedule is not available prior to 2015.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2023**

Changes of benefit terms.

The interest rate earned on member contributions decreased from 6.50 percent to 6.00 percent effective January 1, 2023 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions.

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020.

**Schedule of Employer's Share of Net OPEB Liability
ND Public Employees Retirement System
Last 10 Fiscal Years***

	Employer's proportion of the net OPEB liability (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered-employee payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.783110%	\$939,974	\$8,084,872	11.63%	56.28%
2022	0.769127%	\$427,768	\$8,385,470	5.10%	76.63%
2021	0.776550%	\$653,232	\$8,852,437	7.38%	63.38%
2020	0.785778%	\$631,127	\$8,768,169	7.20%	63.13%
2019	0.781137%	\$615,199	\$8,547,332	7.20%	61.89%
2018	0.707681%	\$559,783	\$7,655,981	7.31%	59.78%

*Complete data for this schedule is not available prior to 2018. The amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

**Schedule of Employer Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years***

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2023	\$116,743	(\$116,743)	\$0	\$10,155,610	1.15%
2022	\$124,973	(\$124,973)	\$0	\$8,084,872	1.55%
2021	\$122,209	(\$122,209)	\$0	\$8,385,470	1.46%
2020	\$123,089	(\$123,089)	\$0	\$8,852,437	1.39%
2019	\$127,521	(\$127,521)	\$0	\$8,768,169	1.45%
2018	\$113,390	(\$113,390)	\$0	\$8,547,332	1.33%

*Complete data for this schedule is not available prior to 2018.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2023**

Changes of benefit terms.

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions.

The investment return assumption was updated from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2021.

SUPPLEMENTARY INFORMATION
Schedule of Appropriations
For the Biennium Ended June 30, 2023

OBJECT	2021-2023	2022	2023	Balance
	Final Appropriation	Expenses/ Transfers	Expenses/ Transfers	June 30, 2023
Salaries and wages	\$ 50,560,209	\$ 21,627,433	\$ 22,157,224	\$ 6,775,552
Operating expenses	36,817,000	14,841,264	17,036,298	4,939,438
Agriculture promotion	500,000	30,665	73,128	396,207
Contingency	500,000			500,000
TOTAL	\$ 88,377,209	\$ 36,499,362	\$ 39,266,650	\$ 12,611,197
SOURCE				
Special fund authority	\$ 88,377,209	\$ 36,499,362	\$ 39,266,650	\$ 12,611,197
TOTAL	\$ 88,377,209	\$ 36,499,362	\$ 39,266,650	\$ 12,611,197

2021-2023 Appropriation amounts come directly from the North Dakota Session Laws, Chapter 42, Senate Bill 2014

The following is a reconciliation of the GAAP expenses from the Statement of Revenues, Expenses, and Changes in Net Position to the Schedule of Appropriations:

	2022	2023
Total operating expenses	\$ 376,069,392	\$ 423,630,341
Adjustments:		
Material cost	(333,147,292)	(375,142,840)
Depreciation	(6,446,563)	(7,300,087)
Change in compensated absences	80,805	(38,709)
Pension expense	(481,668)	(2,497,803)
OPEB expense	47,381	(67,766)
Demurrage	346,642	610,386
Agriculture promotion	30,665	73,128
Expenses per schedule of appropriations	\$ 36,499,362	\$ 39,266,650



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditor's Report

Members of the Legislative Assembly

Industrial Commission

Vance Taylor, President and CEO, North Dakota Mill and Elevator Association

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of business-type activities of the North Dakota Mill and Elevator Association, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the North Dakota Mill and Elevator Association's basic financial statements, and have issued our report thereon dated October 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Dakota Mill and Elevator Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Dakota Mill and Elevator Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Dakota Mill and Elevator's Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies,

in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Dakota Mill and Elevator Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Dakota Mill and Elevator's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

/S/

Joshua C. Gallion
State Auditor
Bismarck, ND
October 23, 2023



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Governance Communication

October 23, 2023

Industrial Commission

Legislative Audit and Fiscal Review Committee

We have audited the financial statements of the business-type activities, of the North Dakota Mill and Elevator Association for the years ended June 30, 2023 and 2022 and have issued our report thereon dated October 23, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 29, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the North Dakota Mill and Elevator Association are described in Note 1 to the financial statements. As described in Note 1, the Mill and Elevator Association changed accounting policies related to leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in fiscal year 2022. We noted no transactions entered into by the North Dakota Mill and Elevator Association during fiscal years 2023 and 2022 for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on the management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the North Dakota Mill and Elevator Association's financial statements were:

- Useful lives of capital assets
- Allowance for uncollectible receivables
- Net pension and OPEB liabilities

Management’s estimate of the useful lives, as described in Note 1, is used to compute depreciation on capital assets. Management’s estimate of allowance for uncollectible receivables is based on aging categories, past history, and an analysis of the collectability of individual accounts. Management’s estimate of the net pension liability and net OPEB liability is based on an actuary’s calculation in accordance with the employment contracts. We evaluated the key factors and assumptions used to develop the useful lives, allowances, net pension liability, and net OPEB liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements as detailed below:

Account Description	Debit	Credit	Explanation
Statement of Net Position			
Notes receivable - noncurrent	\$ 6,352,941		To properly classify Notes Receivable between current and noncurrent
Notes receivable - current		\$ 6,352,941	

In addition, none of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

There were no uncorrected misstatements of the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 23, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the North Dakota Mill and Elevator Association’s financial statements or a determination of the type of auditor’s opinion that may be expressed on that statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the North Dakota Mill and Elevator Association’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedule of Employer’s Share of Net Pension Liability, the Schedule of Employer Contributions for pensions, the Schedule of Employer’s Share of Net OPEB Liability and the Schedule of Employer Contributions for OPEB which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Appropriations, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of Legislative Audit and Fiscal Review Committee, the Industrial Commission, and management of the North Dakota Mill and Elevator Association is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,



Robyn Hoffmann, CPA
Audit Manager





Office of the
State Auditor


NORTH DAKOTA STATE AUDITOR
JOSHUA C. GALLION


NORTH DAKOTA STATE AUDITOR'S OFFICE


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North Dakota Mill
Review of Operations
1st Qtr. Ended
September 30, 2023

Summary

The Mill experienced a profit of \$5,546,849 in the first quarter compared to a profit of \$2,330,195 last year.

	<u>9/23</u>	<u>9/22</u>
Profits	\$5,546,849	\$2,330,195
Sales	127,888,159	136,953,660
Cwt. Shipped		
Spring	3,898,539	3,708,735
% to Total	91.7%	92.6%
Durum/Blends	<u>354,464</u>	<u>294,475</u>
Total	<u>4,253,003</u>	<u>4,003,210</u>
Bulk Shipments	3,580,141	3,353,562
% to Total	84.2%	83.8%
Bag Shipments	626,629	602,649
% to Total	14.7%	15.0%
Tote Shipments	46,233	46,999
% to total	1.1%	1.2%
Family Flour Shipments	128,204	71,281
% to Total	3.0%	1.8%
Organic Flour	24,539	28,793
% to Total	.6%	.7%

Wheat/Durum		
Bought:		
Spring / Winter	8,488,775	8,875,463
Durum	<u>829,254</u>	<u>462,635</u>
Total	<u>9,318,029</u>	<u>9,341,098</u>

Sales

Sales for the first quarter were \$127,888,159 compared to \$136,953,660 last year, a decrease of 6.6%. The price of grain settled with suppliers at the mill for the first quarter of the year is \$1.95 per bushel lower than last year. Shipments of 4,253,003 cwts. in the first quarter are 249,793 cwts., above last year. Bag shipments of 626,629 cwts. are 4.0% above last year. Family flour shipments were 128,204 cwts., an increase of 56,293 cwts., from last year's first quarter shipments of 71,281 cwts. Organic flour shipments were 24,539 cwts., a decrease of 4,254 cwts. from last year.

Operating Costs

Operating costs for the first quarter were \$11,641,871 compared to \$10,347,781 last year, an increase of 12.5%. Total flour production for the first quarter was 5.6% above last year's first quarter. Operating cost per cwt. of production was \$2.74 per cwt., compared to \$2.57 last year, an increase of 6.6%

Profits

The mill had profits of \$5,546,849 in the first quarter compared to \$2,330,195 in the last year. This is an increase of 138.0%. Gross margins as a percent of gross sales for the quarter was 14.4% compared to 9.9% last year.

Risk Management Position

The table below shows our hedge ratio by futures month going forward. As the table indicates the mill continues to be closely matched in the overall net positions with some slight variations in monthly positions.

Position Report	
30-Sept-23	
Period	Hedge Ratio
Dec-23	1.0
Mar-24	.9
May-24	1.0
July-24	1.0
Sept-24	1.0
Dec-24	1.0
Net Position	1.0



North Dakota Mill

Quarterly Income Statement Summary

For the Three Months Ending Saturday, September 30, 2023

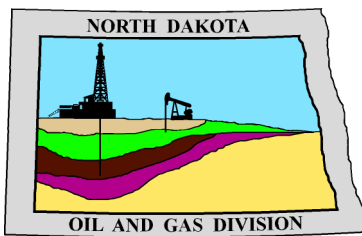
	1st Qtr			Fiscal Year 2024	Fiscal Year 2023	Change
	Sep 2023	Sep 2022	Change			
GROSS SALES	\$127,888,159	\$136,953,660	(\$9,065,502)	\$127,888,159	\$136,953,660	(\$9,065,502)
SALES DEDUCTIONS	(21,659,603)	(21,759,256)	99,653	(21,659,603)	(21,759,256)	99,653
NET SALES	\$106,228,556	\$115,194,405	(\$8,965,849)	\$106,228,556	\$115,194,405	(\$8,965,849)
COGS	(\$87,774,152)	(\$101,579,012)	\$13,804,860	(\$87,774,152)	(\$101,579,012)	\$13,804,860
GROSS MARGIN	\$18,454,404	\$13,615,393	\$4,839,011	\$18,454,404	\$13,615,393	\$4,839,011
Gross Margin	14.4%	9.9%	4.5%	14.4%	9.9%	4.5%
OPERATING EXPENSES						
PRODUCTION	(\$9,170,896)	(\$8,077,578)	(\$1,093,318)	(\$9,170,896)	(\$8,077,578)	(\$1,093,318)
QUALITY CONTROL	(333,336)	(370,610)	37,274	(333,336)	(370,610)	37,274
MARKETING	(670,645)	(583,878)	(86,767)	(670,645)	(583,878)	(86,767)
GENERAL & ADMIN	(1,466,995)	(1,315,715)	(151,279)	(1,466,995)	(1,315,715)	(151,279)
TOTAL OPERATING EXPENSES	(\$11,641,871)	(\$10,347,781)	(\$1,294,091)	(\$11,641,871)	(\$10,347,781)	(\$1,294,091)
per cwt production	\$2.74	\$2.57	\$0.17	\$2.74	\$2.57	\$0.17
OPERATING INCOME	\$6,812,532	\$3,267,612	\$3,544,920	\$6,812,532	\$3,267,612	\$3,544,920
OTHER INCOME	\$149,294	\$13,904	\$135,389	\$149,294	\$13,904	\$135,389
OTHER EXPENSES	(1,414,977)	(951,321)	(463,656)	(1,414,977)	(951,321)	(463,656)
NET INCOME	\$5,546,849	\$2,330,195	\$3,216,654	\$5,546,849	\$2,330,195	\$3,216,654
PRODUCTION - CWTS.						
SPRING WHEAT FLOUR	3,874,231	3,735,237	138,994	3,874,231	3,735,237	138,994
% to total	91.1%	92.7%	(1.6%)	91.1%	92.7%	(1.6%)
DURUM FLOUR/SEMO	379,013	292,659	86,354	379,013	292,659	86,354
% to total	8.9%	7.3%	1.6%	8.9%	7.3%	1.6%
TOTAL CWTS.	4,253,244	4,027,896	225,348	4,253,244	4,027,896	225,348
SALES - CWTS.						
SPRING WHEAT	3,898,539	3,708,735	189,804	3,898,539	3,708,735	189,804
% to total	91.7%	92.6%	(0.9%)	91.7%	92.6%	(0.9%)
DURUM & BLENDS	354,464	294,475	59,990	354,464	294,475	59,990
% to total	8.3%	7.4%	0.9%	8.3%	7.4%	0.9%
TOTAL CWTS.	4,253,003	4,003,210	249,793	4,253,003	4,003,210	249,793
BY-PRODUCTS	64,381	60,771	3,610	64,381	60,771	3,610
Price per ton	\$152.96	\$149.81	\$3.15	\$152.96	\$149.81	\$3.15

Docket for Hearing
Wednesday, July 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 29896, Order No. 32501: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Keene-Bakken/Three Forks Pool to establish an overlapping 2560-acre spacing unit described as Sections 23, 24, 25 and 26, T.153N., R.96W., McKenzie County, ND, and authorize one horizontal well to be drilled on such unit, or granting such other relief as may be appropriate.

Docket for Hearing
Thursday, August 24, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30263, Order No. 32873: Application of Cobra Oil & Gas Corp. for an order removing 31 Operating, LLC as operator of certain underground gathering pipeline systems and a salt water disposal well so that Cobra Oil & Gas Corp. is the operator of both the pipeline located in the NESE and SESW of Section 30, T.162N., R.81W., Bottineau County, ND, and with the Evanson #2 SWD well, located in the NENW of Section 31, T.162N., R.81W., Bottineau County, ND, and such other relief as appropriate.



