



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Tuesday, October 29, 2024

Governor's Conference Room or Microsoft Teams – 1:00 pm

Meeting Coordinators:

Karen Tyler, Executive Director

Brenna Jessen, Recording Secretary

Erin Stieg, Grant Admin Assistant

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I. Roll Call and Pledge of Allegiance

(approximately 1:05 pm)

II. North Dakota Public Finance Agency – DeAnn Ament

A. Consideration of the Following State Revolving Fund Loan Applications:

i. **Carpio – Clean Water** - \$5,536,000 (Attachment 1)

B. Presentation of a Memo of State Revolving Fund Loans Approved by Advisory Committee (Attachment 2)

i. Arthur – Clean Water – \$550,000

ii. Jamestown – Clean Water -- \$1,991,000

iii. Dickinson – Clean Water – \$2,000,000

iv. Dickinson – Drinking Water - \$2,000,000 lead service lines

v. Dickinson – Drinking Water - \$1,591,000

C. Other North Dakota Public Finance Authority Business

(approximately 1:30 pm)

III. North Dakota Housing Finance Agency – Brandon Detlaff, Jennifer Henderson, Kayla Axtman

A. Foreclosure – Supreme Court Ruling Report – Brandon Detlaff

B. Multi-family Bond Issuance Report, Lashkowitz 4% and 9% issuances – Jennifer Henderson (Attachment 3 and 4)

- C. Report on Results of the 2024C \$200 Million Tax Exempt Bond Sale – Kayla Axtman (Attachment 5)
- D. **Consideration of Approval for Authorizing 2024 Supplemental Annual Series Resolution for issuance of up to \$250 million short-term Mortgage Revenue Bonds for Q4 2024 – Kayla Axtman** (Attachment 6)
- E. **Consideration of Approval for Authorizing 2025 Annual Series Resolution for issuance of up to \$750 million in long-term Mortgage Revenue Bonds and \$100 million in short-term Mortgage Revenue Bonds – Kayla Axtman** (Attachment 7)
- F. **Review of RFP Results and Consideration of Approval for Selection of NDHFA Financial Advisor and Bond Counsel – Kayla Axtman** (Attachment 8 and 8A)

(approximately 2:00 pm)

IV. Outdoor Heritage Fund – Brenna Jessen, Tyler Dokken

- A. Presentation of Outdoor Heritage Fund Project Management and Financial Report (Attachment 9)
- B. **Consideration of Outdoor Heritage Fund Advisory Board recommended projects for Grant Round 25:**
 - i. 25-1 (C) Mule Deer Foundation: Western Big Game Connectivity and Habitat Fragmentation, \$750,000 (Attachment 10A)
 - ii. 25-5 (C) North Dakota Petroleum Foundation: Planting for the Future, \$220,177 (Attachment 10B)
 - iii. 25-6 (B) Audubon Great Plains: North Dakota Grazing Management Toolbox, \$635,000 (Attachment 10C)
 - iv. 25-10 (B) North Dakota Natural Resources Trust: Working Grasslands Partnership 7, \$762,500 (Attachment 10D)
- C. **Consideration of Outdoor Heritage Fund Advisory Board recommendation for special grant round for wildfire relief projects** (Attachment 10E)
- D. Other Outdoor Heritage Fund business

(approximately 2:30 pm)

V. North Dakota Transmission Authority – Karen Tyler

- A. **Consideration of Approval to Submit Comment Letter to Stutsman County Regarding Zoning Ordinance Proposal for Transmission Line Set-back** (Attachment 11)
- B. Other Transmission Authority Business

(approximately 2:45 pm)

VI. Bank of North Dakota – Don Morgan, Rob Pfennig, Jared Mack (Eide Baily)

- A. Presentation of North Dakota Student Loan Trust Audit, June 30, 2024 – Jared Mack (Attachment 12)
- B. Presentation of College SAVE Audit, December 31, 2023 – Rob Pfennig (Attachment 13)
- C. Presentation of Third Quarter 2024 Performance Highlights – Don Morgan (Attachment 14)
- D. **Consideration of a Resolution Designating a Depository of the Bank of North Dakota for the Following Entities – Don Morgan** (Attachment 15)
 - i. Federal Home Loan Bank of Des Moines
 - ii. JP Morgan Chase
 - iii. US Bank
 - iv. First Horizon National
 - v. Wells Fargo
 - vi. Federal Reserve Bank (Open Accounts)
 - vii. Federal Reserve Bank (Advances)
- E. Presentation of Non-Confidential Committee and Advisory Board Minutes, July and August meetings (Attachment 16)

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 3:15 pm)

VII. Bank of North Dakota Executive Session – Don Morgan, Kirby Evanger

- A. Presentation of Non-Accrual Loans Quarterly Recap/Detail (Confidential Attachment 17)
- B. Presentation of Problem Loans – Adversely Classified Quarterly Recap (Confidential Attachment 18)
- C. Presentation of Loan Charge-Offs and Recoveries YTD Sept 30, 2024 (Confidential Attachment 19)
- D. Presentation of Confidential Committee and Advisory Board Meeting Minutes, July and August 2024 (Confidential Attachment 20)

(approximately 3:45 pm)

VIII. Pipeline Authority Executive Session – Justin Kringstad

- A. Pipeline Authority Capacity Purchase Program Confidential Business pursuant to 44-04-18.4
- B. Other Pipeline Authority Confidential Business

Meeting Returns to Public Session3

IX. Action on Executive Session Items

(approximately 4:00 pm)

X. Pipeline Authority – Justin Kringstad

- A. Presentation of Pipeline Authority Industry Update and Annual Report (Attachment 21 and 21A)
- B. Other Pipeline Authority Business

(approximately 4:15 pm)

XI. Legal Update* – Phil Axt, John Reiten

- A. Litigation Status: (Phil Axt)
 - i. EPA Mercury and Air Toxics Rule
 - ii. EPA Carbon Rule
 - iii. EPA Methane OOOO Rule
 - iv. EPA WOTUS Rule
 - v. BLM Venting and Flaring Rule
 - vi. BLM Conservation Rule
 - vii. CEQ NEPA Phase 2 Rule
 - viii. NW Landowners v. State
- B. Federal Regulatory Update: (John Reiten)
 - i. BLM Resource Management Plan
- C. Other Legal Updates (Phil Axt)
 - i. Latest DAPL litigation

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

(approximately 4:30 pm)

XII. Office of the Industrial Commission – Karen Tyler

- A. **Consideration of September 30, 2024 Industrial Commission Meeting Minutes** (Attachment 22)
- B. Other Office of Industrial Commission business

XIII. Adjournment

Next Meeting – November 26, 2024, 1:00 pm
Governor’s Conference Room

RESOLUTION APPROVING
LOAN FROM CLEAN WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Clean Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4 and 61-28.2; and

WHEREAS, the Clean Water 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 (NDPFA) and the Bank of North Dakota (the Trustee); and

WHEREAS, the City of Carpio (the "Political Subdivision") has requested a loan in the amount of \$5,536,000 from the Program to replace the failing mechanical wastewater treatment plant and improve the sanitary sewer system; and

WHEREAS, the 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 Clean 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 29,2024

Governor Doug Burgum, Chairman

Attest:

Karen Tyler, Executive Director
Industrial Commission of North Dakota

October 18, 2024

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its October 18, 2024 meeting, reviewed, discussed, and recommends approval of a \$5,536,000 Clean Water State Revolving Fund Program loan to the City of Carpio.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

Memorandum

To: Public Finance Authority Advisory Committee
Miles Silbert, Public Financial Management
Kylee Merkel, Bank of North Dakota

From: DeAnn Ament, Executive Director

Date: October 9, 2024

Re: City of Carpio
Clean Water State Revolving Fund

Purpose of the Project: Replace the failing mechanical wastewater treatment plant and sanitary sewer improvements.

Project Amount:

CWSRF Request	\$ 5,536,000	Total CW Request	\$ 5,536,000
CWSRF Loan Forgiveness	(4,009,000)	Ward County ARPA	1,472,663
CWSRF Net Loan	\$ 1,527,000	Project Total	\$ 7,008,663

Population Served by the System: 144; \$48,671/person

Is the Project Area Within the Extraterritorial Jurisdiction of a City: No

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. The City will issue revenue bonds payable with sewer fee revenue. The project is eligible for \$4,009,000 of loan forgiveness, so the net loan will be \$1,527,000. The net average annual payment for the revenue bonds will be \$64,269. The reserve requirement will be \$68,900 and the 110% coverage requirement will be \$70,695.

The City has 91 residential users paying a monthly base rate of \$28.56 and 11 commercial users paying a monthly base rate of \$34.50. There is no volume charge. With a monthly base rate increase of \$36 per user, the City would generate estimated annual revenue of \$44,064.

Sewer Fund:

	2020	2021	2022	2023
Operating Revenue	\$31,221	\$31,832	\$35,274	\$33,700
Operating Expenses	14,622	3,355	14,527	1,921
Net Operating Revenue	\$16,599	\$28,477	\$20,747	\$31,779
Proforma Rate Increase Revenue	\$44,064	\$44,064	\$44,064	\$44,064
Proforma CWSRF Bond Payments	\$64,269	\$64,269	\$64,269	\$64,269
Proforma Net Operating Coverage	94%	113%	101%	118%

The existing net operating revenue coupled with the proposed rate increase will provide sufficient revenue to meet the 110% net coverage requirement.

The City has no outstanding indebtedness as of October 1, 2024.

The City of Carpio is located in Ward County 27 miles northwest of Minot on US Highway 52. Based on the 2020 census, the total population is 144; this is a decrease of 13 from the 2010 census. The largest employers in the City are Cenex with 20 employees, Berthold Farmers Elevator has approximately 8 employees and Z Bar employs 5.

Des Lacs-Burlington K-12 School Enrollment:

			Current	Projected
2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
636	663	670	692	700

The City’s 2023 taxable valuation was \$566,513. This is an increase of \$47,054 over the 2019 taxable valuation.

Property Tax Collections 9/30/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$47,412	\$42,627	90%
2022	\$40,145	\$37,866	94%
2021	\$37,384	\$37,276	100%

Special Assessment Collections 9/30/2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	--	--	--
2022	\$17,915	\$15,621	87%
2021	\$16,908	\$16,593	98%

Carpio Mill Levy History:

Year	City	United School	Lewis & Clark School	Park District	State and County	Fire	Total for Each Year (United SD)	Total for Each Year (L&C SD)
2023	83.69	119.84	124.05	6.03	60.43	5.00	274.99	279.20
2022	72.30	127.02	128.98	5.87	60.35	2.20	267.74	269.70
2021	69.76	121.24	128.33	5.43	62.85	5.00	264.28	271.37
2020	60.80	119.83	131.60	4.89	62.88	3.43	251.83	263.60
2019	57.98	119.09	132.09	4.53	62.88	4.84	251.83	263.60



Memorandum

TO: DeAnn Ament, Executive Director
North Dakota Public Finance Authority

FROM: PFM Financial Advisors LLC

DATE: October 17, 2024

RE: Marketplace Analysis - Clean Water State Revolving Fund Program
City of Carpio

The City of Carpio (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$5,536,000 loan of which \$4,009,000 will be loan forgiveness, for a total of \$1,527,000 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 sanitary sewer improvements and to replace the failing mechanical wastewater treatment plant.

The municipal securities to be acquired by the Authority will be revenue bonds payable with sewer fee revenues. The City’s average annual payment under the proposed loan will be approximately \$64,269 indicating a 110% net revenue coverage requirement of approximately \$70,695. The City will be required to deposit \$68,900 into a reserve fund with payments of \$13,780 per year for the first five years of the loan. The City intends to increase their monthly base rate by \$36 per user generating an approximate \$44,064 of additional annual revenue. Pro forma net operating coverage of the Sewer Fund was 0.94x, 1.13x, 1.01x and 1.18x for 2020-2023, respectively. The Sewer Fund Revenues and the intended base rate increase will provide sufficient net revenues to meet the 110% coverage requirement.

As of October 1, 2024, the City has no outstanding indebtedness.

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.

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: October 10, 2024

RE: City of Carpio
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$5,536,000 loan to the City of Carpio under the Clean Water State Revolving Fund (CWSRF). This project is eligible for \$4,009,000 of CWSRF loan forgiveness, making the net loan \$1,527,000. The entire cost of the project is \$7,008,663, with Ward County providing \$1,472,663 of ARPA funds.

The project includes sanitary sewer improvements including replacement of the failing wastewater treatment plant. The requested loan term is 30 years. The City will issue a revenue bond payable with sewer user fees. The annual payment will average \$64,269.

Debt Service Coverage:

Sewer Fund	2021	2022	2023	Projected
Operating Revenue	31,832	35,274	33,700	33,700
Projected Rate Increase				44,064
Operating Expenses	-3,355	-14,527	-1,921	-1,921
Net Operating Revenue	28,477	20,747	31,778	75,842
Proposed Debt Service				64,269
Debt Service Coverage				118%

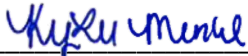
The City currently serves 91 residential connections and 11 commercial connections. Residential connections pay a monthly base rate of \$28.56 and commercial connections pay a monthly base rate of \$34.50. The City intends to raise the monthly base rate by \$36.00 per connection. The existing revenues, combined with the intended rate increase, will generate sufficient net operating revenues to service the proposed debt.

The City does not currently have any debt outstanding.

Average annual debt service requirements are estimated at \$64,269, which is an average of \$446.31 per resident.

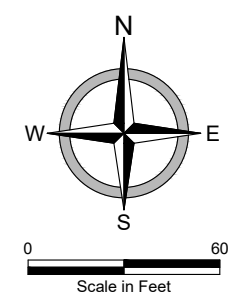
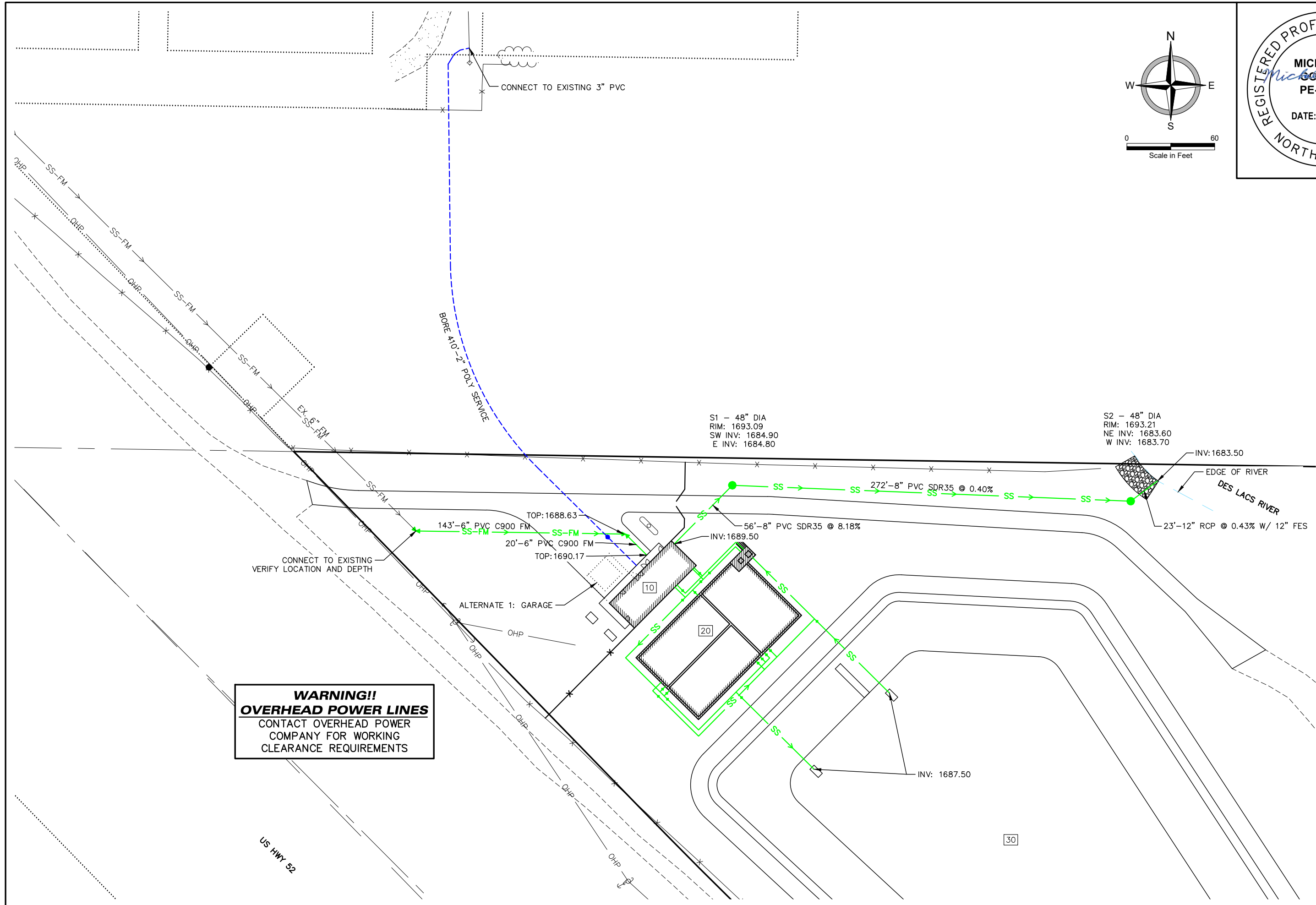
Historical census populations for the City of Carpio were 144 in 2020, 157 in 2010 and 148 in 2000. The largest employers in the City are Cenex, Berthold Farmers Elevator and Z Bar.

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

FILE LOCATION: R:\Projects\2009000\20918\CIVIL\PRODUCTION\20918-SITE.dwg



WARNING!!
OVERHEAD POWER LINES
 CONTACT OVERHEAD POWER
 COMPANY FOR WORKING
 CLEARANCE REQUIREMENTS

S1 - 48" DIA
 RIM: 1693.09
 SW INV: 1684.90
 E INV: 1684.80

S2 - 48" DIA
 RIM: 1693.21
 NE INV: 1683.60
 W INV: 1683.70

CIVIL
 WASTEWATER TREATMENT FACILITY REPLACEMENT
 WASTEWATER TREATMENT FACILITY
 CARPIO, NORTH DAKOTA
 SITE - UTILITIES

DATE:	06.05.24
REV DATE:	---
REV NUM:	---
RECORD:	---
PROJECT No.	20918
MANAGER:	JJR
DESIGNER:	JRS
DRAFTER:	MSG,HJE,MAZ
REVIEWER:	SEB

C-603

Memorandum

To: Industrial Commission: Governor Doug Burgum, Attorney General Drew H. Wrigley, Agriculture Commissioner Doug Goehring

From: DeAnn Ament, Executive Director

Date: October 18, 2024

Re: Arthur, Clean Water State Revolving Fund
Jamestown, Clean Water State Revolving Fund
Dickinson, Clean Water State Revolving Fund
Dickinson, LSLR, Drinking Water State Revolving Fund
Dickinson, Water Main, 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 Arthur's Clean Water State Revolving Fund (CWSRF) application for a \$550,000 loan to replace the sanitary sewer force main from the main lift station to the wastewater treatment lagoon. The requested term for the loan is 30 years. The City will issue revenue bonds payable with sewer user fees.

The committee reviewed the City of Jamestown's CWSRF application for a \$1,991,000 loan to install plate filter presses to dewater the lime sludge blowdown from the potable water treatment process which will reduce the water to the wastewater treatment plant facility also allowing the lime sludge to be recycled. The requested term for the loan is 20 years. The City will issue revenue bonds payable with water user fees.