Oil and Gas Division

Lynn D. Helms - Director Mark F. Bohrer - Assistant Director

Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.dmr.nd.gov/oilgas/

TIMETABLE FOR ADOPTING OIL AND GAS RULES *(tentative in RED FONT)*

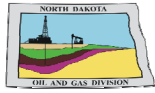
2023

- Jun 27:** Request staff ideas f/rule changes (email them with deadline)
- Jul 14:** Deadline to receive interoffice comments on proposed rules
- Sep 3:** Send legal ads to North Dakota Newspaper Association for rules notice
- Sep 7:** IC meeting—received approval to proceed with proposed rulemaking
- Sep 8:** File full notice and rules with Legislative Council (LC) via email
LC sends rules notice to interested parties within 15 business days after receiving them
- Sep 9:** All papers (10 daily + 42 weekly) publish proposed rules notice Sep 3 – Sep 9
- Sep 11:** *Write regulatory analysis for rules impacting industry > \$50,000*
- Oct 9:** 8am CDT: Rules hearing (Case 30329) Oil and Gas Division Office, 1000 E Calgary Ave, Bismarck (Hearing must be no sooner than 20 days from the date of last publication)
1pm MDT: Rules hearing, Oil and Gas Division Field Office, 926 E Industrial Drive, Dickinson
- Oct 10:** 8am CDT: Rules hearing, Clarion Hotel and Suites, 1505 15th Ave West, Williston
1:30pm CDT: Rules hearing, Oil and Gas Division Field Office, 7 Third St SE, Suite 107, Minot
Minimum ten-day comment period starts (to receive input on proposed rules)
- Oct 16:** Send legal ads to North Dakota Newspaper Association for additional rules notice
- Oct 20:** Comment period ends from first hearing—10 days from final hearing date (ten-day mandatory)
- Oct 28:** All papers (10 daily + 42 weekly) publish proposed rules notice Oct 22 – Oct 28
- Oct 30:** File second full notice and rules with Legislative Council (LC) via email
LC sends rules notice to interested parties within 15 business days after receiving them
- Oct 31:** *IC meeting—request approval to proceed with proposed rulemaking*
- Nov 17:** *9am CDT: Rules hearing (Case 30329 continued) Oil and Gas Division Office, 1000 E Calgary Ave, Bismarck (Hearing must be no sooner than 20 days from the date of last publication)*
- Nov 22:** *Finalize responses to all comments received (oral at hearings plus written comments)
Finalize appropriate amendments to rules*
- Nov 27:** *Comment period ends from second hearing—10 days from final hearing date (ten-day mandatory)*
- Nov 27:** *Finalize any additional responses to all comments received (oral at hearings plus written comments)
Finalize appropriate amendments to rules*
- Nov 28:** *IC meeting-request rule approval with ICO _____ (Case 30329)*
- Dec 1:** *Mail ICO _____ to all interested parties including sponsors; prepare affidavit of mailing*

- Dec 21:** Complete small entity regulatory analysis—required to minimize adverse impact on small entities
- Dec 21:** Complete small entity impact statement—required if an adverse impact on small entities
- Dec 22:** Submit final rules to Attorney General (AG) for legal opinion

2024

- Jan 22:** Receive opinion from AG's office
- Jan 23:** File rules and AG opinion with LC
(Rules filed with LC between Nov 2 and Feb 1 become effective Apr 1)
- Feb 12:** Notify all interested parties (and post on web) of the Administrative Rules Committee hearing
- Mar 5:** Administrative Rules Committee Hearing
- Apr 1:** Adopt final rules



**NORTH DAKOTA INDUSTRIAL COMMISSION
DEPARTMENT OF MINERAL RESOURCES
OIL AND GAS DIVISION**

SUMMARY OF PROPOSED 2024 RULES

NDAC CITE	RULE	Page(s)	PROPOSED CHANGE
43-02-03 GENERAL RULES			
43-02-03-01	Definitions	3	Add definition for "Inactive pipeline"
		5	Clarify definition for "Stratigraphic test well"
		5	Add definition for "Subsurface observation well"
		5	Clarify definition for "Treating plant"
43-02-03-14	Access to sites and records	5	Add stratigraphic test wells and subsurface observation wells
43-02-03-14.2	Oil and gas metering systems	6,7	Change inventory filing requirements to provers; other meters upon request
		6,7,8,10	Clarify role of Director and Commission
		7,10	Acknowledge NorthSTAR form name "facility sundry notice"
		9	Add meter owner to test reports
		9	Clarifies certificate of accuracy filings
		9	Notification of prover testing
43-02-03-15	Bond and transfer of wells	10	Clarifies reports for all custody transfer meters and provers
		11,12,13,14,15,16,17	Clarify role of Director and Commission
		13	Include all well types transferred
		13	Clarify reclamation of impacted land and water resources transfers to new operator
43-02-03-16	Application for permit to drill and recomplete	17	Establish Enhanced Recovery Potential Well bond subject to annual review
		17	Acknowledge NorthSTAR form name "application for permit" to drill or recomplete
		18	Clarify what extenuating circumstances qualify for verbal approval consideration by Director
		18	Clarify role of Director and Commission
43-02-03-16.3	Recovery of a risk penalty	19	Eliminate duplicative form
		19	Director can extend permit
43-02-03-17	Sign on well and facility	20,21	Clarify language
43-02-03-19.3	Earthen pits and receptacles	22	Add emergency phone number
43-02-03-20	Sealing off strata	23	Clarify form to be used
		23,24	Establish requirements for Director approval of single-wall open top receptacles
43-02-03-21	Casing, tubing, and cementing requirements	24	Include all wells regulated
		24	Include all applicable strata penetrated
		24	Clarify role of Director and Commission
		25	Include all wells regulated
		25	Include all wells constructed
		25	Require cementing while drilling rig is on well but allows Director discretion
		25	Require surface casing gauge on all wells
		25	Require monitoring of surface casing pressure, keep below FIT
43-02-03-24	Pulling string of casing	26	Clarify pressure tests of casing strings
		26	Clarify waiver is from Director
43-02-03-27.1	Hydraulic fracture stimulation	26	Include all wells regulated
		27,28,29	Remove intermediate casing reference
		27,28	Require remedial well work prior to performance with Director discretion
		27	Remove casing evaluation for re-frac through frac string wells
		27,29	Require notice if suspected frac string or casing failure
43-02-03-28	Safety regulation	27	Change adequate to adequately
		29	Clarify what type of tank or vessel must be 150' or 125' from ignition source
		29	High pressure oil processing vessels allowed 65' from ignition source with Director approval
43-02-03-29	Well and lease equipment and gas gathering pipelines	30	Prohibits surface casing bleed lines plumbed into production line without Director approval
		30,31	Correct Esri acronym
43-02-03-29.1	Crude oil and produced water underground gathering pipelines	32	Require above ground pipeline markers at discretion of Director for public safety
		33,34,35,36,38,40,41	Clarify role of Director and Commission
		33	Notice of intent to construct expires after one year for any project not built
		33,37,40,41,42	Add GCS and Esri acronyms
		36	Require ROW reclamation to be completed within 180 days, Director discretion
		36	Require third party inspector for all aspects of construction
		36	Require adequate number of third party inspectors
		38	Establish accuracy of GIS layer
		38	Require filing of data sharing plan with Director
		40	Require appropriately scaled chart recorder
43-02-03-31	Well log, completion, and workover reports	42	Require above ground pipeline markers at discretion of Director for public safety
		43	Clarify role of Director and Commission
		43	Specify cement evaluation log
		43	Require initial cement evaluation log run at zero pressure
		43	Change time to date
		43	Add restimulation wells (HB1427; NDCC 57-51.1-01) to confidentiality list
		43	Changed confidentiality for recompletion, restimulation, reentry wells to mimic new wells
		44	Acknowledge NorthSTAR form name "well sundry form"
43-02-03-34.1	Reclamation of surface	44	Acknowledge NorthSTAR form name "well sundry form" and "facility sundry notice"
43-02-03-35	Conversion of mineral wells to freshwater wells	45	Specify Director responsible for filing waiver with county recorder
43-02-03-41	Subsurface pressure tests	45	Acknowledge change from Water Commission to Department of Water Resources
43-02-03-44	Metered casinghead gas	46	Change datum to top of formation
		46	Require notification of Director within 30 days of connection to gas gathering system
		47	May estimate or measure gas used on lease or flared
43-02-03-48.1	Central production facility-commingling of production	47	Suggest meters used to determine used on lease or flared gas conform to standards
		47	Clarify commingling of production means oil and gas
		48	Clarify commingling applies to oil, gas, or both
		48	List all allocation meters and type
		48	Acknowledge NorthSTAR form name "central tank battery well test"
		49	Allow Director to approve commingling of produced water
48,49	Acknowledge NorthSTAR form name "facility sundry notice"		
43-02-03-51.1	Treating plant permit requirements	50	Director can extend permit
43-02-03-51.3	Treating plant construction and operation requirements	51	Allow Director to waive synthetic liner requirement
43-02-03-53.1	Saltwater handling facilities permit requirements	53	Acknowledge NorthSTAR form name "facility sundry notice"
		54	Director can extend permit
43-02-03-55	Abandonment of wells, treating plants, underground gathering pipelines, or saltwater handling facilities-suspension of drilling	54	Abandonment of subsurface monitoring wells added
		55	Clarify surface owner may request a hearing to review temporarily abandoned status
		55	Clarify temporarily abandoned status is for oil and gas wells
		55	Establish Enhanced Oil Recovery Potential Status for oil wells

25 Rules

43-02-08 STRIPPER WELL AND STRIPPER WELL PROPERTY DETERMINATION			
43-02-08-01	Definitions	56	Correct General Authority and Law Implemented Cites
43-02-08-02	Application for stripper well or stripper property determination	57	Correct General Authority and Law Implemented Cites
43-02-08-02.1	Property determination	58	Correct General Authority and Law Implemented Cites
43-02-08-03	Director shall determine stripper well or stripper property status	59	Correct General Authority and Law Implemented Cites
43-02-08-04	Applicant adversely affected may submit amended application-Procedure	60	Correct General Authority and Law Implemented Cites
43-02-08-05	Person adversely affected may petition the commission-Procedure	60	Correct General Authority and Law Implemented Cites

6 rules

43-02-10 CERTIFICATION OF SECONDARY AND TERTIARY RECOVERY PROJECTS-DETERMINATION OF INCREMENTAL PRODUCTION			
43-02-10-02	Application to certify a qualifying secondary recovery project	61	Remove tax reduction reference
43-02-10-03	Commission certification of a secondary recovery project	61	Remove tax reduction paragraph
43-02-10-04	Application to certify a qualifying tertiary recovery project	62	Remove tax reduction reference
43-02-10-05	Commission certification of a tertiary recovery project	62	Correct subsection reference to 57-51.1; remove tax reduction reference

4 rules

43-02-15 CERTIFICATION OF RESTIMULATION WELLS (CREATED PURSUANT TO HB 1427)			
43-02-15-01	Definitions	63	Create definitions, same as used in NDAC 43-02-03, NDCC 38-08, NDCC 57.51.1
43-02-15-02	Application to certify a restimulation well	63,64	Create requirements for application to certify
43-02-15-03	Director shall determine restimulation well status	64,65	Create requirements for Director to review within 30 days; MER; Director grant or deny application and send to applicant; send approval to tax commissioner
43-02-15-04	Applicant adversely affected may submit amended application	65	Applicant may amend application within 30 days; Director grant or deny
43-02-15-05	Person adversely affected may petition the commission-procedure	65	Any person adversely affected may petition the Commission within 30 days
43-02-15-06	Books and records to be kept to substantiate reports	66	Operator must keep records for six years

6 rules

41 rules total

CHAPTER 43-02-08
STRIPPER WELL AND STRIPPER WELL PROPERTY DETERMINATION

43-02-08-01. Definitions.

The terms used throughout this chapter have the same meaning as in chapter 43-02-03 and North Dakota Century Code chapters 38-08 and 57-51.1, except:

1. "Commercial quantities" means production exceeding in value current operating costs.
2. "Condensate recovered in nonassociated production" means a liquid hydrocarbon recovered from a well classified as a gas well by the commission.
3. "Maximum efficient rate" means the maximum economic rate of production of oil which can be sustained under prudent operations, using sound engineering practices, without loss of ultimate recovery.
4. "Operator" means any person who owns a fee interest or an interest in an oil and gas leasehold, and has the right to produce oil therefrom.
5. "Qualifying period" means any preceding consecutive twelve-month period beginning after December 31, 1972, that the qualified maximum total production from a well or property did not exceed the production levels as specified in subsection 2 of section 43-02-08-03.
6. "Well depth":
 - a. For a vertical or directional well means the lowest measured depth (measured in feet from the kelly bushing) producing from the pool during the qualifying period. In the event there is more than one vertical or directional well on a property producing from the same pool during the qualifying period, "well depth" means the average of the lowest measured depths producing from the pool of all vertical and directional wells in the property.
 - b. For a horizontal well means the measured depth of the terminus of the horizontal lateral (measured in feet from the kelly bushing) producing from the pool during the qualifying period. In the event there is more than one horizontal well on a property producing from the same pool during the qualifying period, "well depth" means the average measured depth of the termini of the horizontal laterals producing from the pool of all of the horizontal wells on the property.

History: Effective August 1, 1986; amended effective September 1, 1987; May 1, 1994; May 1, 2004; April 1, 2014, _____.

General Authority:
NDCC 38-08-04(5)(1)(e)

Law Implemented:
NDCC 38-08-04(4)(1)(d)
NDCC 57-51.1-01

43-02-08-02. Application for stripper well or stripper well property determination.

Any operator desiring to classify a well or property as a stripper well or a stripper well property for purposes of exempting production from the imposition of the oil extraction tax as provided under North Dakota Century Code chapter 57-51.1 shall file an application for stripper well or stripper well property determination with the director and obtain a determination certifying the well or property as a stripper well property. The applicant has the burden of establishing entitlement to stripper well or stripper well property status and shall submit all data necessary for a determination by the director.

The application must include the following:

1. The name and address of the applicant and the name and address of the person operating the well, if different.
2. The legal description of the well or property for which a determination is requested.
3. The well name and number and legal description of the oil-producing well or each oil-producing well on the property during the qualifying period and at the time of application.
4. The depth of all perforations (measured in feet from ground level) from the producing well or each producing well on the property during the qualifying period which produces from the same pool.
5. Designation of the well or property which the applicant requests to be certified as a stripper well or a stripper well property. Such designation must be accompanied by sufficient documentation for the director to determine (as set forth in section 43-02-08-02.1) that the well or property the applicant desires to be certified as a stripper well or a stripper well property constitutes a well or property as specified in North Dakota Century Code section 57-51.1-01.
6. The monthly production of the oil-producing well or each oil-producing well on the property during the qualifying period.

If the application does not contain sufficient information to make a determination, the director may require the applicant to submit additional information.

History: Effective August 1, 1986; amended effective September 1, 1987; May 1, 1992; May 1, 1994; July 1, 1996; August 1, 1999; July 1, 2002; April 1, 2014 _____.

General Authority:
NDCC 38-08-04(5)(1)(e)

Law Implemented:
NDCC 38-08-04(4)(1)(d)
NDCC 57-51.1-01

43-02-08-02.1. Property determination.

The director recognizes the following as properties:

1. A unit.

2. A spacing unit.
3. Contiguous tracts within a lease.
4. A single well drilled and completed prior to July 1, 2013, is considered a single well stripper well property. A single well drilled and completed after June 30, 2013, is considered a single well stripper well.

Any well or portion of a property previously qualified as a stripper well property may not be redesignated to be included in another property unless approved by the commission after notice and hearing or unless such property lies within a unitized common source of supply.