The committee reviewed the City of Dickinson's CWSRF application for a \$2,000,000 loan towards a \$6,162,042 project. The Department of Water Resource's Cost Share program will provide \$962,042 and the City is using \$3,200,000 of funds on hand. This project is Phase 2 construction of Sims Street Improvements which includes the sanitary and storm sewer from the south side of interstate to 10th Street. The requested term for the loan is 20 years. The City will issue revenue bonds payable with wastewater fee revenue and oil and gas gross production tax (GPT) will be a secondary source of security.

The committee reviewed the City of Dickinson's Drinking Water State Revolving Fund (DWSRF) \$2,000,000 loan which is eligible for up to \$1,500,000 of loan forgiveness; the net loan will be \$500,000. The project will begin the process of replacing some of the approximately 200 lead service lines. The requested loan term is 20 years. The City will issue revenue bonds payable with water fee revenue and 50% of the 1% city sales tax dedicated to infrastructure. Additionally, GPT will be a secondary source of security.

The committee reviewed the City of Dickinson's DWSRF \$1,591,000 loan towards a \$5,578,864 project. The Department of Water Resource's Cost Share program will provide \$2,418,887 and the City is using \$1,568,977 of funds on hand. The project will replace 13 blocks of cast-iron watermain with PVC piping. The requested loan term is 20 years. The City will issue revenue bonds payable with 50% of the 1% city sales tax dedicated to infrastructure. Additionally, GPT will be a secondary source of security.

The Public Finance Authority's Advisory Committee approved these loans at their October 18, 2024, meeting.

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Be Legendary.

Public Finance Authority

Memorandum

To: Public Finance Authority Advisory Committee
From: DeAnn Ament, Executive Director
Date: October 16, 2024
Re: City of Arthur
Clean Water State Revolving Fund Program Loan

Purpose of the Project: Replace the sanitary sewer force main from the main lift station to the wastewater treatment lagoon. Also install a new inlet structure within the wastewater pond.

Project Amount:

CWSRF Request	\$550,000
Total Project	\$550,000

Population to Benefit from the Project: 350; \$1,571/resident
Population Served by the System: 350
Is the Project Area in the Extraterritorial Jurisdiction of a City: No

The requested term is 30 years. The City will issue revenue bonds payable with sewer user fees. The average annual payment will be \$23,177. The reserve requirement will be \$26,500 and the 110% coverage requirement will be \$25,494.

The City has 130 sewer connections which each pay a monthly sewer base rate of \$18. The City anticipates raising the sewer monthly base rate \$22 to \$40 which would annually generate approximately \$34,320.

Sewer Fund:

	Unaudited			
	2020	2021	2022	2023
Operating Revenue	\$ 50,145	\$ 55,624	\$53,725	\$49,964
Operating Expenses	33,767	51,840 ¹	31,315	28,172
Net Operating Revenue	\$ 16,378	\$ 3,784	\$22,410	\$21,792
Revenue Bond Payments	\$ 7,128	\$ 5,352	\$5,040	\$4,200
Net Operating Coverage	230%	71%	445%	519%
Proforma Rate Increase Revenue	\$ 34,320	\$ 34,320	\$34,320	\$34,320
Proforma CWSRF Payment	\$ 23,177	\$ 23,177	\$23,177	\$23,177
Proforma Net Operating Coverage	167%	134%	201%	205%

¹ Repairs and maintenance expenses were about \$22,000 higher than average.

The recent rate increase should be sufficient to meet the 110% net operating coverage.

Outstanding Debt as of September 1, 2024:

	Original Amount	Outstanding Amount
Improvement Bonds	\$ 265,000	\$ 114,000
Water and Sewer Revenue Bonds ¹	1,902,000	1,528,468
Total	<u>\$2,167,000</u>	<u>\$1,642,468</u>

¹ All payments have been made as agreed. The City has one CWSRF loan with \$54,000 outstanding.

The average annual debt payments are \$132,277 which is \$403 per resident.

The City of Arthur is located in Cass County and 33 miles northwest of Fargo on Interstate 94. Based on the 2020 census, the total population was 328; this is a decrease of 9 from the 2010 census. The largest employer is Arthur Companies (agriculture) with 125 employees, Sanford – The Good Samaritan (senior living) employs 30 and BankNorth has 10 employees.

Northern Cass School Enrollment:

			Current	Projected
2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
634	658	659	684	700

The City's 2023 taxable valuation was \$1,439,222. This is an increase of \$242,512 from the 2019 taxable valuation.

Property Taxes Levied & Collected 8/31/2024:

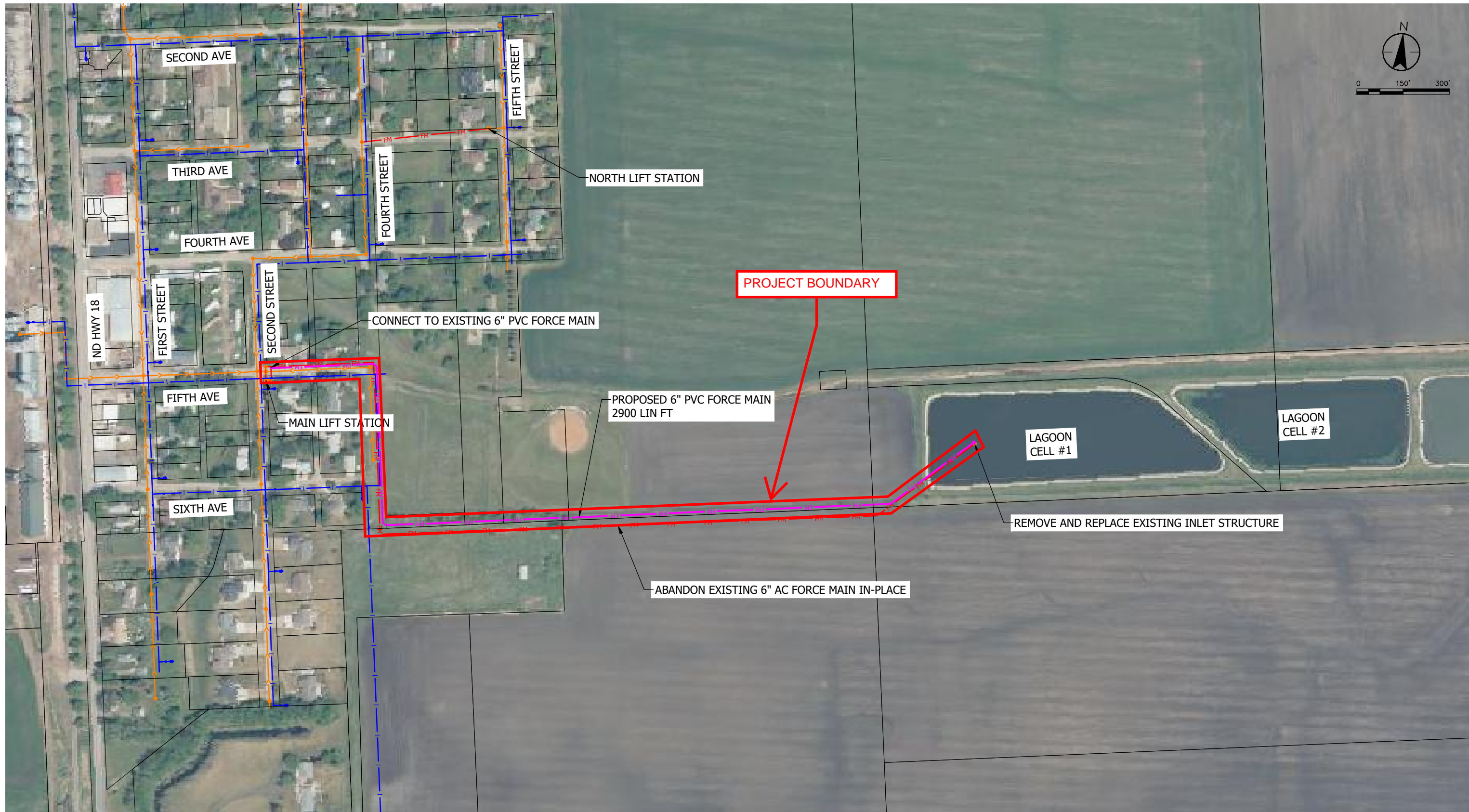
Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$90,664	\$80,842	89%
2022	\$81,649	\$76,689	94%
2021	\$69,848	\$66,019	95%

Special Assessments Levied & Collected 8/31/2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	\$24,266	\$22,370	92%
2022	\$24,975	\$24,392	98%
2021	\$25,742	\$25,331	98%

City of Arthur Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2023	64.53	100.41	3.98	48.05	19.64	236.61
2022	61.76	101.20	3.75	50.05	11.99	228.75
2021	56.53	101.35	3.69	50.80	11.55	223.92
2020	52.25	103.00	4.68	51.07	11.94	222.94
2019	52.66	100.50	6.73	52.30	11.45	223.64



PRELIMINARY PROJECT PLAN

CITY OF ARTHUR, ND
 2024 FORCE MAIN IMPROVEMENTS

FIGURE 1

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Public Finance Authority

Memorandum

To: Public Finance Authority Advisory Committee
Miles Silbert, Public Financial Management, LLC
Kylee Merkel, Bank of North Dakota

From: DeAnn Ament, Executive Director

Date: October 10, 2024

Re: City of Jamestown
Clean Water State Revolving Fund

Purpose of the Project: Install plate filter presses to dewater the lime sludge blowdown from the potable water treatment process which will reduce the water to the wastewater treatment plant facility also allowing the lime sludge to be recycled.

Project Amount:

CWSRF Request	\$ 1,991,000
Project Total	\$ 1,991,000

Population to Benefit from the Project: 15,849; \$126/resident

Population Served by the System: 15,849

Is the Project Area Within the Extraterritorial Jurisdiction of a City: No

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 20 years. The City will issue revenue bonds payable with water user fees. The average annual payment for the revenue bonds will be \$116,975. The 110% coverage requirement will be \$128,672 and the required debt service reserve will be \$121,900.

The City has 4,963 residential and 489 commercial users which pay a monthly water base rate of \$27.20 with \$3.40/100 cubic feet in excess of 400 cubic feet.

Water Fund:

	Unaudited			
	2020	2021	2022	2023
Interest Revenue	\$18,028	\$14,402	\$24,170	\$56,181
Operating Revenue	5,514,863	5,749,451	5,688,657	6,139,334
Operating Expenses	2,941,367	3,089,211	4,148,841	3,915,699
Net Operating Revenue	2,591,524	2,674,642	1,563,986	2,279,817
Depreciation	348,453	393,861	488,098	311,591
Transfer In	-	-	2,541,826	0
Adjusted Net Operating Revenue	\$2,939,977	\$3,068,503	\$4,593,910	\$2,591,408
Revenue Bond Payments	\$972,159	\$1,054,120	\$3,242,730	\$950,550
Net Operating Coverage	302%	291%	142%	273%
Proforma CWSRF Payments ¹	\$312,327	\$312,327	\$312,327	\$312,327
Proforma Net Operating Coverage	229%	225%	129%	205%

¹ Includes the CW meter payment approved in September 2024 and this request.

The existing net operating revenue will be sufficient to meet the 110% coverage requirement.

The City outstanding indebtedness as of December 31, 2023:

	Original Debt	Outstanding Balance
Revenue Bonds:		
Water ¹	\$ 15,042,701	\$ 5,600,000
Sewer ¹	17,306,208	10,798,000
Solid Waste ¹	4,249,147	2,852,028
	<u>\$ 36,598,056</u>	<u>\$ 19,250,028</u>
Improvement Bonds:		
Water and Sewer ²	\$ 13,249,509	\$ 7,251,700
Other	37,021,054	20,904,531
	<u>\$ 50,270,563</u>	<u>\$ 28,156,231</u>
Total Debt	<u>\$ 86,868,619</u>	<u>\$ 47,406,259</u>

² All payments have been made as agreed. The City has eleven Clean Water SRF and thirteen DWSRF loans with outstanding balances of \$25,881,728.

Per resident, the outstanding bond debt is \$2,991 and the average annual bond payment is \$411.

The City of Jamestown is in Stutsman County, on Interstate 94, 99 miles west of Fargo. The total population according to the 2020 census is 15,849; this is an increase of 422 from the 2010 census. The largest employers in the Jamestown Public Schools with 368 employees, the ND State Hospital with 450 employees and the Anne Carlsen Center with 595 employees.

K-12 School Enrollment:

			Current	Projected
2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
2,187	2,122	2,145	2,080	2,070

The City’s 2023 taxable valuation was \$53,578,747. This is an increase of \$7,371,906 over the 2019 taxable valuation.

Property Tax Collections as of August 31, 2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$6,343,919	\$6,080,163.96	96%
2022	\$6,013,735	\$5,959,106.76	99%
2021	\$5,744,114	\$5,727,146.96	100%

Special Assessment Collections as of August 31, 2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	\$2,933,865	\$2,826,816	96%
2022	\$2,791,009	\$2,759,744	99%
2021	\$2,762,082	\$2,850,661	103%

Mill Levy History:

Year	City	School	Park District	State and County	Total for Each Year
2023	118.41	102.00	41.38	75.38	337.17
2022	117.92	102.00	40.20	71.98	332.10
2021	118.36	102.00	40.21	71.09	331.66
2020	117.95	100.00	39.36	67.33	324.64
2019	117.93	100.00	39.55	70.63	328.11



Memorandum

TO: DeAnn Ament, Executive Director
North Dakota Public Finance Authority

FROM: PFM Financial Advisors LLC

DATE: September 13, 2024

RE: Marketplace Analysis - Clean Water State Revolving Fund Program
City of Jamestown

The City of Jamestown (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$3,321,000 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 to replace antiquated residential and commercial water meters with advanced metering infrastructure that will provide real time information and readings.

The municipal securities to be acquired by the Authority will be revenue bonds payable with water fund revenue. The City’s average annual payment under the proposed loan will be approximately \$195,352 indicating a 110% net revenue coverage requirement of approximately \$214,888. The City will be required to deposit \$203,000 into a reserve fund with payments of \$40,600 per year for the first five years of the loan. Pro forma net operating coverage of the Water Fund was 2.52x, 2.46x, 1.34x and 2.26x for 2020-2023, respectively. The existing Water Fund Revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2023, the City has outstanding Revenue Bonds of \$19,250,028, and outstanding Improvement Bonds of \$28,156,231. The City currently has eleven CWSRF loans and thirteen DWSRF loan with an outstanding combined total balance of \$25,881,728. The City is current in its payments for its outstanding Authority loan.

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.



Memorandum

TO: DeAnn Ament, Executive Director
North Dakota Public Finance Authority

FROM: PFM Financial Advisors LLC

DATE: October 17, 2024

RE: Marketplace Analysis - Clean Water State Revolving Fund Program
City of Jamestown

The City of Jamestown (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$1,991,000 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 to install plate filter presses to dewater the lime sludge blowdown from the potable water treatment process which will reduce the water to the wastewater treatment plant facility and also allowing the lime sludge to be recycled.

The municipal securities to be acquired by the Authority will be revenue bonds payable with water fund revenues. The City’s average annual payment under the proposed loan will be approximately \$116,975 indicating a 110% net revenue coverage requirement of approximately \$128,672. The City will be required to deposit \$121,900 into a reserve fund with payments of \$24,380 per year for the first five years of the loan. Pro forma net operating coverage of the Water Fund was 2.29x, 2.25x, 1.29x and 2.05x for 2020-2023, respectively. The existing Water Fund Revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2023, the City has outstanding Revenue Bonds of \$19,250,028, and outstanding Improvement Bonds of \$28,156,231. The City currently has eleven CWSRF loans and thirteen DWSRF loan with an outstanding combined total balance of \$25,881,728. The City is current in its payments for its outstanding Authority loan.

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.

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: October 11, 2024

RE: City of Jamestown
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,991,000 loan to the City of Jamestown under the Clean Water State Revolving Fund (CWSRF). The entire cost of the project is \$1,991,000, with CWSRF financing the entire project.

The project will install plate filter presses to improve the wastewater treatment process and allow for recycling of the lime sludge. The requested loan term is 20 years. The City will issue a revenue bond payable with water fund revenues. The annual payment will average \$116,975.

Debt Service Coverage:

Water Fund	2020	2021	2022	Internal 2023	Projected
Operating Revenue	5,514,863	5,749,451	5,688,657	6,139,334	6,139,334
Interest Revenue	18,028	14,402	24,170	56,181	56,181
Operating Expenses	-2,941,367	-3,089,211	-4,148,841	-3,915,699	-3,915,699
Net Operating Revenue	2,591,524	2,674,642	1,563,986	2,279,817	2,279,817
Plus: Transfers In	0	0	2,541,826	0	0
Plus: Depreciation	348,453	393,861	488,098	311,591	311,591
Adjusted Net Operating Income	2,939,977	3,068,503	4,593,910	2,591,408	2,591,408
Current Debt Service	972,159	1,054,120	3,242,730	950,550	1,145,902
Proposed Debt Service					116,975
Total Debt Service					1,262,877
Debt Service Coverage	302%	291%	142%	273%	205%

The City currently serves 4,963 residential connections and 489 commercial connections. All connections pay a monthly base rate of \$27.20 and a volume charge of \$3.40 per 100 cubic feet, in excess of 400 cubic feet. The existing revenues will generate sufficient net operating revenues to service both the new and existing debt.

Outstanding Debt (as of December 31, 2023):

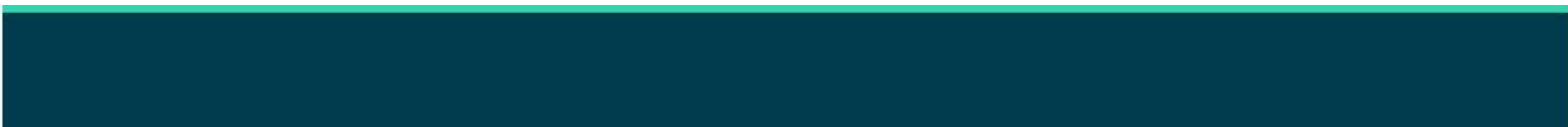
	Original Amount	Current Balance
Water Revenue Bonds	15,042,701	5,600,000
Sewer Revenue Bonds	17,306,208	10,798,000
Solid Waste Revenue Bonds	4,249,147	2,852,028
Water/Sewer Improvement Bonds	13,249,509	7,251,700
Other Improvement Bonds	37,021,054	20,904,531
	86,868,619	47,406,259

Average annual debt service requirements are estimated at \$6,830,234, which is an average of \$430.96 per resident.

Historical census populations for the City of Jamestown were 15,849 in 2020, 15,427 in 2010 and 15,527 in 2000. The largest employers in the City are Anne Carlsen Center, North Dakota State Hospital and Jamestown Public Schools

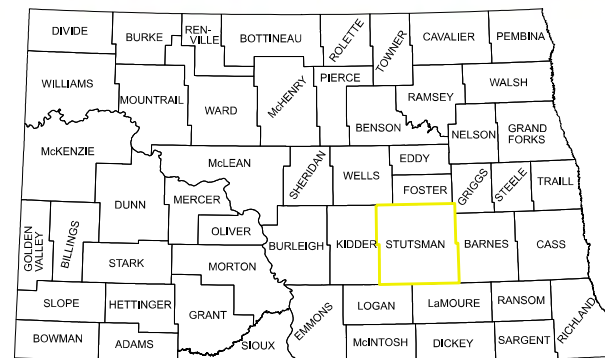
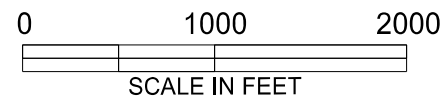
Based upon the PFA recommendation and the benefits obtained with this project, BND concurs with their evaluation and support of the request.

Kylee Merkel
Business Banker





2021 Aerial Imagery, NAIP



This document
is preliminary
and not for
construction or
implementation
purposes.