All wells on the property must have been completed prior to July 1, 2013. A well completed after July 1, 2013, cannot be added to an existing property.

History: Effective September 1, 1987; amended effective May 1, 1992; May 1, 2004; April 1, 2014; October 1, 2016 _____.

General Authority:
NDCC 38-08-04~~(5)~~(1)(e)

Law Implemented:
NDCC 38-08-04(4)(1)(d)
NDCC 57-51.1-01

43-02-08-03. Director shall determine stripper well or stripper well property status.

1. Upon receipt of an application for stripper well or stripper well property determination, the director shall review the application, information, or comments submitted by any interested person and all relevant information contained in the books, files, and records of the commission.
2. Stripper well or stripper well property status will be determined on the basis of the qualified maximum total production of oil from the well or property. In order to qualify production from a well or property as maximum total production, the oil-producing well or each oil-producing well on the property must have been maintained at the maximum efficient rate of production or is not capable of exceeding the production thresholds below if the well or property had been maintained at the maximum efficient rate of production throughout the twelve-month qualifying period.
 - a. A property meets the requirements of a stripper well property if the qualified maximum total production of oil from the property excluding condensate did not exceed the following:
 - (1) Production from a well with a well depth of six thousand feet [1828.8 meters] or less did not exceed an average of ten barrels per day;
 - (2) Production from a well with a well depth of more than six thousand feet [1828.8 meters] but not more than ten thousand feet [3048.0 meters] did not exceed an average of fifteen barrels per day; or
 - (3) Production from a well with a well depth of more than ten thousand feet [3048.0 meters] did not exceed an average of thirty barrels per day.

- b. A well meets the requirements of a stripper well if the qualified maximum total production of oil from the well, excluding condensate, did not exceed the following:
 - (1) Production from a well with a well depth of six thousand feet [1828.8 meters] or less did not exceed an average of ten barrels per day;
 - (2) Production from a well with a well depth of more than six thousand feet [1828.8 meters] but not more than ten thousand feet [3048.0 meters] did not exceed an average of fifteen barrels per day;
 - (3) Production from a well outside the Bakken and Three Forks formations with a well depth of more than ten thousand feet [3048.0 meters] did not exceed an average of thirty barrels per day; or
 - (4) Production from a well in the Bakken or Three Forks formations with a well depth of more than ten thousand feet [3048.0 meters] did not exceed an average of thirty-five barrels per day.
- 3. Within thirty days of the receipt of a complete application for stripper well or stripper well property status, or a reasonable time thereafter, the director shall either grant or deny the application.
- 4. If an application for stripper well or stripper well property status is denied, the director shall enter a written determination denying the application and specify the basis for the denial. If an application for stripper well or stripper well property status is granted, the director shall enter a written determination granting the application. A copy of the determination either granting or denying the application must be forwarded by the director by mail to the applicant and all other persons submitting comments. It is the obligation of the applicant to notify and advise the state tax commissioner, all other operators in the well or property, and the purchaser of the crude oil of the determination of the director.

History: Effective August 1, 1986; amended effective September 1, 1987; May 1, 1992; July 1, 1996; May 1, 2004; April 1, 2014; October 1, 2016; _____.

General Authority:
NDCC 38-08-04(5)(1)(e)

Law Implemented:
NDCC 38-08-04(4)(1)(d)
NDCC 57-51.1-01

43-02-08-04. Applicant adversely affected may submit amended application - Procedure.

Any applicant adversely affected by a determination of the director made under sections 43-02-08-02 through 43-02-08-03 may within thirty days after the entry of such a determination submit an amended application. If an amended application is submitted, the director shall issue a determination of stripper well or stripper well property status within thirty days of the receipt of the amended application or a reasonable time thereafter.

History: Effective August 1, 1986; amended effective September 1, 1987; May 1, 1992; April 1, 2014; _____.

General Authority:
NDCC 38-08-04(~~5~~)(1)(e)

Law Implemented:
NDCC 38-08-04(~~4~~)(1)(d)
NDCC 57-51.1-01

43-02-08-05. Person adversely affected may petition the commission - Procedure.

Any person adversely affected by a determination of the director of either an application or an amended application for stripper well or stripper well property status made under sections 43-02-08-02 through 43-02-08-03 may within thirty days after the entry of such a determination petition the commission for a hearing in accordance with the provisions of North Dakota Century Code chapter 38-08 and chapter 43-02-03.

History: Effective August 1, 1986; amended effective September 1, 1987; May 1, 1992; April 1, 2014; _____.

General Authority:
NDCC 38-08-04(~~5~~)(1)(e)

Law Implemented:
NDCC 38-08-04(~~4~~)(1)(d)
NDCC 57-51.1-01

CHAPTER 43-02-10
CERTIFICATION OF SECONDARY AND TERTIARY RECOVERY PROJECTS -
DETERMINATION OF INCREMENTAL PRODUCTION

43-02-10-02. Application to certify a qualifying secondary recovery project.

Any unit operator desiring to certify a secondary recovery project as a "qualifying secondary recovery project" for purposes of eligibility for the tax incentive provided in North Dakota Century Code chapter 57-51.1 shall submit to the director an application for certification of a qualifying secondary recovery project. The unit operator has the burden of establishing entitlement to certification and shall submit all data necessary to enable the commission to determine whether the project is a qualifying secondary recovery project, and is entitled to the ~~tax reduction and tax exemption provided in North Dakota Century Code sections 57-51.1-02 and section 57-51.1-03 respectively.~~

History: Effective May 1, 1992; amended effective July 1, 1996; July 1, 2002, _____.

General Authority:
NDCC 38-08-04

Law Implemented:
NDCC 38-08-04
NDCC 57-51.1-01

43-02-10-03. Commission certification of secondary recovery project.

Upon the filing of an application for certification of a qualifying secondary recovery project, the commission shall promptly set a date for hearing. In determining whether a secondary recovery project shall be certified as a "qualifying secondary recovery project", the commission shall determine:

1. The amount of crude oil which would have been recovered from the unit source of supply if the secondary recovery project had not been commenced; and
- ~~2. Whether, for the purposes of a tax reduction, the secondary recovery project has achieved for six consecutive months an average production level of at least twenty five percent above the amount of production which would have been recovered from the unit source of supply (as determined in subsection 1) if the secondary recovery project had not been commenced; and~~
- ~~3-2.~~ 2. Whether, for the purposes of a tax exemption and subsequent thereto the tax reduction, there has been incremental production.

History: Effective May 1, 1992; _____.

General Authority:
NDCC 38-08-04

Law Implemented:
NDCC 38-08-04
NDCC 57-51.1-01

43-02-10-04. Application to certify a qualifying tertiary recovery project.

Any unit operator desiring to certify a tertiary recovery project as a "qualifying tertiary recovery project" for purposes of eligibility for the tax incentive provided in North Dakota Century Code chapter 57-51.1 shall submit to the director an application for certification of a qualifying tertiary recovery project. The unit operator has the burden of establishing entitlement to certification and shall submit all data necessary to enable the commission to determine whether the project is a qualifying tertiary recovery project, and is entitled to the ~~tax reduction and tax exemption~~ provided in North Dakota Century Code ~~sections 57-51.1-02 and section 57-51.1-03~~ respectively.

History: Effective May 1, 1992; amended effective July 1, 1996; July 1, 2002; _____.

General Authority:
NDCC 38-08-04

Law Implemented:
NDCC 38-08-04
NDCC 57-51.1-01

43-02-10-05. Commission certification of tertiary recovery project.

Upon the filing of an application for certification of a qualifying tertiary recovery project, the commission shall promptly set a date for hearing. In determining whether a tertiary recovery project shall be certified as a "qualifying tertiary recovery project", the commission shall determine:

1. Whether the tertiary recovery project meets the requirements of the tertiary recovery methods specified in ~~subsection 8~~ subsection 6 of North Dakota Century Code section 57-51.1-01;
2. The amount of crude oil which would have been recovered from the unit source of supply if the tertiary recovery project had not been commenced;
3. Whether the tertiary recovery project has achieved for at least one month an average production level of at least fifteen percent above the amount of production which would have been recovered from the unit source of supply (as determined in subsection 2) if the tertiary recovery project had not been commenced; and
4. Whether, for the purposes of the tax exemption ~~and subsequent thereto the tax reduction~~, there has been incremental production.

The commission will, upon application or its own motion, have a hearing to determine whether the project operator continues to operate the unit as a qualifying tertiary recovery project.

History: Effective May 1, 1992; amended effective September 1, 2000; _____.

General Authority:
NDCC 38-08-04

Law Implemented:
NDCC 38-08-04
NDCC 57-51.1-01

Section 43-02-15 is hereby created:

**CHAPTER 43-02-15
CERTIFICATION OF RESTIMULATION WELLS**

Section

43-02-15-01	Definitions
43-02-15-02	Application to Certify a Restimulation Well
43-02-15-03	Director Certification of Restimulation Well
43-02-15-04	Applicant Adversely Affected May Submit Amended Application - Procedure
43-02-15-05	Person Adversely Affected May Petition the Commission - Procedure
43-02-15-06	Books and Records to Be Kept to Substantiate Reports

43-02-15-01. Definitions.

The terms used throughout this chapter have the same meaning as in chapter 43-02-03 and North Dakota Century Code chapters 38-08 and 57-51.1.

History:_____.

General Authority:
NDCC 38-08-04(1)(e)

Law Implemented:
NDCC 38-08-04(1)(e)
NDCC 57-51.1-01

General Authority: NDCC 38-08-04(1)(e)

Law Implemented: NDCC 38-08-04(1)(e), 57-51.1-01

43-02-15-02. Application to certify a restimulation well.

Any operator desiring to certify a restimulation well for the purposes of exempting production from the imposition of the oil extraction tax as provided under North Dakota Century Code chapter 57-51.1 shall submit to the director an application for certification of the well. The operator has the burden of establishing entitlement to the certification and shall submit all data necessary to enable the director to determine whether the well qualifies and is entitled to the tax reduction provided in North Dakota Century Code Section 57-51.1-03.

The application must include the following:

1. The name and address of the operator of the restimulation well, including the phone number and electronic mail address of the submitting representative.
2. The well name and number and legal description of the surface location of the well for which the certification is requested.
3. The field and pool for the well the restimulation was performed in for which the certification is requested.

4. The legal description of the spacing unit for the pool in the well the restimulation was performed in for which the certification is requested.

5. The original completion date for the pool in the well the restimulation was performed in for which the certification is requested.

6. The date(s) previous stimulations were performed in the well the restimulation was performed in for which the certification is requested.

7. Copy of the completion report for the pool in the well the restimulation was performed in for which the certification is requested, including the restimulation date and details.

9. Calculated barrels of oil per day for the most recent reporting month during which the restimulation well was produced at a maximum efficient rate for the pool in the well the restimulation was performed in for which the certification is requested.

10. Assertion that the restimulation well is not located within the exterior boundaries of a reservation, is not located on trust properties outside a reservation boundary as defined in section 57-51.2-02, and is not a straddle well located on reservation trust land as defined in section 57-51.1-07.10, unless a tribe has made an irrevocable election to opt-in to the tax reduction by providing written notice to the tax commissioner. A copy of such notice shall be included.

11. Assertion that the restimulation well is not a qualified stripper well or part of a qualified stripper well property as defined in North Dakota Century Code section 57-51.1-01.

12. Assertion that the restimulation well is not part of a qualifying secondary recovery project or qualifying tertiary recovery project as defined in North Dakota Century Code section 57-51.1-01.

The application for certification must be accompanied by sufficient documentation for the director to determine that the restimulation well constitutes a well as specified in North Dakota Century Code section 57-51.1-01. If the application does not contain sufficient information to make a determination, the director may require the applicant to submit additional information.

History: _____

General Authority:
NDCC 38-08-04(1)(e)

Law Implemented:
NDCC 38-08-04(1)(e)
NDCC 57-51.1-01

43-02-15-03. Director shall determine restimulation well status.

1. Upon receipt of an application for restimulation well certification, the director shall review the application, information, and all relevant information contained in the books, files, and records of the commission.

2. Restimulation well certification will be determined on the basis of the qualified calculated maximum barrels of oil per day for the most recent reporting month during which the restimulation well was produced at a maximum efficient rate for the pool in the well the restimulation was performed in. In order to qualify production from a restimulation well for the

calculated barrels of oil per day, the restimulation well must have been maintained at the maximum efficient rate of production or is not capable of exceeding the production threshold if the well had been maintained at the maximum efficient rate of production throughout the qualifying reporting month.

3. Within thirty days of the receipt of a complete application for restimulation well certification, or a reasonable time thereafter, the director shall either grant or deny the application.

4. If an application for restimulation well certification is denied, the director shall enter a written determination denying the application and specify the basis for the denial. If an application for restimulation well certification is granted, the director shall enter a written determination granting the application and forward a copy to the tax commissioner. A copy of the determination either granting or denying the restimulation well certification application must be forwarded by the director to the operator. It is the obligation of the operator to notify and advise all other owners in the well and the purchaser of the crude oil of the determination of the director.

History: _____

General Authority:
NDCC 38-08-04(1)(e)

Law Implemented:
NDCC 38-08-04(1)(e)
NDCC 57-51.1-01

43-02-15-04. Applicant adversely affected may submit amended application - Procedure.

Any applicant adversely affected by a determination of the director made under sections 43-02-15-02 through 43-02-15-03 may within thirty days after the entry of such a determination submit an amended application. If an amended application is submitted, the director shall issue a determination either granting or denying the restimulation well certification within thirty days of the receipt of the amended application or a reasonable time thereafter.

History: _____

General Authority:
NDCC 38-08-04(1)(e)

Law Implemented:
NDCC 38-08-04(1)(e)
NDCC 57-51.1-01

43-02-15-05. Person adversely affected may petition the commission - Procedure.

Any person adversely affected by a determination of the director of either an application or an amended application for restimulation well certification made under sections 43-02-15-02 through 43-02-15-03 may within thirty days after the entry of such a determination petition the commission for a hearing in accordance with the provisions of North Dakota Century Code chapter 38-08 and chapter 43-02-03.

History: _____

General Authority:
NDCC 38-08-04(1)(e)

Law Implemented:
NDCC 38-08-04(1)(e)
NDCC 57-51.1-01

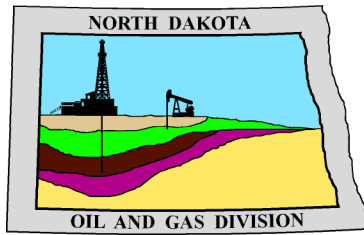
43-02-15-06. Books and records to be kept to substantiate reports.