PRELIMINARY

Rev No	Date	By	Description

Jamestown Water Treatment Plant
Stutsman County

Project Location Map

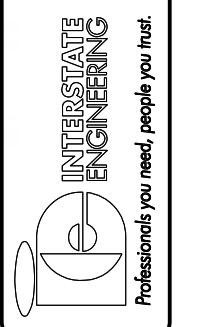
Drawn By: JTB
Checked By: _____

Surveyed By: _____
Designed By: _____

Project No: EC22-00-142
Date: March 2023

Interstate Engineering, Inc.
P.O. Box 2035
1903 12th Avenue SW
Jamestown, ND 58402-2035
Ph (701) 252-0234
Fax (701) 252-0203
www.interstateeng.com

Offices in North Dakota, Minnesota, Montana and South Dakota



PL

Sheet Number

Memorandum

To: Public Finance Authority Advisory Committee
Miles Silbert, Public Financial Management LLC
Kylee Merkel, Bank of North Dakota

From: DeAnn Ament, Executive Director

Date: October 3, 2024

Re: City of Dickinson
Clean Water State Revolving Fund

Purpose of the Project: Phase 2 construction of Sims Street Improvements which includes the sanitary and storm sewer from the south side of interstate to 10th Street.

Project Amount:

CWSRF Request	\$ 2,000,000
DWR Cost Share	962,042
Local Funds	3,200,000
Project Total	\$ 6,162,042

Population Served by the System: 300; \$20,540/person

Is the Project Area Within the Extraterritorial Jurisdiction of a City: Yes

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 20 years. The City of Dickinson will issue revenue bonds payable with wastewater fee revenue and oil and gas gross production tax (GPT) will be a secondary source of security. The average annual payment for the revenue bonds will be \$116,274. The reserve requirement will be \$123,600 and the 110% coverage requirement will be \$127,901.

The City has 6,997 residential users paying a monthly base rate of \$13 and 750 commercial users paying a monthly base rate of \$46 with all paying \$2.15/1,000 gallons for usage with a summer usage cap of 5,000 gallons.

Wastewater Fund:

	Unaudited			
	2020	2021	2022	2023
Operating Revenue	\$3,101,673	\$3,278,231	\$3,154,670	\$4,400,584
Operating Expenses	6,189,092	6,024,257	6,662,556	2,986,845
Net Operating Revenue (Expense)	-3,087,419	-2,746,026	-3,507,886	1,413,739
Depreciation	3,490,440	3,609,019	3,694,016	--
Transfer In (GPT)	7,446,021	6,354,542	6,079,011	4,479,750
Adjusted Net Operating Revenue	\$7,849,042	\$7,217,535	\$6,265,141	\$5,893,489
Revenue Bond Payments	\$5,021,743	\$5,096,205	\$5,099,599	\$5,115,877
Net Operating Coverage	156%	142%	123%	115%

Oil & Gas Gross Production Tax Collections:

	2023	2022	2021	2020	2019
GPT	\$16,565,258	\$17,303,256	\$13,516,796	\$11,247,328	\$13,833,874
SRF Payments ²	\$5,381,057	\$5,381,057	\$5,381,057	\$5,381,057	\$5,381,057
Excess GPT	\$11,184,201	\$11,922,199	\$8,135,739	\$5,866,271	\$8,452,817

² Includes six CWSRF and one DWSRF annual payments and two new DWSRF and one new CWSRF payment.

Currently, all SRF bond payments are made from GPT. This will serve as the secondary security for four CWSRF and three DWSRF bonds and does not secure any other debt. Existing GTP will be sufficient to meet the 110% coverage requirement.

The outstanding indebtedness as of June 1, 2024:

	Original Debt Amount	Outstanding Debt Amount
Sales Tax Revenue Bonds ³	\$16,221,365	\$ 7,250,990
Sewer Revenue Bonds ³	63,029,961	43,250,000
Total	\$79,251,326	\$50,500,990

³ All payments have been made as agreed. The City has four CWSRF loans and one DWSRF with outstanding balances of \$47,050,990.

The City of Dickinson is located in Stark County 100 miles west of Bismarck on Interstate 94. Based on the 2020 census, the total population is 25,679; this is an increase of 7,892 from the 2010 census. The largest employers in the City are Dickinson Public School with 600 employees, Walmart Supercenter has approximately 270 employees and CHI St. Alexius's Health - Dickinson employs 260.

K-12 School Enrollment:

			Current	Projected
2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
3,698	3,793	3,875	4,019	4,116

The City’s 2023 taxable valuation was \$131,350,441. This is an increase of \$13,510,486 over the 2019 taxable valuation.

Property Tax Collections 6/13/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$5,575,833	\$5,001,883	90%
2022	\$5,642,962	\$5,396,561	96%
2021	\$5,624,984	\$5,379,226	96%

Special Assessment Collections 6/13/2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	\$608,552	\$579,419	95%
2022	\$586,692	\$542,961	93%
2021	\$652,408	\$638,128	98%

Dickinson Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2023	42.45	113.70	18.16	55.44	1.00	230.75
2022	44.64	113.70	17.25	56.12	1.00	232.71
2021	47.01	113.70	17.45	61.46	1.00	240.62
2020	47.37	113.70	17.42	64.44	1.00	243.93
2019	48.08	113.62	17.52	64.41	1.00	244.63



Memorandum

TO: DeAnn Ament, Executive Director
North Dakota Public Finance Authority

FROM: PFM Financial Advisors LLC

DATE: October 17, 2024

RE: Marketplace Analysis - Clean Water State Revolving Fund Program
City of Dickinson

The City of Dickinson (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$2,000,000 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 Phase 2 of the Sims Street Improvements, which includes upgrading the sanitary and storm sewers from the south side of the interstate to 10th street.

The municipal securities to be acquired by the Authority will be revenue bonds payable with wastewater fee revenue and oil and gas gross production tax (GPT) will serve as a secondary source of security. The City’s average annual payment under the proposed loan will be approximately \$116,274 indicating a 110% net revenue coverage requirement of approximately \$127,901. The City will be required to deposit \$123,600 into a reserve fund with payments of \$24,720 per year for the first five years of the loan. Net operating coverage of the Wastewater Fund was 1.56x, 1.42x, 1.23x and 1.15x for 2020-2023, respectively. Excess GPT collections was \$8,452,817, \$5,866,271, \$8,135,739, \$11,922,199, and \$11,184,201 for 2019-2023, respectively. The Wastewater Fund Revenues and the existing excess GPT will provide sufficient net revenues to meet the 110% coverage requirement.

As of June 1, 2024, the City has outstanding Sales Tax Revenue Bonds of \$7,250,990, and outstanding Sewer Revenue Bonds of \$43,250,000. The City currently has five CWSRF loans and one DWSRF loan with an outstanding combined total balance of \$47,050,990. The City is current in its payments for its outstanding Authority loan.

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.

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: October 3, 2024

RE: City of Dickinson
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$2,000,000 loan to the City of Dickinson under the Clean Water State Revolving Fund (CWSRF). The entire cost of the project is \$6,162,042 with Department of Water Resources providing a \$962,042 cost-share grant and the City contributing funds of \$3,200,000. The loan will provide funds for Phase 2 construction of Sims Street sanitary and storm sewer improvements.

The City will issue revenue bonds payable with wastewater fees. Additionally, the City will pledge oil and gas gross production tax collections as a secondary source of security. The annual payment will average \$116,274. The requested loan term is 20 years.

Outstanding Debt (as of June 1, 2024):

	Original Amount	Current Balance
Sales Tax Revenue Bonds	16,221,365	7,250,990
Sewer Revenue Bonds	63,029,961	43,250,000
	<u>79,251,326</u>	<u>50,500,990</u>

Oil and Gas Gross Production Tax Collections:

The City currently has annual debt requirements of \$5,381,057 being repaid using gross production tax collections. Excess collections are available to service the proposed debt.

	2020	2021	2022	2023
Gross Production Tax Collections	11,247,328	13,516,796	17,303,256	16,565,258
SRF Debt Requirements	5,381,057	5,381,057	5,381,057	5,381,057
Excess Gross Production Tax	5,866,271	8,135,739	11,922,199	11,184,201

Debt Service Coverage:

Wastewater Fund	2020	2021	2022
Operating Revenue	3,101,673	3,278,231	3,154,670
Operating Expenses	-6,189,092	-6,024,257	-6,662,556
Net Operating Revenue	-3,087,419	-2,746,026	-3,507,886
Add: Depreciation	3,490,440	3,609,019	3,694,016
Add: GPT Transfer	7,446,021	6,354,542	6,079,011
Adjusted Net Operating Income	7,849,042	7,217,535	6,265,141
Current Debt Service	5,021,743	5,096,205	5,099,599
Debt Service Coverage	156%	142%	123%
Excess GPT Available for Debt Service	5,866,271	8,135,739	11,922,199

The City currently serves 6,997 residential wastewater users and 750 commercial users. Residential users pay a base rate of \$13.00 per month and commercial users pay a base rate of \$46.00 per month. All users pay \$2.15 per 1,000 gallons of usage, up to 5,000 gallons. Existing revenues fees, combined with gross production tax collections will generate sufficient revenues to service both the proposed and existing debt service requirements.

Outstanding Debt (as of June 1, 2024):

	Original Amount	Current Balance
Sales Tax Revenue Bonds	16,221,365	7,250,990
Sewer Revenue Bonds	63,029,961	43,250,000
	79,251,326	50,500,990

Average annual debt service requirements are estimated at \$7,019,737, which is an average of \$273.36 per resident. Historical census populations for the City were 25,679 in 2020, 17,787 in 2010 and 16,010 in 2000. The largest employers in the City are Dickinson Public Schools, CHI St Alexius Health and Wal-Mart.