Any operator desiring to certify a restimulation well pursuant to this chapter shall make and keep records for a period of not less than six years, covering their operations in North Dakota from which they may be able to make and substantiate the reports required by this chapter.

History: _____

General Authority:
NDCC 38-08-04(1)(e)

Law Implemented:
NDCC 38-08-04(1)(e)
NDCC 57-51.1-01



Oil and Gas Division

Lynn D. Helms - Director

Mark F. Bohrer - Assistant Director

Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.oilgas.nd.gov

QUARTERLY REPORT APR-MAY-JUN 2023

to the

NORTH DAKOTA INDUSTRIAL COMMISSION

Mark F. Bohrer
Assistant Director
Oil and Gas Division
Department of Mineral Resources
North Dakota Industrial Commission

October 31, 2023

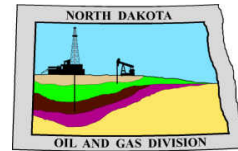
Table of Contents

STATISTICS.....	1
GAS FLARING.....	2-5
DRILLING PERMIT REVIEW.....	6
COMPLAINTS.....	7

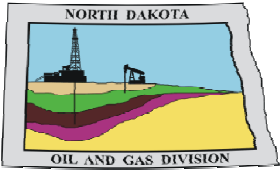
2023 REPORT

2nd QUARTER

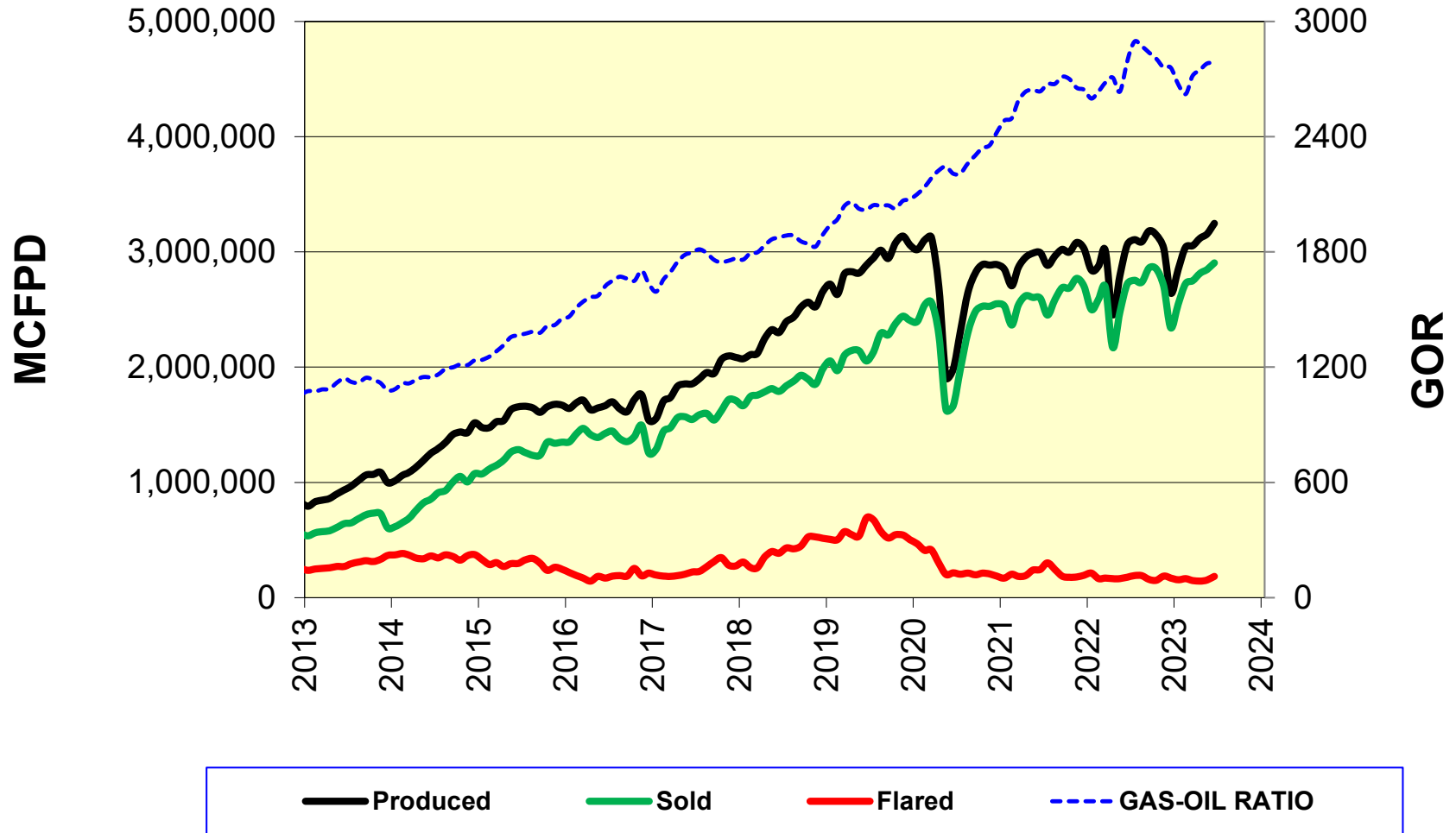
October 31, 2023



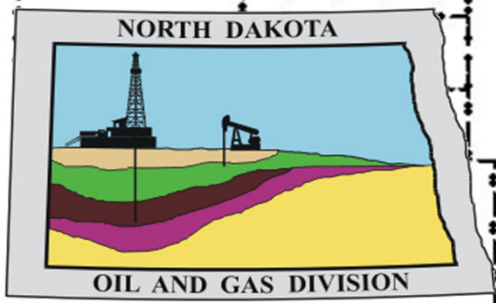
Statistics	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Permitting:				
Permit Applications Received	285	209	188	231
Rec'd in AOI: PP 2.01	0	0	0	0
Permits issued in PP 2.01	0	0	0	0
Denied/Relocated: PP 1.01	0	3	0	0
Stips: PP 1.02 (per well)	5.8	6.5	6.2	6.3
Permits Issued	194	213	252	227
YTD Permits (new permits only)	327	540	792	227
Approval Time (days)	34	35	44	42
Drilling:				
Rig Count	40	45	42	46
Well count:				
Producing	17,107	17,591	17,538	17,510
Newly Completed (Wells -- Wells/Rig)	135 -- 1.1	221 -- 1.6	216 -- 1.7	225 -- 1.6
Enhanced Recovery	547	538	541	536
SWD	476	468	479	470
Waiting on Completion	491	422	462	480
Production:				
Barrels of Oil per Day	1,020,808	1,089,106	1,058,942	1,056,285
MCFD	2,769,026	3,123,025	2,940,478	2,944,176
Gas Capture (Bakken)	95%	95%	95%	95%
Unit Oil	3%	3%	3%	4%
Bakken Petroleum System Oil	96%	96%	96%	97%
Prices:				
North Dakota Avg (\$/barrel)	\$105.42	\$89.59	\$79.64	\$71.49
Differential (WTI-ND avg)	\$3.28	\$2.25	\$2.90	\$4.33
ND Northern Border Gas (\$/MCF)	\$7.04	\$7.55	\$5.11	\$2.21
Geophysical:				
Water Well Complaints received	0	0	0	0
Inspection and Enforcement				
Inspections	36,973	34,466	31,749	40,189
Rigs-weekly goal	100%	100%	100%	100%
UIC-monthly goal	79%	87%	91%	92%
Well/Fac (Oct-Mar/mth: Apr-Sep/qtr)	77%	70%	82%	82%
Problems Encountered	702	857	708	910
Resolved <30 days (verbal)	65%	79%	85%	72%
Resolved <180 days (written)	2%	5%	1%	2%
Complaints	0	0	0	2
Investigations Ongoing	0	0	0	0
Oil & Gas Research Fund	\$33,705,173	\$32,714,048	\$31,889,961	\$29,454,267
Reservoir Data Fund	\$402,879	\$431,048	\$469,218	\$495,956
Abandoned Well Restoration Fund	\$17,892,068	\$19,465,292	\$20,498,455	\$21,970,227
Cash Bond Restoration Fund	\$1,378,893	\$1,382,805	\$1,384,660	\$1,475,893
Cash Bond Total	\$11,470,340	\$11,020,340	\$10,290,478	\$9,530,478
Surety Bond Total	\$144,194,360	\$152,826,610	\$153,409,210	\$156,629,210



North Dakota Daily State Gas Volumes



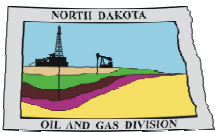
Sanderson-Outrigger Energy
95 MMcfd 6/2023
115 MMcfd now, expect to get to 150MMcfd



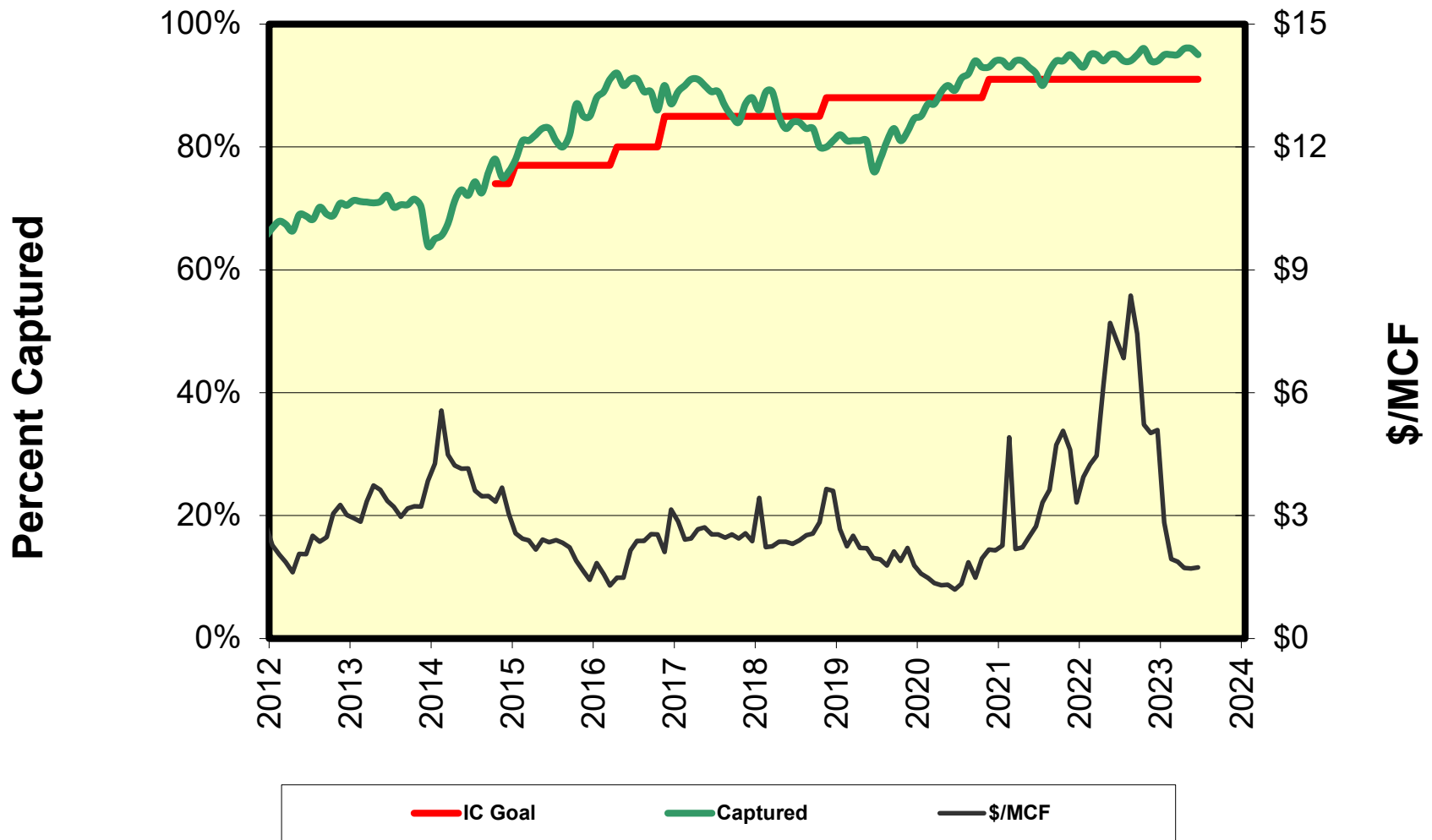
Demicks Lake III-ONEOK
+200 MMCFPD Feb 2023

<u>2019</u>	<u>MMCFPD / Incr</u>	<u>Start Date</u>
Targa/Hess, LM4	+200	3Q 2019
Bear Den	30→150 +120	3Q 2019
Demicks Lake I	+200	4Q 2019
Roosevelt	50→200 +150	4Q 2019
RobinsonLk	130→150 +20	4Q 2019
Nesson	25→ 100 +75	4Q 2019
<u>2020</u>		
Demicks Lake II	+200	1Q 2020
<u>2021</u>		
Sanderson	+250	3Q 2021
Tioga	265→ 415 +150	3Q 2021
Bear Creek II	+200	4Q 2021
<u>2023</u>		
Demicks Lake III	+200	1Q 2023
<u>2024</u>		
Sanderson	250→ 400 +150	2024?
Additional → 350 MMCFPD		

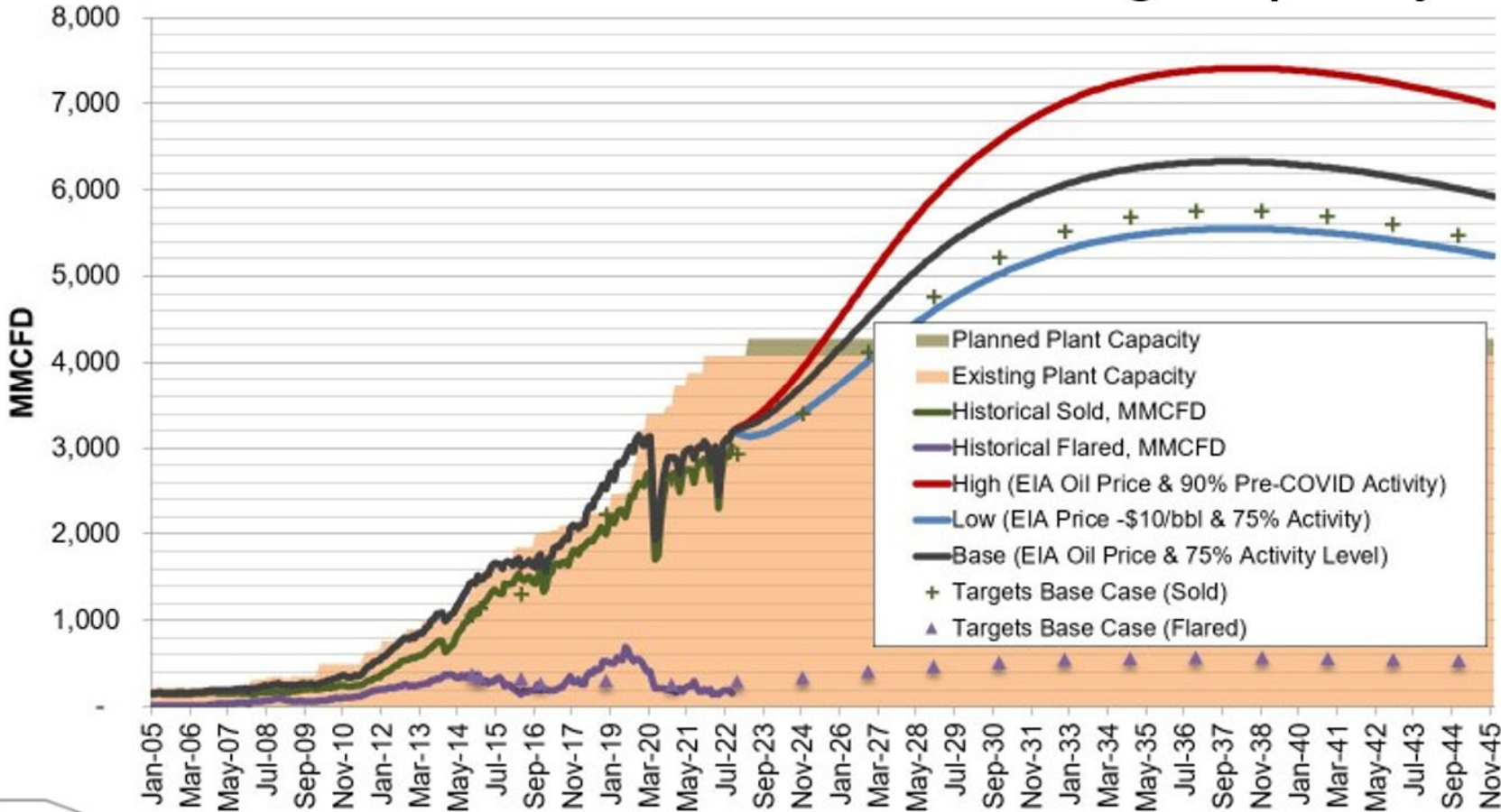
**GAS PLANTS
 NEW AND EXPANDED**



North Dakota Bakken Gas Captured

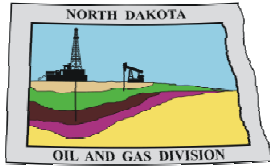


North Dakota Natural Gas Processing Capacity



5 of 7





NDIC -- DRILLING PERMIT REVIEW POLICY

APD Rec'd	Operator	Area of Interest	Public Land (sur loc)	Review Distance	Distance to Area of Interest	Well Pad Name	Surface Loc	Field	Existing Pad	Work Planned	Comments Received	Stipulations Imposed
9/28/2021	CLR	Lake Sakakawea	National Grasslands	0.5 mile	0.4 mile	LCU Ralph and Reckitt 6 wells	22-153-99 12 mi NW Newtown	Long Creek Bakken Unit	yes	No pad extension	USFWS SHSND NDWR	Perimeter berm; Spill Contingency Plan; No drilling pit will be utilized; Remote or auto shutdown equip; Onsite inspection prior to construction
10/20/2021	CLR	Lake Sakakawea	National Grasslands	0.5 mile	0.4 mile	LCU Ralph 1 well	22-153-99 12 mi NW Newtown	Long Creek Bakken Unit	yes	No pad extension	USFWS SHSND NDWR	Perimeter berm; Spill Contingency Plan; No drilling pit will be utilized; Remote or auto shutdown equip; Onsite inspection prior to construction

No 2Q 2023 changes

BCA	Badlands Conservation Alliance
NDCWS	North Dakota Chapter of The Wildlife Society
NDDOT	North Dakota Department of Transportation
NDDTL	North Dakota Department of Trust Lands
NDGFD	North Dakota Game and Fish Department
NDWR	North Dakota Water Resources
NPSTRNP	National Park Service-TR National Park
SHSND	State Historical Society of North Dakota
USACOE	United States Army Corps of Engineers
USFWS	United States Fish and Wildlife Service



COMPLAINTS

Case No.	Respondent	Complaint Served	Penalty Proposed	Reasonable Fees and Expenses Proposed	Collected	Suspended Penalty			
						Amount Suspended	Justification	Suspended Period	Same or Similar Violation Committed
29140	North Range Resources, LLC (signed CA 7/27/2022)	12/23/2021	\$80,695	\$52	Pay \$40,348 in 2 installments, last by 9/22/2022; violated CA; AG letter 7/24/2023				No
29228	Noah Energy Inc. (signed CA 11/14/2022)	2/9/2022	\$224,039	\$283	\$10,283; \$102,303 due 1/1/2023	\$111,736	First Offense	1 year	No
29775	High Plains Operating, LLC	1/18/2023	Determine costs at administrative hearing	\$307	Served upon Secretary of State 1/18/2023				No
29834	Double AA, LLC	1/26/2023	Determine costs at administrative hearing	\$34	Answer received 2/15/2023 Suggestion of chapter 7 bankruptcy 10/20/2023				No
29950	Empire North Dakota LLC (signed CA 9/27/2023)	3/17/2023	\$283,756	\$285	\$145,529	\$138,512	First Offense	2 year	No
30045	Lime Rock Resources III-A, LP (signed CA 4/25/2023)	4/6/2023	\$18,563	\$347	\$12,722	\$6,188	First Offense	1 year	No
29835	WW Oilfield Services, LLC	4/12/2023, 8/17/2023	Determine costs at administrative hearing	\$33	Served upon WW Oilfield by Bottineau County Sheriff on 4/12/2023 Served upon Secretary of State 8/17/2023				No
30121	Valkyrie Operating, LLC	6/26/2023	Determine costs at administrative hearing	\$713	Answer received 7/28/2023				No
30265	Freedom Energy Operating, LLC	8/23/2023	Determine costs at administrative hearing	\$34	Served upon Secretary of State 8/23/2023				No

Financial Statements
June 30, 2023 and 2022
North Dakota Building Authority
(A Component Unit of the State of North Dakota)

NORTH DAKOTA BUILDING AUTHORITY

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Statements of Net Position	8
Statements of Revenues, Expenses and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Financial Statements	11
EXHIBITS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	A-1 23
Independent Auditor's Specific Comments Requested by the North Dakota Legislative Audit and Fiscal Review Committee	A-2 25
Independent Auditor's Communication to the Industrial Commission of North Dakota	B-1 27

Independent Auditor's Report

The Industrial Commission
The Legislative Assembly
State of North Dakota
Bismarck, North Dakota

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the North Dakota Building Authority, a component unit of the State of North Dakota ("Authority") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the North Dakota Building Authority, a component unit of the State of North Dakota as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements present only the North Dakota Building Authority Fund and do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2023 and 2022, the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Dakota Building Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Dakota Building Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ND Building Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ND Building Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



**BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA**

August 29, 2023

NORTH DAKOTA BUILDING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022
(In Thousands)

The discussion and analysis of the financial performance of the North Dakota Building Authority (Authority) that follows is meant to provide additional insight into the Authority's activities for the years ended June 30, 2023, 2022 and 2021. Please read it in conjunction with the Authority's financial statements and footnotes, which are presented within this report.

FINANCIAL HIGHLIGHTS:

The 2023 Legislature did not authorize any construction projects for the 2023-2025 biennium. The 2021 Legislature also did not authorize any construction projects for the 2021-2023 biennium.

Cash has decreased by \$10,444 to \$2,461 at June 30, 2023, because of payments to the Universities. The Authority's leases receivable increased \$1,369 to \$107,097 at June 30, 2023 as funds were advanced to pay construction costs. There were no bonds issued in fiscal year 2023.

Based on certain bond covenants, the Authority is required to establish and restrict prescribed amounts of resources for debt service reserves. In addition, bond proceeds for the construction of projects are also classified as restricted.

The State agencies pay as rent the debt service on the related bonds. The leases also provide that the State agencies pay as additional rent to the Authority reimbursement for trustee fees, paying agent fees, registrar fees, audit fees, arbitrage rebate payments and fees, and other reasonable and necessary expenses incurred by the Authority or the Trustee on behalf of the Authority.

REQUIRED FINANCIAL STATEMENTS:

The discussion and analysis are intended to serve as an introduction to the Authority's financial statements. The financial statements of the Authority provide accounting information similar to that of many other business entities. The Statement of Net Position summarizes the assets, deferred outflows of resources, and liabilities, with the difference reported as net position. It also serves as the basis for analysis of the soundness and liquidity of the Authority. The Statement of Revenues, Expenses and Changes in Net Position summarize the Authority's operating performance for the year. The Statement of Cash Flows summarizes the flow of cash through the Authority as it conducts its business.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(In Thousands)

CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2023, 2022 AND 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
ASSETS			
CURRENT ASSETS - RESTRICTED	\$ 10,248	\$ 21,109	\$ 63,466
NONCURRENT ASSETS - RESTRICTED	<u>99,911</u>	<u>98,577</u>	<u>70,877</u>
TOTAL ASSETS	<u>\$ 110,159</u>	<u>\$ 119,686</u>	<u>\$ 134,343</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 178</u>	<u>\$ 607</u>	<u>\$ 1,186</u>
LIABILITIES			
CURRENT LIABILITIES	\$ 7,347	\$ 9,883	\$ 17,454
NONCURRENT LIABILITIES	<u>102,990</u>	<u>110,410</u>	<u>118,075</u>
TOTAL LIABILITIES	<u>\$ 110,337</u>	<u>\$ 120,293</u>	<u>\$ 135,529</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cash and Investments

Certain Authority cash and investments, which are included in the restricted current and noncurrent assets, are restricted for the debt service of bond issues or for construction. Additional discussion of cash and investments can be found at Note 2 to the financial statements.

Leases Receivable

Obligations of North Dakota agencies and university system are classified separately on the Statement of Net Position as "leases receivable" and included in the restricted current and noncurrent assets of the Statement of Net Position. These leases are pledged to the various bond issues. No losses for market value declines are anticipated and an allowance has not been provided. Note 3 to the financial statements contains further information regarding leases receivable.

Bonds Payable

In order to provide state agencies with funds to finance projects, the Authority has issued bonds to facilitate the purchase of the lease. The bonds payable are included in the restricted current and noncurrent liabilities of the preceding statement. The bonds are direct obligations of the Authority and are secured by leases purchased under the applicable resolutions, interest earnings and certain accounts established pursuant to the applicable bond resolutions. Further details are contained in Note 4 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(In Thousands)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2023, 2022 AND 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
OPERATING REVENUES			
Lease interest	\$ 3,258	\$ 3,624	\$ 3,402
Other	66	77	73
	<u>3,324</u>	<u>3,701</u>	<u>3,475</u>
NONOPERATING REVENUE			
Investment interest	21	23	60
TOTAL REVENUE	<u>3,345</u>	<u>3,724</u>	<u>3,535</u>
OPERATING EXPENSES			
Interest expense	3,307	3,679	3,498
Operating	38	45	37
	<u>3,345</u>	<u>3,724</u>	<u>3,535</u>
CHANGE IN NET POSITION	-	-	-
TOTAL NET POSITION, BEGINNING OF YEAR	-	-	-
TOTAL NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Lease Interest

The state agencies have agreed to pay as rent the debt service (principal and interest) on the related bonds, to the extent that the bond funds and earnings are used to pay construction and other eligible costs of the projects. See Note 3 to the financial statements for further details of the leases.

Economic and Budgetary Information

The Authority is economically dependent on the North Dakota University System and agencies of the State of North Dakota.

As discussed in financial statement Note 1, the Authority operates through a biennial appropriation provided by the State Legislature. The Authority prepares a biennial budget, which is included in the Governor's budget that is presented to the State Legislature at the beginning of each legislative session. The Authority has continuing appropriation from monies received from the sale of indebtedness, lease payments and revenues generated by projects authorized by the legislature for the acquisition of authorized projects and the payment of rentals for these projects.

The Authority has a bond rating of AA+ by Standard and Poor's and Aa2 from Moody's Investor's Service.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(In Thousands)

Contacting the North Dakota Building Authority's financial management

The information in this report is intended to provide the reader with an overview of the Authority's operations along with the Authority's accountability for those operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North Dakota Building Authority, PO Box 5509, Bismarck, ND 58506-5509.