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

Sims Street Improvements – Phase 2
 Facility Plan | Dickinson, ND

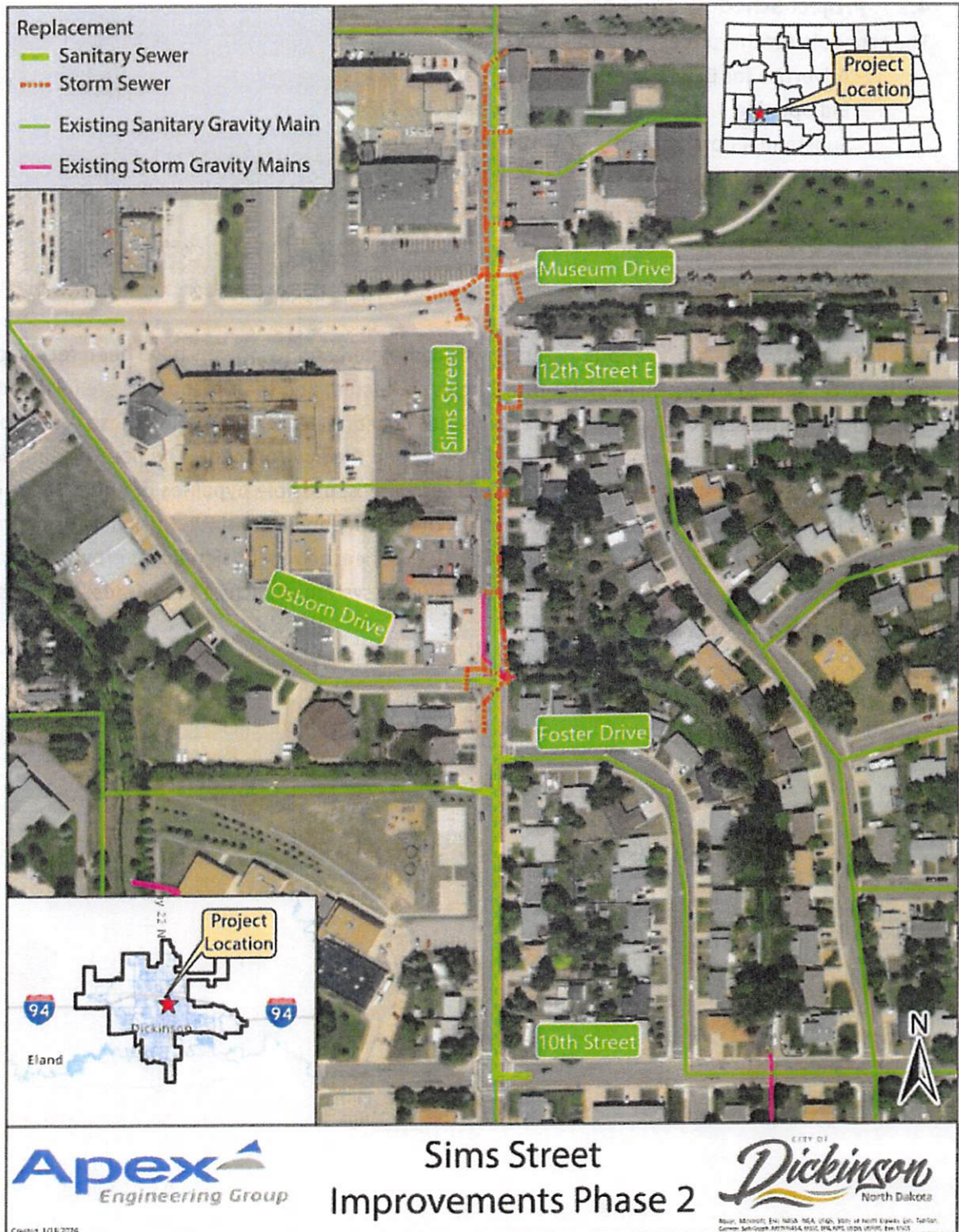


Figure 1



TO: Industrial Commission

FR: David Flohr, Executive Director

RE: **Summary Report on Issuance of Multifamily Revenue Bonds: Lashkowitz Riverfront 4**

On June 26, 2024 the Industrial Commission executed an Authorizing Resolution, authorizing the issuance of Multifamily Revenue Bonds not to exceed \$16,500,000 along with following operative documents

- (a) Trust Indenture
- (b) Financing Agreement
- (c) Bond Regulatory Agreement

and authorized the Executive Director, Director of Planning and Housing Development or the Chief Financial Officer to execute documents in final form so long as changes fell within the approved parameters of the documents as drafted.

Transaction summary as authorized

Fargo Housing and Redevelopment Authority, a North Dakota Housing Authority, demolished the existing 248-unit public housing complex known as the Lashkowitz Highrise and will replace it with the new construction of 110 units to be developed as a twin 4 percent/9 percent transaction. The 4 percent transaction, for which tax-exempt bonds will be issued, will consist of 83 units and comprise floors 2-4. The remaining 27 units will be financed as a separate asset using 9 percent competitive credits and a taxable bond issuance. This transaction will remove units from public housing and replace with traditional affordable housing as part of a repositioning strategy.

Total development costs for the entire deal is nearly \$38.5 million with about a 25/75 percent split between the 9% and 4% cost allocations. The total tax credit equity investment is projected to be over \$16 million. Co Developers BlueLine Development and Fargo Housing And Redevelopment Authority, lender is LUMENT/ORIX Real Estate Capital, LLC, and Equity Investor WNC.

The 4% issuance has two series, a short term and long term. Series 2024A (18-yr maturity) and Series 2024B (paid off at conversion - earlier of 90% occupancy or 36 months)

The transaction is structured as a tax-exempt privately placed bond issuance, proceeds from which will be used for construction financing. The Agency has conditionally committed \$1,202,021 in 4% Low-Income Housing Tax Credits. A final determination of allocation will be based on total costs and allowable credit basis.

Final Issuance Summary

The bond transaction closed on August 12, 2024 with no substantial changes to final documents. Final issuance was \$15,500,000.

Bond Allocation Approval No. 24-02
\$8,132,000
State of North Dakota
North Dakota Housing Finance Agency
Multifamily Revenue Bonds
(Lashkowitz Riverfront 4) Series 2024A

\$7,368,000
State of North Dakota
North Dakota Housing Finance Agency
Multifamily Revenue Bonds
(Lashkowitz Riverfront 4) Series 2024B

REPORT OF ISSUANCE

Issuer: Industrial Commission of North Dakota, acting as the North Dakota Housing Finance Agency.

Description of Project or Program: Proceeds from the above-captioned bonds were lent to Lashkowitz Riverfront Four, LLLP, a North Dakota limited liability limited partnership (the "Borrower"), to finance a portion of the costs of the acquisition, construction and equipping by the Borrower of the Lashkowitz Riverfront Four, an 83-unit multifamily residential rental project located in Fargo, North Dakota.

Aggregate Principal Amount of Indebtedness Issued: Series 2024 in the amount of \$15,500,000, all of which requires volume cap.

Date of Issuance: August 12, 2024.



TO: Industrial Commission

FR: David Flohr, Executive Director

RE: **Summary Report on Issuance of Multifamily Revenue Bonds: Lashkowitz Riverfront 9**

On June 26, 2024 the Industrial Commission executed an Authorizing Resolution, authorizing the issuance of Multifamily Revenue Bonds (Taxable) not to exceed \$6,000,000 along with following operative documents

- (a) Trust Indenture
- (b) Financing Agreement

and authorized the Executive Director, Director of Planning and Housing Development or the Chief Financial Officer to execute documents in final form so long as changes are within the approved parameters of the documents as drafted.

Transaction summary as authorized

Fargo Housing and Redevelopment Authority, a North Dakota Housing Authority, demolished the existing 248-unit public housing complex known as the Lashkowitz Highrise and will replace it with the new construction of 110 units to be developed as a twin 4 percent/9 percent transaction. The 4 percent transaction, for which tax-exempt bonds will be issued, will consist of 83 units and comprise floors 2-4. The remaining 27 units will be financed as a separate asset using 9 percent competitive credits and a taxable bond issuance. This transaction will remove units from public housing and replace with traditional affordable housing as part of a repositioning strategy.

Total development costs for the entire deal is nearly \$38.5 million with about a 25/75 percent split between the 9% and 4% cost allocations. The total tax credit equity investment is projected to be over \$16 million. Co Developers BlueLine Development and Fargo Housing And Redevelopment Authority, lender is LUMENT/ORIX Real Estate Capital, LLC, and Equity Investor WNC.

The 9% issuance will have two series, a short term and long term. The total aggregate amount not to exceed a total principal amount of \$6,000,000 Series 2024A (18-yr maturity) and Series 2024B (paid off at conversion - earlier of 90% occupancy or 36 months)

The transaction is structured as a taxable privately placed bond issuance, proceeds from which will be used for construction financing. The Agency has conditionally committed \$724,000 in 9% Low-Income Housing Tax Credits which will bring in around \$6.1 million credit equity.

Final Issuance Summary

The bond transaction closed on August 12, 2024 with no substantial changes to final documents. Final issuance was \$6,000,000

\$2,196,500

State of North Dakota
North Dakota Housing Finance Agency
Multifamily Revenue Bonds
(Lashkowitz Riverfront 9) Series 2024A

\$3,803,500

State of North Dakota
North Dakota Housing Finance Agency
Multifamily Revenue Bonds
(Lashkowitz Riverfront 9) Series 2024B

REPORT OF ISSUANCE

Issuer: Industrial Commission of North Dakota, acting as the North Dakota Housing Finance Agency.

Description of Project or Program: Proceeds from the above-captioned bonds were lent to Lashkowitz Riverfront Nine, LLLP, a North Dakota limited liability limited partnership (the "Borrower"), to finance a portion of the costs of the acquisition, construction and equipping by the Borrower of the Lashkowitz Riverfront Nine, an 27-unit multifamily residential rental project located in Fargo, North Dakota.

Aggregate Principal Amount of Indebtedness Issued: Series 2024 in the amount of \$6,000,000.

Date of Issuance: August 12, 2024.