NORTH DAKOTA BUILDING AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2023 and 2022
(In Thousands)

ASSETS	<u>2023</u>	<u>2022</u>
CURRENT ASSETS - RESTRICTED		
Cash and cash equivalents at the Bank of North Dakota	\$ 2,461	\$ 12,905
Investments at the Bank of North Dakota	235	663
Leases receivable	7,186	7,151
Lease interest receivable	366	390
	<u>10,248</u>	<u>21,109</u>
NONCURRENT ASSETS - RESTRICTED		
Lease receivable	99,911	98,577
	<u>99,911</u>	<u>98,577</u>
Total restricted current assets	<u>10,248</u>	<u>21,109</u>
Total restricted noncurrent assets	<u>99,911</u>	<u>98,577</u>
Total assets	<u>\$ 110,159</u>	<u>\$ 119,686</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	\$ 178	\$ 607
	<u>\$ 178</u>	<u>\$ 607</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 6	\$ -
Due to Universities	1,181	3,539
Bonds payable	5,795	5,955
Interest payable	365	389
	<u>7,347</u>	<u>9,883</u>
Total current liabilities	<u>7,347</u>	<u>9,883</u>
NONCURRENT LIABILITIES		
Bonds payable	102,990	110,410
	<u>102,990</u>	<u>110,410</u>
Total liabilities	<u>\$ 110,337</u>	<u>\$ 120,293</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>

NORTH DAKOTA BUILDING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2023 and 2022
(In Thousands)

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Lease interest	\$ 3,258	\$ 3,624
Other	66	77
	<u>3,324</u>	<u>3,701</u>
OPERATING EXPENSES		
Interest expense	3,307	3,679
Operating	38	45
	<u>3,345</u>	<u>3,724</u>
OPERATING LOSS	(21)	(23)
NONOPERATING REVENUE		
Investment interest	<u>21</u>	<u>23</u>
CHANGE IN NET POSITION	-	-
TOTAL NET POSITION, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

NORTH DAKOTA BUILDING AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 and 2022
(In Thousands)

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Receipts of rent	\$ 9,998	\$ 11,896
Receipts of additional rent and other	70	89
Payment to project vendors	(10,446)	(42,236)
Payments to service providers	(34)	(45)
Net cash used for operating activities	<u>(412)</u>	<u>(30,296)</u>
NONCAPITAL FINANCING ACTIVITIES		
Principal payment on bonds payable	(5,955)	(7,185)
Interest paid on bonds payable	(4,526)	(4,838)
Net cash used for non-capital financing activities	<u>(10,481)</u>	<u>(12,023)</u>
INVESTING ACTIVITIES		
Interest received	21	23
Proceeds from sale and maturity of investment securities	663	663
Purchase of investment securities	(235)	(663)
Net cash from investing activities	<u>449</u>	<u>23</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,444)	(42,296)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>12,905</u>	<u>55,201</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,461</u></u>	<u><u>\$ 12,905</u></u>
RECONCILIATION OF OPERATING LOSS TO		
NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (21)	\$ (23)
Adjustments to reconcile operating loss:		
Net amortization of bond premium and deferred loss	1,196	1,131
Reclassification of interest income and expense to other activities	(1,181)	(1,108)
Changes in assets and liabilities:		
Lease receivable	(2,770)	(36,609)
Due to colleges, universities and state agencies	2,358	6,313
Accounts payable	6	-
NET CASH USED FOR OPERATING ACTIVITIES	<u><u>\$ (412)</u></u>	<u><u>\$ (30,296)</u></u>

NORTH DAKOTA BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022
(In Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The North Dakota Building Authority (Authority) was established July 1, 1985, by the North Dakota Legislature, as provided in Chapter 54-17.2 of the North Dakota Century Code, as a separate instrumentality of the State of North Dakota. The purpose of the Authority is to promote the general welfare of the citizens of the State by providing projects for use by the State in providing public services by altering, repairing, maintaining or constructing buildings primarily for use by the State and making any improvements connected to those buildings or pertaining to those buildings and necessary to the use of those buildings in providing services to the public.

Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB), the financial reporting entity of North Dakota Building Authority should include all component units over which North Dakota Building Authority exercises such aspects as (1) appointing a voting majority of an organization's governing body and (2) has the ability to impose its will on that organization or (3) the potential for the organization to provide specific financial benefits to, or impose specific burdens on North Dakota Building Authority. GASB further defined component units as reporting units that are legally separate, tax exempt affiliated organization that meet all of the following criteria:

- The economic resources of the organization entirely or almost entirely directly benefit North Dakota Building Authority or its constituents, and
- North Dakota Building Authority or its component units, are entitled to or can otherwise access, a majority of the economic resources of the organization, and
- The economic resources that North Dakota Building Authority is entitled to, or can otherwise access, are significant to North Dakota Building Authority.

Based upon criteria set forth by GASB, no organizations were determined to be part of the reporting entity. North Dakota Building Authority is included as part of the primary government of the State of North Dakota's reporting entity.

Budgetary Process

The Authority operates through a biennial appropriation provided by the State Legislature. The Authority prepares a biennial budget, which is included in the Governor's budget that is presented to the State Legislature at the beginning of each legislative session. The State Legislature enacts the budgets of the various State departments through passage of specific appropriation bills. The Governor has line item veto powers over all legislation subject to legislative override. Once passed and signed, the appropriation becomes the Authority's financial plan for the next two years. The Authority has continuing appropriation for monies received from the sale of indebtedness, lease payments and revenues generated by projects authorized by the legislature for the acquisition of authorized projects and the payment of rentals for these projects.

NOTES TO FINANCIAL STATEMENTS (In Thousands)

Basis of Accounting and Measurement Focus

The North Dakota Building Authority is presented in the accompanying financial statements as a proprietary fund type – an enterprise fund.

An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public or other funds on a continuing basis be financed or recovered primarily through user charges. The Authority recovers its costs through administrative charges to agencies and earnings on funds.

As a proprietary fund type, the Authority accounts for its transactions using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments

The Authority's investments consist entirely of certificates of deposit and are reported at amortized cost.

Funds held by trustee under bond resolutions are to be invested to the fullest extent possible in investment obligations selected by the Authority. The maturity date or the date on which such investment obligations may be redeemed shall coincide as nearly as practicable with the date or dates on which moneys in the funds or accounts for which the investments were made will be required.

Leases Receivable

The Authority's leasing operations, as lessor, consist of leasing real estate property under capital leases.

Lease payments are due upon receipt. In the event of non-payment, the item or installment so in default shall continue as an obligation of the agency until the amount in default has been fully paid. The agency agrees to pay interest on any basic rent in default at the rate or rates of interest payable on the Bonds as specified in the Indenture. The agency agrees to pay interest on Additional Rent in default at the rate or rates of interest equal to the Bank of North Dakota Base Rate.

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

Restricted Assets

The Authority, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources that can be used only to service outstanding debt. Other restricted assets can only be used for construction projects financed by related bonds.

Operating and Non-operating Revenues

Operating revenues consist of sales of goods and services, quasi-external operating transactions with other funds, grant revenue for specific activities that are considered to be operating activities of the grantor, receipts from other agencies for reimbursement of operating transactions and other miscellaneous revenue. Grants that would qualify as an operating activity are those that do not subsidize an existing program, rather they finance a program the agency would not otherwise undertake.

All other revenues that do not meet the above criteria are classified as non-operating.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

The North Dakota Building Authority is required to maintain its deposits at the Bank of North Dakota. As of June 30, 2023, the Building Authority had the following deposits (amount in thousands):

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Current assets - restricted	\$ 2,461	\$ 235	\$ 2,696
Non-current assets - restricted	-	-	-
	<u>\$ 2,461</u>	<u>\$ 235</u>	<u>\$ 2,696</u>

The North Dakota Building Authority is required to maintain its deposits at the Bank of North Dakota. As of June 30, 2022, the Building Authority had the following deposits (amount in thousands):

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Current assets - restricted	\$ 12,905	\$ 663	\$ 13,568
Non-current assets - restricted	-	-	-
	<u>\$ 12,905</u>	<u>\$ 663</u>	<u>\$ 13,568</u>

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

Custodial and Concentration of Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Building Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Building Authority does not have a formal policy that limits custodial credit risk for deposits. None of the Building Authority's deposits are covered by depository insurance. The Building Authority's deposits are uncollateralized and all of the funds are held on deposit at the Bank of North Dakota and are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

Cash is restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Construction	\$ 2,429	\$ 12,875
Debt service	<u>32</u>	<u>30</u>
	<u>\$ 2,461</u>	<u>\$ 12,905</u>

Investments

The Building Authority has their moneys invested in certificates of deposit with the Bank of North Dakota as allowed by the Trust Indenture. Funds held by trustees or the Authority under bond resolutions are to be invested to the fullest extent possible in investment obligations selected by the Authority. The maturity date or the date on which such investment obligations may be redeemed shall coincide as nearly as practicable with the date or dates on which monies in the funds or accounts for which the investments were made will be required. The investments are restricted for debt service.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair values of an investment.

As of June 30, 2023, the Authority held certificates of deposit with the following maturity dates (amounts are in thousands):

<u>Investment Type</u>	<u>Less Than 1</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Total</u>
Certificates of Deposit	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235</u>

As of June 30, 2022, the Authority held certificates of deposit with the following maturity dates (amounts are in thousands):

<u>Investment Type</u>	<u>Less Than 1</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Total</u>
Certificates of Deposit	<u>\$ 663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663</u>

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

NOTE 3 - LEASES RECEIVABLE

After receiving Legislative authority, the Authority purchases or constructs various facilities, which are generally financed by bonds. The facilities are leased to State agencies under terms described below.

The terms of the leases commence as of the date of the sale of the bonds and expire at the end of each biennium on June 30, subject to successive automatic two-year extensions under the provisions of each lease (unless the Legislature specifically fails to appropriate sufficient moneys for the payment of rent under the lease during any two-year renewal term).

Under the lease agreements, the State agencies have agreed to pay as rent the debt service on the related bonds from funds appropriated by the Legislature from the General Fund or other special funds, which may include federal funds.

The Authority is not required to make any expenditures in connection with the leases of the facilities. Upon expiration of a lease, the facility is conveyed to the appropriate agency. At June 30, 2023, future minimum lease payments under agreements are as follows:

	Total Minimum Payment	Unearned Interest Income	Lease Receivable
2024	\$ 11,420	\$ 4,234	\$ 7,186
2025	8,468	4,007	4,461
2026	8,456	3,840	4,616
2027	8,456	3,665	4,791
2028	8,461	3,480	4,981
2029-2033	41,581	14,308	27,273
2034-2038	41,202	8,349	32,853
2039-2041	22,261	1,325	20,936
	<u>\$ 150,305</u>	<u>\$ 43,208</u>	<u>\$ 107,097</u>

The leases also provide that the State agencies pay as additional rent to the Authority for trustee fees, paying agent fees, registrar fees, letter of credit fees, audit fees and other reasonable and necessary expenses incurred by the Authority or the Trustee on behalf of the Authority.

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

NOTE 4 - LONG-TERM DEBT

Changes in Bonds Payable

The following is a summary of changes in bonds payable for the years ended June 30, 2023 and 2022:

	Bonds payable
Balance, June 30, 2021	\$ 125,260
Additions	-
Retirements	(7,185)
Amortization of bond premium	(1,710)
Balance, June 30, 2022	116,365
Additions	-
Retirements	(5,955)
Amortization of bond premium	(1,625)
Balance, June 30, 2023	<u>\$ 108,785</u>

Maturities of Bonds Payable

Maturities of principal and interest on all bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
Year Ending June 30,			
2024	\$ 5,795	\$ 4,233	\$ 10,028
2025	3,230	4,007	7,237
2026	3,385	3,840	7,225
2027	3,560	3,665	7,225
2028	3,750	3,480	7,230
2029-2033	21,350	14,309	35,659
2034-2038	26,695	8,349	35,044
2039-2041	19,515	1,496	21,011
	<u>87,280</u>	<u>43,379</u>	<u>130,659</u>
Unamortized bond premium	21,505	(21,505)	-
	<u>\$108,785</u>	<u>\$ 21,874</u>	<u>\$ 130,659</u>

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

The following summarizes the Authority's bonds outstanding at June 30, 2023 and 2022:

<u>Description and Due Date</u>	<u>Interest Rate</u>	<u>Original Value</u>	<u>2023</u>	<u>2022</u>
Series 10A Bonds 12/1/16-12/1/30	3.50 - 6.25	\$ 2,355	\$ 1,390	\$ 1,540
Series 10B Bonds 12/1/11-12/1/22	2.00 - 4.00	4,910	-	458
Series 17A Bonds 12/1/18-12/1/23	5.00	18,430	2,875	5,840
Series 20A Bonds 12/1/21-12/1/40	5.00	112,858	<u>104,520</u>	<u>108,527</u>
Total bonds payable			<u>108,785</u>	116,365
Less current portion			<u>5,795</u>	<u>5,955</u>
Long-term portion			<u>\$ 102,990</u>	<u>\$ 110,410</u>

2010 Series A

Interest on the 2010 Series A Bonds is payable semi-annually on June 1 and December 1 of each year. Bonds maturing on or after December 1, 2016 are subject to optional redemption in whole or in part. The bonds are secured by the funds, user charges and all rights, titles and interests of the Authority as lessor, including all basic lease payments, investment earnings on the funds and any other income derived by the Authority with respect to the lease.

2010 Series B

Interest on the 2010 Series B Bonds is payable semi-annually on June 1 and December 1 of each year. The bonds are not subject to optional redemption prior to maturity except under extraordinary circumstances. The bonds are secured by the funds, user charges and all rights, titles and interests of the Authority as lessor, including all basic lease payments, investment earnings on the funds and any other income derived by the Authority with respect to the lease.

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

2017 Series A

Interest on the 2017 Series A Bonds is payable semi-annually on June 1 and December 1 of each year. The bonds are not subject to optional redemption prior to maturity except under extraordinary circumstances. The bonds are secured by the funds, user charges and all rights, titles and interests of the Authority as lessor, including all basic lease payments, investment earnings on the funds and any other income derived by the Authority with respect to the lease.

2020 Series A

Interest on the 2020 Series A Bonds is payable semi-annually on June 1 and December 1 of each year. The bonds are not subject to optional redemption prior to maturity except under extraordinary circumstances. The bonds are secured by the funds, user charges and all rights, titles and interests of the Authority as lessor, including all basic lease payments, investment earnings on the funds and any other income derived by the Authority with respect to the lease.

Listing of Projects

<u>Issue</u>	<u>Size</u>	<u>Agency</u>	<u>Project Description</u>
2010A	\$2,355	Veteran's Home	New Facility
2010B	4,910	Veteran's Home Job Service Health Department	New Facility Bismarck Service Office Laboratory Addition

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

<u>Issue</u>	<u>Size</u>	<u>Agency</u>	<u>Project Description</u>
2017A	18,430	University System University System University System University System University System Historical Society Department of Corrections Department of Corrections OMB Attorney General Parks and Recreation University System University System University System Department of Corrections Department of Corrections University System University System	DSU - Murphy Hall Renovation MSU Bottineau - Thatcher Hall Addition and Renovation NDSCS - Electrical Distribution NDSU - Hazardous Material Handling and Storage Facility UND - Energy Conservation Projects Heritage Center Collections Expansion James River ET Building Improvements James River Program and Building Code Improvements State Capital Complex Fire Suppression System Crime Laboratory Renovation and Addition Turtle River State Park Office Building Construction MSU - Moore Hall Renovation NDSCS - Butte Gym Remodeling NDSU - Animal Facility YCC Gym Renovation YCC Pine Cottage Remodel WSC - Health and Wellness Center MSU - Old Main Renovation
2020A	88,585	University System University System University System University System University System	DSU - Pulver Hall NDSU - Sugihara Hall UND - Gamble Hall VCSU - Communication & Fine Arts Center UND - Deferred Maintenance

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

Reserve Funds

	<u>2023</u>		<u>2022</u>	
	<u>Required Reserve Balance</u>	<u>Reserve Balance</u>	<u>Required Reserve Balance</u>	<u>Reserve Balance</u>
2010A	\$ 235	\$ 235	\$ 235	\$ 235
2010B	-	-	428	428
	<u>\$ 235</u>	<u>\$ 235</u>	<u>\$ 663</u>	<u>\$ 663</u>

The 2010 bond agreements require the establishment and maintenance of reserve funds to be used for debt service payments if amounts in the bond funds are insufficient to make the payments. Funds are also required for any positive arbitrage due the Federal government.

North Dakota Building Authority entered into an agreement that requires the State Historical Society to make debt service payments to North Dakota Building Authority.

State Historical Society portion of bonds payable included on the balance sheet of North Dakota Building Authority is \$34.

	<u>2017A Bonds</u>	<u>Total</u>
State Historical Society	\$ 34	\$ 34
Total	<u>\$ 34</u>	<u>\$ 34</u>

This entity is only responsible for the principal amounts presented in the chart above.

Debt service requirements of the State Historical Society:

2024	<u>34</u>
	<u>\$ 34</u>

NOTE 5 - DUE TO UNIVERSITIES

The North Dakota Building Authority is responsible for the distribution of construction voucher reimbursement as requested by the individual colleges and universities for approved projects. The below table provides the detail of the payables at June 30, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

	<u>2023</u>	<u>2022</u>
North Dakota State University	\$ -	\$ 786
University of North Dakota	1,181	2,124
Valley City State University	-	629
	<u>\$ 1,181</u>	<u>\$ 3,539</u>

NOTE 6 - PROJECT FINANCING

	<u>2023</u>	<u>2022</u>
Construction Funding		
University System		
Dickinson State University	\$ 4,000	\$ 4,000
North Dakota State University	39,800	36,176
University of North Dakota - Nistler College of Business	6,000	6,000
University of North Dakota - Deferred Maintenance	27,994	22,657
Valley City State University	29,778	28,292
	<u>\$ 107,572</u>	<u>\$ 97,125</u>

	<u>2023</u>	<u>2022</u>
Lease Receipts		
NDUS Office/Campuses	\$ 18,025	\$ 9,601
State Penitentiary	501	361
Health and Consolidate	341	251
Soldiers Improvement	410	208
Job Service	232	215
Attorney General	648	325
OMB	565	284
Parks and Recreation	66	34
Historical Society	1,180	592
	<u>\$ 21,968</u>	<u>\$ 11,871</u>

NOTE 7 - RELATED PARTY

The North Dakota Building Authority is related to the Bank of North Dakota through common management under the Industrial Commission of North Dakota. The Authority's deposits and investments are held by the Bank of North Dakota.

The Bank of North Dakota acts as the trustee for the bondholders having been duly appointed by the Authority. The Bank also acts as the paying agent, registrar, and escrow agent for the bonds issued and defeased by the Authority. Fees paid by the Authority to the Bank of North Dakota for these services for the years ending June 30, 2023, and 2022, were \$13 and \$16, respectively.

NOTES TO FINANCIAL STATEMENTS
(In Thousands)

The Authority obtains legal services from the Attorney General's Office. Fees paid for these services for the years ended June 30, 2023, and 2022, were \$0 and \$0, respectively.

The Authority also obtains accounting services from the North Dakota Public Finance Authority. Fees paid for these services for the years ended June 30, 2023, and 2022, were \$3 and \$3, respectively.

NOTE 8 - COMMITMENTS

The Authority committed funds to complete various construction and modernization programs at June 30, 2023 and 2022 as follows:

	2023	2022
	Amount	Amount
North Dakota State University	\$ 200	\$ 3,038
University Of North Dakota	2,006	5,218
Valley City State University	222	1,079
	<u>\$ 2,428</u>	<u>\$ 9,335</u>

NOTE 9 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, and damage to assets and errors and omissions. These risks of loss are covered under the insurance policies owned by the North Dakota Industrial Commission, North Dakota Public Finance Authority and North Dakota Office of Management and Budget. The State Bonding Fund currently provides the agencies with blanket fidelity bond coverage in the amount of \$2,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

There have been no significant reductions in insurance coverage from the prior year. In addition, there have been no claims filed or settled in the past three fiscal years.

NOTE 10 SUBSEQUENT EVENTS

No significant events occurred subsequent to the Authority's year end. Subsequent events have been evaluated through August 29, 2023, which is the date these financial statements were available to be issued.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Industrial Commission
The Legislative Assembly
State of North Dakota
Bismarck, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Dakota Building Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 29, 2023.

Report On Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

August 29, 2023

INDEPENDENT AUDITOR'S SPECIFIC COMMENTS REQUESTED BY THE NORTH DAKOTA LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

The Industrial Commission
The Legislative Assembly
State of North Dakota
Bismarck, North Dakota

The Legislative Audit and Fiscal Review Committee require that certain items be addressed by independent certified public accountants performing audits of State agencies. The items and our responses regarding the June 30, 2023 audit of the North Dakota Building Authority are as follows:

Audit Report Communications:

1. What type of opinion was issued on the financial statements?

Unmodified.

2. Was there compliance with statutes, laws, rules and regulations under which the agency was created and is functioning?

Yes.

3. Was internal control adequate and functioning effectively?

Yes.

4. Were there any indications of lack of efficiency in financial operations and management of the agency?

No.

5. Was action taken on prior audit findings and recommendations?

There were no prior year findings or recommendations.

6. Was a management letter issued? If so, provide a summary below, including any recommendations and the management responses.

No

Audit Committee Communications:

1. Identify any significant changes in accounting policies, any management conflicts of interest, any contingent liabilities, or any significant unusual transactions.

None

Audit Committee Communications:

2. Identify any significant accounting estimates, the process used by management to formulate the accounting estimates, and the basis for the auditor's conclusions regarding the reasonableness of those estimates.

None.

3. Identify any significant audit adjustments.

None.

4. Identify any disagreements with management, whether or not resolved to the auditor's satisfaction, relating to a financial accounting, reporting, or auditing matter that could be significant to the financial statements.

None.

5. Identify any serious difficulties encountered in performing the audit.

None.

6. Identify any major issues discussed with management prior to retention.

None.

7. Identify any management consultations with other accountants about auditing and accounting matters.

None.

8. Identify any high-risk technology systems critical to operations based on the auditor's overall assessment of the importance of the system to the agency and its mission, or whether any exceptions identified in the six report questions to be addressed by auditors are directly related to the operations of an information technology system.

Based on the audit procedures performed, the North Dakota Building Authority's critical information technology system is Microsoft Dynamics GP. There were no exceptions identified that were directly related to this application.

This report is intended solely for the information and use of the Governor, Legislative Audit and Fiscal Review Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

August 29, 2023

Independent Auditor's Communication to the Industrial Commission of North Dakota

The Industrial Commission
The Legislative Assembly
State of North Dakota
Bismarck, North Dakota

We have audited the financial statements of the North Dakota Building Authority ("Authority") for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you on August 15, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were detected as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 29, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the North Dakota Industrial Commission, Legislative Audit and Fiscal Review Committee, and management of the North Dakota Building Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

August 29, 2023



INDUSTRIAL COMMISSION OF NORTH DAKOTA
NORTH DAKOTA BUILDING AUTHORITY

Governor
Doug Burgum
Attorney General
Drew H. Wrigley
Agriculture Commissioner
Doug Goehring

Attachment 27

INDUSTRIAL COMMISSION OF NORTH DAKOTA
DESIGNATION OF AUTHORIZED OFFICERS

WHEREAS, the Industrial Commission of North Dakota, acting as the North Dakota Building Authority (the "Commission"), pursuant to and in accordance with N.D.C.C. Chapter 54-17.2 (the "Act") has issued evidences of indebtedness, and

WHEREAS, the Commission has previously named Joe Morrissette, Director of the Office of Management and Budget, DeAnn Ament, Executive Director of the Public Finance Authority and Karen Tyler, Industrial Commission Interim Executive Director/Secretary as its Authorized Officers: and

WHEREAS, Joe Morrissette retired and on June 12, 2023, Susan Sisk was named Director of the Office of Management and Budget;

THEREFORE, BE IT RESOLVED:

1. The Commission names Susan Sisk and renames Karen Tyler and DeAnn Ament as its Authorized Officers (the "Authorized Officers") to do all things necessary and convenient jointly or severally to carry out and perform the obligations of the Commission as required under any outstanding North Dakota Building Authority documents and as set out in N.D.C.C. Chapter 54-17.2 effective October 31, 2023.

Dated this 31st day of October, 2023.

INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum, Governor and Chairman

Karen Tyler, Interim Executive Director

RESOLUTION APPROVING
LOAN FROM DRINKING WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Drinking Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4, 61-28.1, and 61-28.2; and

WHEREAS, the State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (the "NDPFA") and the Bank of North Dakota (the "Trustee"); and

WHEREAS, the City of Fargo (the "Political Subdivision") has requested a loan in the amount of \$6,400,000 from the Program to rehabilitate sand/anthracite filters in the 1997 lime softening water treatment plant and install sand/granular activated carbon media; and

WHEREAS, NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.
2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.
3. The Executive Director is authorized to fund the Loan from funds on hand in the Drinking Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.
4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: October 31, 2023

Governor Doug Burgum, Chairman

Attest:

Karen Tyler, Interim Executive Director and Secretary
Industrial Commission of North Dakota

October 23, 2023

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its October 23, 2023 meeting, reviewed, discussed, and recommends approval of a \$6,400,000 Drinking Water State Revolving Fund Program loan to the City of Fargo.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips



North Dakota Public Finance Authority

Memorandum

To: Public Finance Authority Advisory Committee
Miles Silbert, PFM Financial Advisors LLC
Kylee Merkel, Bank of North Dakota

From: DeAnn Ament, Executive Director

Date: October 12, 2023

Re: City of Fargo
Drinking Water State Revolving Fund

Purpose of the Project: Sand/anthracite filters in the 1997 lime softening water treatment plant will be fully rehabilitated and sand/granular activated carbon media will be installed.

Project Amount:

DW Request	\$ 6,400,000
Loan Forgiveness	(4,800,000)
Net DW Loan	\$1,600,000

Population to Benefit from the Project: 184,525; \$35 per person

Population Served by the System: 184,525

Is the Project Area Within the Extraterritorial Jurisdiction of a City: No

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The City of Fargo will issue revenue bonds payable with water fund revenues and sales tax fund revenues. This project is eligible for \$4,800,000 of loan forgiveness, so the net borrowing will be \$1,600,000. The net average annual payment for the revenue bonds will be \$67,464. The 110% coverage requirement will be \$74,211 and the required debt service reserve will be \$76,125.

City Sales Tax:

The City collects a 2% sales tax and ½ of 1% is dedicated to CWSRF and DWSRF financed infrastructure.

	2018	2019	2020	2021	2022
2% City Sales Tax	\$48,038,202	\$49,623,454	\$51,720,983	\$60,456,732	\$65,918,347
1/2 of 1%	\$12,009,550	\$12,405,864	\$12,930,246	\$15,114,183	\$16,479,587
Debt Service	\$6,186,541	\$5,618,117	\$5,636,083	\$5,930,876	\$5,957,230
Excess Sales Tax	\$5,823,009	\$6,787,747	\$7,294,163	\$9,183,307	\$10,522,357

The City has 24,681 residential water accounts that pay a monthly base charge of \$36.10 which includes 2,000 gallons. There are 5,750 commercial accounts that pay a monthly base charge which ranges from \$55.95 to \$745.95 depending on the meter size. The volume charge is \$4.90/1,000 above the first 2,000 gallons. The City annually reviews the rates and adjusts as needed.

Water Fund:

	2019	2020	2021	2022
Interest Revenue	\$12,608	\$4,535	\$57,825	\$24,729
Operating Revenue	22,744,596	23,773,689	26,123,374	25,679,019
Operating Expenses	20,974,281	23,191,294	23,128,967	25,557,494
Net Operating Expenditures	1,782,923	586,930	3,052,232	146,254
Depreciation	6,101,238	7,601,751	7,746,117	7,847,571
Adjusted Net Operating Income	\$7,884,161	\$8,188,681	\$10,798,349	\$7,993,825
Revenue Bond Payments	\$3,386,183	\$4,817,427	\$4,889,982	\$4,975,904
Net Operating Coverage	233%	170%	221%	161%

Projected Water Net Operating Coverage:

	2023	2024	2025	2026
Proforma Net Operating Revenue ¹	\$15,698,674	\$14,973,260	\$18,961,870	\$16,346,122
Proforma Debt Service	\$5,947,801	\$6,072,648	\$7,384,196	\$10,429,367
Proforma Net Operating Coverage	264%	247%	257%	157%

¹Includes water rate revenues and sales tax which is ½ of the ½ of 1% since this is only a water projection.

The existing excess sales tax will be sufficient to meet the 110% net operating coverage. And the next operating revenues of the water fund provide satisfactory backing should sales tax be inadequate.

The City's outstanding indebtedness as of December 31, 2022:

	<u>Original Amount</u>	<u>Amount Outstanding</u>
Governmental Activities		
Improvement Bonds	\$ 672,420,000	\$ 458,990,000
GO Bonds	38,745,000	29,035,000
Sales Tax Revenue Bonds *	83,887,000	54,244,000
Taxable Appropriation Bonds	28,840,000	27,835,000
Appropriation Bonds	8,103,000	8,103,000
SRF Notes Payable *	102,125,936	47,757,074
TIF Revenue Notes	4,821,633	4,461,642
Direct Bank Loan	6,000,000	2,687,316
Mercantile Parking Garage	2,000,000	2,000,000
BND Infrastructure Loan	15,000,000	11,708,348
	<u>\$ 961,942,569</u>	<u>\$ 646,821,380</u>
Business-Type Activities		
Revenue Bonds	\$ 2,875,000	\$ 1,659,480
Direct Bank Loan	3,000,000	600,000
SRF Notes Payable *	\$ 268,679,000	\$ 220,316,927
Appropriation Bonds	7,810,000	4,145,000
	<u>\$ 282,364,000</u>	<u>\$ 226,721,407</u>

*All payments have been made as agreed. The City has twelve CWSRF and four DWSRF loans with outstanding balances of \$268,074,001 and two CFP loans with outstanding balances of \$54,244,000.

With \$873,542,787 total debt outstanding, the debt per person is \$6,933.

The City of Fargo is located in Cass County at the intersection of Interstate Highways 94 and 29. Based on the 2020 census, the total population is 125,990; this is an increase of 20,441 from the 2010 census. The largest employers in the City are Sanford Health Facilities with 9,229 employees, North Dakota State University has 2,268 employees and Fargo Public Schools employs 2,153.

K-12 School Enrollment:

				Projected
2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
11,382	11,690	11,195	11,288	11,400

The City's 2022 taxable valuation was \$720,885,823. This is an increase of \$142,209,214 over the 2018 taxable valuation.