HOME MORTGAGE FINANCE PROGRAM BONDS

NDHFA Bond Sale 2024C

	Priced June 6, 2024		Priced 2/21/24	Priced 7/11/23
	Tax Exempt	Taxable	Tax Exempt	Tax Exempt
	2024C		2024A	2023D
Bonds Issued	200,000,000	0	149,000,000	125,000,000
Bond Premium	4,728,932	0	2,393,524	3,291,197
Debt Service Reserve	(6,000,000)	0	(4,470,000)	(3,750,000)
Total Proceeds	198,728,932	-	146,923,524	124,541,197
Bond Yield	4.42%	5.72%	4.37%	4.260%
Cost of Issuance & Underwriters Discount (Agency)	1,772,533	-	1,344,526	1,108,143
Average Loan Amount	224,987	273,097	227,291	204,184
Estimated Number of Loans	883	-	646	610

Interest Rates Offered (30 Year Fixed rates adjusted daily)	FirstHome	Roots [^]	FirstHome	FirstHome
Government (1.5 Points*)	4.550%	7.200%	4.750%	5.500%
Conventional (1.5 Points*)	4.800%	7.450%	5.000%	5.750%

[^]Includes refinances, borrowers purchasing for a second time

Eligible Loans include: FHA Insured, Conventional Insured, USDA RD RHS Guaranteed, VA Guaranteed, Uninsured

Home Sales Price Limits (One Unit)
 All Counties 481,176
Higher Limits applicable to 2 - 4 Unit Residences

Borrower Income Limits 100,400 to 126,040
 (Limits vary by county and household size)

Loan Type Limits	Conventional	726,200
	FHA	472,030
	VA	726,200

Underwriters Discount Components	\$/M Bonds
Management Expense	0.75
Take-Down	0.36
TOTAL	5.76
	6.86

Miscellaneous	
Annual (Basis Points on Loans Outstanding)	20

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%. In September 2024, the Federal Reserve began decreasing the fed funds rate with a decrease of 0.50. During this same time the Agency has moved the tax exempt 30 year mortgage rate 12 times and continues to be well below the current market rate for a 30 year conventional loan. The average 30 year FHA mortgage rate is 5.78% and the average 30 year conventional mortgage rate right now is 6.26%. For the past two months the Agency is averaging just over \$2million a day in First Home (tax exempt) reservations and approximately \$175,000 in daily 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.

NORTH DAKOTA HOUSING FINANCE AGENCY
HOUSING FINANCE PROGRAM BONDS
HOME MORTGAGE FINANCE PROGRAM

2024 SUPPLEMENTAL ANNUAL SERIES RESOLUTION

WHEREAS, the Industrial Commission of North Dakota (the “**Commission**”) acting in its capacity as a state housing finance agency, i.e., the North Dakota Housing Finance Agency (the “**Agency**”), is empowered by the provisions of the North Dakota Century Code Chapter 54-17 (the “**Act**”) to establish, and has established, a home mortgage finance program to contract to purchase from lenders mortgage loans made to persons or families of low or moderate income to finance the purchase or substantial rehabilitation of owner-occupied, single-family residential dwelling units; and

WHEREAS, the Commission adopted the Housing Finance Program General Bond Resolution of 1994, on July 21, 1994, as amended (the “**1994 General Resolution**”), and the General Bond Resolution of 2009, on November 25, 2009 (the “**2009 General Bond Resolution**,” and together with the 1994 General Resolution, the “**General Resolutions**”), wherein Wilmington Trust, National Association, Minneapolis, Minnesota, was appointed successor trustee (the “**Trustee**”) under each of the General Resolutions, and which General Resolutions were each accepted by the Trustee, and which General Resolutions are hereby ratified and confirmed; and

WHEREAS, the Agency has previously issued certain bonds pursuant to each of the General Resolutions (collectively, the “**Home Mortgage Finance Program Bonds**”), both of which allow for the issuance of additional bonds thereunder and the refunding of certain bonds currently outstanding thereunder; and

WHEREAS, the General Resolutions authorize the issuance and sale of additional Home Mortgage Finance Program Bonds (the “**New Series Bonds**”), pursuant to the Act, the application of the proceeds of which will provide funding for the captioned Home Mortgage Finance Program, which may include the North Dakota Roots Program (the “**Program**”), contemplated by the Act in furtherance of the Program for the providing of decent, safe, and sanitary housing for persons and families of low or moderate income; and

WHEREAS, the Commission has previously adopted its 2024 Annual Series Resolution on December 18, 2023 (the “**2024 Annual Series Resolution**”) authorizing the issuance and sale of Bonds under the General Resolutions in accordance with the terms thereof and it is the intent of the Commission that this 2024 Supplemental Annual Series Resolution supplement the 2024 Annual Series Resolution and the New Series Bonds authorized herein be in addition to the authorization of Bonds in the 2024 Annual Series Resolution; and

WHEREAS, the Commission acting as the Agency has determined to appoint as its agents the Executive Director, the Director of Homeownership Programs and the Chief Financial Officer of the Agency (the “**Authorized Officers**”) for the negotiation of the terms of sale of the New Series Bonds, in one or more series, with fixed or floating interest rates, and with or without bondholder tender rights, and to sign such agreements on behalf of the Commission after such terms of sale have been negotiated, and such certificates and other documents as are necessary and

customary to complete the sale of the New Series Bonds, and to enter into agreements for their sale by the Agency and purchase by the Underwriters described below, private entities or the U.S. Treasury and/or instrumentalities thereof, subject to the limitations herein established with regard to the New Series Bonds:

- (a) a maximum principal amount of long-term bonds of \$250,000,000; provided that bonds may be issued pursuant hereto to refund any bond outstanding under the 1994 General Resolution or the 2009 General Bond Resolution without regard to this maximum principal amount;
- (b) [Reserved];
- (c) a final maturity of not later than fifty years from the applicable date of issuance;
- (d) a maximum average annual interest rate, on a per issue basis, of 9.00% for fixed rate bonds, and for variable rate bonds an initial rate of 8.00% with a maximum rate of 15% per annum, determined at the time of pricing any New Series Bonds; and

WHEREAS, the following documents (collectively, the “**Closing Financing Documents**”) may be prepared in connection with each issuance of the New Series Bonds:

- (a) One or more Bond Certificates, (the “**Bond Certificates**”);
- (b) Fixed Rate Bond Purchase Contract (the “**Fixed Rate Bond Purchase Contract**”) with respect to any New Series Bonds issued with fixed interest rates (the “**Fixed Rate Bonds**”), by and between the Commission and the representative of the underwriters selected by an Authorized Officer (collectively the “**Underwriters**”);
- (c) Variable Rate Bond Purchase Contract (the “**Variable Rate Bond Purchase Contract**”) with respect to any New Series Bonds issued with variable interest rates (the “**Variable Rate Bonds**”), by and between the Commission and the sole underwriter of any Variable Rate Bonds selected by an Authorized Officer;
- (d) Preliminary Official Statement, with respect to the New Series Bonds (the “**Preliminary Official Statement**”);
- (e) Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) by and between the Agency and the Trustee;
- (f) Remarketing Agreement (the “**Remarketing Agreement**”) with respect to any Variable Rate Bonds by and among the Commission, a remarketing agent selected by an Authorized Officer and Wilmington Trust, National Association, as tender agent (the “**Tender Agent**”); and
- (g) Standby Bond Purchase Agreement (the “**Standby Bond Purchase Agreement**”) with respect to any Variable Rate Bonds by and among the Agency, the Trustee, the Tender Agent and a counterparty selected by an Authorized Officer; and

WHEREAS, Section 1.150-2 of the Internal Revenue Code regulations (the “**Tax Regulations**”) provides, if the Agency intends to finance mortgage loans with its own funds or warehouse funds, and then reimburse itself with New Series Bond proceeds, that the Agency declare its intention to do so prior to so financing such mortgage loans.

NOW BE IT HEREWITH RESOLVED:

1. The Authorized Officers are appointed as agents of the Commission acting as the Agency for the purposes set forth in the preambles to this 2024 Supplemental Annual Series Resolution and the Agency is hereby authorized to issue, execute, sell and deliver the New Series Bonds, in substance as provided in the final forms of the Closing Financing Documents as approved by an Authorized Officer, provided that the New Series Bonds meet the following conditions:

A. The New Series Bonds: (i) shall be sold, issued, executed and delivered at such time as an Authorized Officer shall determine during the period that this 2024 Supplemental Annual Series Resolution remains in full force and effect, in one or more series or sub-series, in an aggregate principal amount not to exceed the amounts set forth in the preambles to this 2024 Supplemental Annual Series Resolution; (ii) shall be subject to redemption prior to maturity, at prices and otherwise as determined by an Authorized Officer to be in the best interests of the Agency; (iii) shall have long term ratings no lower than the long term rating on the bonds outstanding under the applicable General Resolution immediately prior to the issuance of the New Series Bonds; and (iv) shall be dated, mature in the years and in the principal amounts and be payable on the dates and at the respective rates of interest per annum determined by an Authorized Officer (subject in all cases to the limitations otherwise set forth in this 2024 Supplemental Annual Series Resolution).

B. Any New Series Bonds issued as Fixed Rate Bonds shall bear interest at fixed rates determined by an Authorized Officer, provided, however that the weighted average of such rates, on a per issue basis, shall not exceed 9.0% per annum. Any New Series Bonds issued as Variable Rate Bonds shall bear interest at a variable rate that shall not initially exceed 8.0%.

C. An Authorized Officer shall determine whether the New Series Bonds shall be issued as bonds the interest on which is exempt from or subject to federal income taxation.

D. The New Series Bonds shall not constitute debt of the State or any political subdivision thereof. Neither the faith and credit nor the taxing powers of the State or any political subdivision thereof may be pledged to the payment of the principal of or interest on the New Series Bonds.

E. The New Series Bonds shall be special limited obligation revenue bonds of the State payable solely from the revenues and assets pledged therefore under the applicable General Resolution.