Property Tax Collections 5/31/2023:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2022	\$40,652,011	\$37,273,766	92%
2021	\$36,279,891	\$34,369,338	95%
2020	\$35,441,809	\$33,519,000	95%

Special Assessment Collections 5/31/2023:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2022	\$39,463,391	\$37,819,243	96%
2021	\$38,099,705	\$37,731,663	99%
2020	\$37,809,484	\$37,542,708	99%

Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2022	55.00	154.38	38.09	48.00	6.03	301.50
2021	53.00	154.38	33.85	48.75	6.03	296.01
2020	53.00	154.38	29.60	48.92	6.22	292.12
2019	53.00	154.38	28.67	50.00	6.39	292.44
2018	51.00	154.13	27.83	49.00	6.64	288.60



Memorandum

TO: DeAnn Ament, Executive Director
North Dakota Public Finance Authority

FROM: PFM Financial Advisors LLC

DATE: October 19, 2023

RE: Marketplace Analysis - Drinking Water State Revolving Fund Program
City of Fargo

The City of Fargo (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$6,400,000 loan of which \$4,800,000 is principal forgiveness for a net of \$1,600,000 under Drinking Water State Revolving Fund Program (“DWSRF Program”). The DWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various water treatment, distribution, and storage facilities as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The City intends to use the proceeds for the rehabilitation of the sand/anthracite filters in the 1997 lime softening water treatment plant and the installation of sand/granular activated carbon media.

The municipal securities to be acquired by the Authority will be revenue bonds payable from water fund and sales tax fund revenues. The City’s average annual payment under the proposed loan will be approximately \$67,464 indicating a 110% net revenue coverage requirement of approximately \$74,211. The City will be required to deposit \$76,125 into a reserve fund with payments of \$15,225 per year for the first five years of the loan. Net operating coverage of the water fund was 2.33x, 1.70x, 2.21x and 1.61x for 2019-2022, respectively. The City reviews their water rates annually and adjusts the rates as needed. In addition to the water fund, one half of one percent of the City’s two percent sales tax is dedicated to the CWSRF and DWSRF. The water fund sales, as needed water rate increases, and City sales tax fund revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2022, the City has outstanding improvement obligations of \$458,990,000, general obligation bonds of \$29,035,000, sales tax revenue bonds of \$54,244,000, and outstanding appropriation bonds of \$35,938,000. The City currently has two CFP loans with an outstanding amount of \$54,244,000, and twelve CWSRF and four DWSRF loans with a total outstanding amount of \$268,074,001. The City is current in its payments for its outstanding Authority loans.

Funding for the construction of the City's projects has been included in a list of approved projects as prepared and updated by the Department. As an authorized participant in the DWSRF Program, the City will benefit substantially from the subsidized fixed rate loans made under the Program. Consequently, no other financing mechanism can provide a greater cost advantage than that offered by the DWSRF Program.

Memorandum

Attachment 28

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: October 13, 2023

RE: City of Fargo
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$6,400,000 loan to the City of Fargo under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is \$6,400,000, with DWSRF financing the full project. This project is eligible for \$4,800,000 of loan forgiveness, making the net loan amount \$1,600,000.

Proceeds of the loan will be used rehabilitate the water treatment plant's lime softening filters and install new media in the filters. The requested loan term is 30 years. The City will issue a revenue bond payable from sales tax collections and water user fees. The annual payment will average \$67,464.

The City collects a 2% sales tax, of which 1/2 of 1% is dedicated to clean water and drinking water state revolving fund financed infrastructure. The sales tax sunsets in 2028. If the city sales tax collections would be insufficient to meet the required 110% net operating coverage, or should the city sales tax not be extended, the City would utilize water user fees and implement any necessary rate increases.

1/2 of 1% City Sales Tax Debt Service Coverage:

	2018	2019	2020	2021	2022	Projected
2% City Sales Tax Collections	48,038,202	49,623,454	51,720,983	60,456,732	65,918,347	65,918,347
1/2 of 1%	12,009,551	12,405,864	12,930,246	15,114,183	16,479,587	16,479,587
Existing SRF Debt Service	6,183,541	5,618,117	5,636,083	5,930,876	5,957,230	13,422,332
Proposed Loan Debt Service	0	0	0	0	0	67,464
Total Debt Payments	6,183,541	5,618,117	5,636,083	5,930,876	5,957,230	13,489,796
Debt Service Coverage	194.22%	220.82%	229.42%	254.84%	276.63%	122.16%

The existing sales tax collections will be sufficient to service both the existing and proposed State Revolving Fund loans. Should sales tax collections be insufficient to service the debt, the water fund also has capacity to service the debt.

Water Fund Debt Service Coverage:

Water Fund	2020	2021	2022
Operating Revenue	23,773,689	26,123,374	25,679,019
Interest Revenue	4,535	57,825	24,729
Operating Expenses	-23,191,294	-23,128,967	-25,557,494
Net Operating Revenue	586,930	3,052,232	146,254
Plus: Depreciation	7,601,751	7,746,117	7,847,571
Adjusted Net Operating Revenue	8,188,681	10,798,349	7,993,825
Current Annual Debt Service	4,817,427	4,889,982	4,975,904
Potential New Debt Service			
Total Debt Service	4,817,427	4,889,982	4,975,904
Debt Service Coverage	169.98%	220.83%	160.65%

The City currently serves 24,681 residential connections which pay a monthly base rate of \$36.10. The City currently serves 5,750 commercial connections which pay a monthly base rate ranging from \$55.95 to \$745.95, depending on the size of the meter. In addition, all users pay a usage fee of \$4.90/1,000 gallons, in excess of 2,000 gallons. The City annually reviews and adjusts rates as needed to meet the coverage requirements.

Outstanding Debt (as of December 31, 2022):

	Original Amount	Amount Outstanding
Governmental Activities		
Improvement Bonds	\$672,420,000	\$458,990,000
GO Bonds	38,745,000	29,035,000
Sales Tax Revenue Bonds	83,887,000	54,244,000
Taxable Appropriation Bonds	28,840,000	27,835,000
Appropriation Bonds	8,103,000	8,103,000
SRF Notes Payable	102,125,936	47,757,074
TIF Revenue Notes	4,821,633	4,461,642
Direct Bank Loan	6,000,000	2,687,316
Mercantile Parking Garage	2,000,000	2,000,000
BND Infrastructure Loan	15,000,000	11,708,348
	961,942,569	646,821,380
Business-Type Activities		
Revenue Bonds	2,875,000	1,659,480
Direct Bank Loan	3,000,000	600,000
SRF Notes Payable	268,679,000	220,316,927
Appropriation Bonds	7,810,000	4,145,000
	282,364,000	226,721,407
Total Debt	\$1,244,306,569	\$873,542,787

Average annual debt service requirements are estimated at \$85,928,034, which is an average of \$682.77 per resident.

Historical census populations for the City of Fargo were 125,853 in 2020, 105,549 in 2010 and 90,599 in 2000. The largest employers in the City are Sanford Health Facilities, North Dakota State University and Fargo Public School.

Based upon the PFA recommendation and the benefits obtained with this project, BND concurs with their evaluation and support of the request.



Kylee Merkel
Business Banker



Project is located at the Fargo Water Treatment Plant (WTP) at 435 14th Avenue South in Fargo, ND. The project is rehabilitating the 1997 Lime Softening WTP filters and installing Granular Activated Carbon (GAC) filter media. The filter area is in the southeast corner of the WTP building.

Filter Project Area

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
TORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



**North Dakota Public
Finance Authority**

Memorandum

To: Industrial Commission: Governor Doug Burgum, Attorney General Drew H. Wrigley,
Agriculture Commissioner Doug Goehring

From: DeAnn Ament, Executive Director

Date: September 26, 2023

Re: Berthold, Clean Water State Revolving Fund
Berthold, Drinking Water State Revolving Fund

Under current policy, the Public Finance Authority can make loans under the State Revolving Fund Program in an amount not to exceed \$2,000,000 and under the Capital Financing Program in an amount not to exceed \$500,000 without seeking the final approval of the Industrial Commission. Within this policy, once the loan has been approved, the Public Finance Authority is required to provide the details of the loan to the Industrial Commission. Accordingly, the Public Finance Authority and its Advisory Committee used this policy to approve the following loans.

The committee reviewed the City of Berthold's Clean Water State Revolving Fund application for a \$1,050,000 loan and a Drinking Water State Revolving Fund application for a \$731,000 loan towards a \$3,362,467 project. The Department of Water Resource's Cost Share is providing \$644,000 and Ward County ARPA is funding \$937,467. This project will replace the water main and sanitary sewer main on Main Street. The requested loan term is 30 years. The City will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The Public Finance Authority's Advisory Committee approved these loans at their September 26, 2023, meeting.

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
TORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



North Dakota Public Finance Authority

Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: September 19, 2023

Re: City of Berthold
Drinking Water State Revolving Fund Program Loan

Purpose of the Project: Replace water main and sanitary sewer main on Main Street.

Project Amount:

DWSRF Request	\$ 731,000
CWSRF Request	1,050,000
DWR Cost Share	644,000
ARPA from Ward County	937,467
Project Total	\$3,362,467

Population to Benefit from the Project: 490; \$6,862/person
Population Served by the System: 490
Is the Project Area Within the Extraterritorial Jurisdiction of a City: No

The requested term for both bonds is 30 years. The City will issue improvement bonds payable with special assessments. The average annual payment for the improvement bonds will be \$30,658. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

All users pay a monthly water base rate of \$15 and \$15/1,000 gallons.

Enterprise Fund:

	2019	2020	2021	2022
Operating Revenue	\$198,560	\$200,729	\$199,870	\$245,519
Operating Expenses	183,117	220,524	212,957	212,468
Net Operating Revenue (Expenditures)	\$15,443	-\$19,795	-\$13,087	\$33,051

Outstanding Debt September 1, 2023:

	Original Amount	Outstanding Amount
Improvement Bonds*	\$1,248,288	\$465,000

*Payments have been made as agreed. The City has one CWSRF loan with an outstanding balance of \$465,000.

With \$2,246,000 of outstanding improvement bonds (including these two requests) and an estimated population of 490 the improvement bond debt is \$4,584 per person. The 337 parcels assessed for the DWSRF project will have an average annual payment of \$91. Combined with the CWSRF payment the average annual payment will be \$222.

The City of Berthold is located in Ward County 27 miles northwest of Minot. Based on the 2020 census, the total population was 490; this is an increase of 36 from the 2010 census. The largest employers in the City are the Lewis & Clark School District with 50 employees, United Agronomy with 40 employees and Berthold Farmers Elevator which employs 30.

School Enrollment:

2020-2021	2021-2022	2022-2023	2023-2024	Projected 2024-2025
411	406	395	384	400

The City's 2022 taxable valuation was \$5,824,664. This is a decrease of \$958,888 from the 2018 taxable valuation.

Property Taxes Levied & Collected 8/31/2023:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2022	392,116	383,486	98%
2021	371,448	369,147	99%
2020	344,598	343,729	100%

Special Assessments Levied & Collected 8/31/2023:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2022	66,181	60,706	92%
2021	66,710	64,668	97%
2020	66,885	65,540	98%

City of Berthold Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2022	67.32	128.98	4.19	60.35	10.37	271.21
2021	59.34	128.33	3.49	62.85	11.53	265.54
2020	54.38	131.60	3.11	62.88	11.23	263.20
2019	54.80	132.90	2.69	62.88	11.81	265.08
2018	53.08	131.53	2.33	75.78	11.83	274.55

Memorandum

Attachment 30

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: September 19, 2023

RE: City of Berthold
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,050,000 loan to the City of Berthold under the Clean Water State Revolving Fund (CWSRF). The entire cost of the project is \$3,362,467, with Drinking Water SRF providing a \$731,000 loan, Department of Water Resources providing a cost-share grant of \$644,000 and Ward County providing an ARPA grant of \$937,467.

The project will complete replace the water and sanitary sewer mains on Main Street. The requested loan term is 30 years. The City will issue an improvement bond payable with special assessment collections. The annual payment will average \$44,079. The improvement district includes 337 parcels.

Enterprise Fund:

Enterprise Fund	2020	2021	2022
Operating Revenue	200,729	199,870	245,519
Operating Expenses	-220,524	-212,957	-212,468
Net Operating Revenue (loss)	-19,795	-13,087	33,051

Outstanding Debt (as of September 1, 2023):

	Original Amount	Current Balance
Improvement Bonds	1,248,288	465,000
Sales Tax Revenue Bonds	182,771	182,771
	1,431,059	647,771

Average annual debt service requirements are estimated at \$122,171, which is an average of \$249.33 per resident.

Historical census populations for the City of Berthold were 490 in 2020, 454 in 2010 and 466 in 2000. The largest employers in the City are Lewis and Clark School District, United Agronomy and Berthold Farmers Elevator.

Based upon the PFA recommendation and the benefits obtained with this project, BND concurs with their evaluation and support of the request.



Kylee Merkel
Business Banker

50 South Sixth Street
Suite 2250
Minneapolis, MN 55402

612.338.3535
612.338.7264 Fax
www.pfm.com



Memorandum

TO: DeAnn Ament, Executive Director
North Dakota Public Finance Authority

FROM: PFM Financial Advisors LLC

DATE: September 21, 2023

RE: Marketplace Analysis - Clean Water State Revolving Fund Program
City of Berthold

The City of Berthold (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$1,050,000 loan under the Clean Water State Revolving Fund Program (“CWSRF Program”). The CWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various wastewater treatment projects and landfill projects as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The City intends to use the proceeds for to replace the water and sanitary sewer mains on Main Street.

The municipal securities to be acquired by the Authority will be improvement bonds of the City payable from special assessments levied against the benefited property. The City’s average annual payment under the proposed loan will be approximately \$44,079. The improvement bonds will be a contingent general obligation of the City, which will be required by law to levy a general deficiency tax if the revenues collected from the levy of special assessments are insufficient to make the debt service payments.

As of September 1, 2023, the City has \$465,000 of Improvement Bonds outstanding. The City currently has one Clean Water SRF loan totaling \$465,000 outstanding. The City is current in its payments for its outstanding Authority loans.

Funding for the construction of the City's projects has been included in a list of approved projects as prepared and updated by the Department. As an authorized participant in the CWSRF Program, the City will benefit substantially from the subsidized fixed rate loans made under the Program. Consequently, no other financing mechanism can provide a greater cost advantage than that offered by the CWSRF Program.



WATER, SEWER, AND STREET IMPROVEMENT DISTRICT NO 2022-1

BERTHOLD, NORTH DAKOTA

VICINITY MAP