2. The form of one or more Bond Certificates, in substantially the forms of either the 2024 Series A/B Bond Certificate executed in connection with the issuance of the Agency’s Home Mortgage Finance Program Bonds, Home Mortgage Finance Program, 2024 Series A and 2024 Series B (collectively, the “**2024 Series AB Bonds**”) or the 2023 Series C Bond Certificate

executed in connection with the issuance of the Agency's Home Mortgage Finance Program Bonds, Home Mortgage Finance Program, 2023 Series C (the "**2023 Series C Bonds**") are hereby approved with such changes, variations, omissions and insertions as an Authorized Officer shall approve. The execution and delivery of such Bond Certificates by an Authorized Officer shall constitute conclusive evidence of such approval.

3. The form of the Fixed Rate Bond Purchase Contract, in substantially the form of the purchase contract prepared in connection with the issuance of the 2024 Series AB Bonds, and the form of the Variable Rate Bond Purchase Contract, in substantially the form of the purchase contract prepared in connection with the issuance of the 2023 Series C Bonds, are hereby approved with such changes, variations, omissions and insertions as an Authorized Officer shall approve. The execution and delivery of the respective Purchase Contracts by an Authorized Officer shall constitute conclusive evidence of such approvals.

4. The Preliminary Official Statement, in substantially the form of either the Official Statement prepared in connection with the issuance of the 2024 Series AB Bonds or the Official Statement prepared in connection with the 2023 Series C Bonds, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable, is hereby authorized, and the furnishing of the information in the Preliminary Official Statement and in a final Official Statement for each issuance of New Series Bonds, and the use of such Preliminary Official Statement and final Official Statement by the Underwriters in connection with the offering of such New Series Bonds to the public, are hereby approved. Any Authorized Officer is hereby authorized to execute and deliver to the Underwriters the final Official Statement for the applicable New Series Bonds in substantially the form of the Preliminary Official Statement with such changes therein as are approved by such Authorized Officer. The execution and delivery of one or more copies of the final Official Statement by an Authorized Officer shall constitute conclusive evidence of such approval.

5. The form of the Continuing Disclosure Agreement, in substantially the form of the Continuing Disclosure Agreement prepared in connection with the issuance of the 2024 Series AB Bonds is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve. The execution and delivery of the Continuing Disclosure Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.

6. The form of the Remarketing Agreement, in substantially the form of such agreement prepared in connection with the issuance of the 2023 Series C Bonds is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve. The execution and delivery of the Remarketing Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.

7. The form of the Standby Bond Purchase Agreement, in substantially the form of such agreement prepared in connection with the issuance of the Agency's Home Mortgage Finance Program Bonds, Home Mortgage Finance Program, 2019 Series E if the counterparty specified by an Authorized Officer of the Agency is the Federal Home Loan Bank of Des Moines or substantially in the form prepared in connection with the issuance of the 2023 Series C Bonds if any other counterparty is specified by an Authorized Officer of the Agency, is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve.

The execution and delivery of the Standby Bond Purchase Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.

8. The Authorized Officers are hereby authorized, empowered and directed to do all acts and things required or provided for by the Closing Financing Documents and to execute and deliver all such additional certificates, instruments, agreements and documents, (including any tax certificate or forms) pay all such fees, charges and expenses and to do all such further acts and things as may be necessary, or in the reasonable discretion of an Authorized Officer, desirable and proper to effect the purposes of this 2024 Supplemental Annual Series Resolution and to cause compliance by the Agency with all the terms, covenants and provisions of such documents binding upon the Agency.

9. The use of interest rate hedging agreements with such financial organizations as an Authorized Officer of the Agency may specify (each, a “**Counterparty**”) is hereby approved (in particular financial organizations with whom the Agency already has such hedging agreements) and the form of the interest rate hedging agreements with such counterparties, consisting of an ISDA Master Agreement, including a Schedule and Credit Support Annex, and one or more Confirmations thereto, relating to the New Series Bonds (collectively, the “**Hedging Agreements**”) which Counterparties and form of agreements satisfy the provisions of the Commission’s Swap Management and Execution Policy (the “**Swap Policy**”) are hereby approved, and the Authorized Officers of the Agency are authorized to negotiate the final terms of, approve and execute any such Hedging Agreements; and such execution and delivery shall constitute conclusive evidence of their approval of all changes thereto.

10. The New Series Bonds shall be executed by the manual or facsimile signatures of the Governor, the Attorney General, the Agriculture Commissioner and an Authorized Officer, and with the manual or a facsimile of the Official Seal of the Commission impressed, imprinted or otherwise reproduced thereon.

11. The terms of any sale of New Series Bonds shall be reported to the Commission at its next succeeding meeting, and any acts of the officers, agents and employees of the Commission and the Agency which are in conformity with the purpose and intent of this 2024 Supplemental Annual Series Resolution and in furtherance of the sale of the New Series Bonds need not be submitted for approval, ratification and confirmation.

12. In addition to the authority otherwise granted herein, the Authorized Officers are authorized and empowered to enter into, amend or terminate interest rate hedging agreements with respect to any Home Mortgage Finance Program Bonds with a variable interest rate, including replacement of expiring hedging agreements, but only for the purposes and in accordance with the Swap Policy as then in effect, and in no case may the notional amount of any such agreement exceed the principal amount of variable interest rate Home Mortgage Finance Program Bonds whose interest rate is being hedged.

13. In addition to the authority otherwise granted herein, the Authorized Officers are authorized and empowered to enter into liquidity agreements, such as standby bond purchase agreements, including extension or replacement of expiring liquidity agreements, with financial

institutions whereby such institutions are primarily obligated to purchase any tendered Home Mortgage Finance Program Bonds that are not successfully remarketed.

14. To the extent required for New Series Bonds to be issued as tax-exempt bonds, each Authorized Officer is hereby appointed to represent the Agency at public hearings held pursuant to Section 147(f) of the Internal Revenue Code, to be held on the dates and at the times selected by such Authorized Officer regarding the proposed issuance of such New Series Bonds and will receive, on behalf of the Commission, public comments, oral or written, and advise the Chairman of the Commission of the substance of the testimony given at the public hearing prior to the date of issuance of such New Series Bonds.

15. Moneys held by the Trustee pursuant to the General Resolutions may be invested in any investments permitted by the respective General Resolution, and in accordance with North Dakota laws.

16. Program Directive No. 83, adopted by the Commission on June 23, 2004, authorizing the changing of Mortgage Loan purchase price, fees and points and interest rate is still in effect and is hereby ratified and confirmed.

17. This 2024 Supplemental Annual Series Resolution is intended to qualify as a reimbursement resolution pursuant to the Tax Regulations and, therefore permit proceeds from the sale of the New Series Bonds to be used to reimburse the Agency for its purchase of any Mortgage Loans in anticipation of the availability of the proceeds from the sale of the New Series Bonds; in particular, the Agency hereby declares its intention, within the meaning of the Tax Regulations, to facilitate continuous funding of the Program by, from time to time, financing Mortgage Loans and then issuing New Series Bonds in one or more series within 18 months thereof to reimburse itself for such financing, all in an amount presently expected to not exceed the amount of long term New Series Bonds authorized by Section 1 hereof, and hereby confirms that any Authorized Officer is authorized to also so declare the intention of the Agency within the meaning of said Tax Regulations, provided that any such declaration does not authorize or obligate the Agency to issue any such New Series Bonds.

18. For the avoidance of doubt, the 2024 Annual Series Resolution is here by ratified and confirmed.

IN WITNESS WHEREOF, this 2024 Supplemental Annual Series Resolution has been adopted and signed on October 29, 2024 and shall remain in full force and effect through December 31, 2024.

INDUSTRIAL COMMISSION OF NORTH DAKOTA
ACTING AS THE NORTH DAKOTA HOUSING FINANCE AGENCY

Doug Burgum, Governor and Chairman

Drew H. Wrigley, Attorney General

Doug Goehring, Agriculture Commissioner

Attest:

Karen Tyler
Executive Director and Secretary

[SEAL]

CERTIFICATION

I hereby certify that the 2024 Supplemental Annual Series Resolution to which this Certification is affixed is a true copy of the original adopted by the Industrial Commission of North Dakota at a properly noticed meeting held in Bismarck, North Dakota, on October 29, 2024 with the motion for adoption of the foregoing made by _____ and seconded by _____, and the roll call vote on the motion was as follows:

Doug Burgum	“Aye”	“Nay”	Absent	Abstained
Drew H. Wrigley	“Aye”	“Nay”	Absent	Abstained
Doug Goehring	“Aye”	“Nay”	Absent	Abstained

Karen Tyler
Executive Director and Secretary

[SEAL]

NORTH DAKOTA HOUSING FINANCE AGENCY
HOUSING FINANCE PROGRAM BONDS
HOME MORTGAGE FINANCE PROGRAM

2025 ANNUAL SERIES RESOLUTION

WHEREAS, the Industrial Commission of North Dakota (the “**Commission**”) acting in its capacity as a state housing finance agency, i.e., the North Dakota Housing Finance Agency (the “**Agency**”), is empowered by the provisions of the North Dakota Century Code Chapter 54-17 (the “**Act**”) to establish, and has established, a home mortgage finance program to contract to purchase from lenders mortgage loans made to persons or families of low or moderate income to finance the purchase or substantial rehabilitation of owner-occupied, single-family residential dwelling units; and

WHEREAS, the Commission adopted the Housing Finance Program General Bond Resolution of 1994, on July 21, 1994, as amended (the “**1994 General Resolution**”), and the General Bond Resolution of 2009, on November 25, 2009 (the “**2009 General Bond Resolution**,” and together with the 1994 General Resolution, the “**General Resolutions**”), wherein Wilmington Trust, National Association, Minneapolis, Minnesota, was appointed successor trustee (the “**Trustee**”) under each of the General Resolutions, and which General Resolutions were each accepted by the Trustee, and which General Resolutions are hereby ratified and confirmed; and

WHEREAS, the Agency has previously issued certain bonds pursuant to each of the General Resolutions (collectively, the “**Home Mortgage Finance Program Bonds**”), both of which allow for the issuance of additional bonds thereunder and the refunding of certain bonds currently outstanding thereunder; and

WHEREAS, the General Resolutions authorize the issuance and sale of additional Home Mortgage Finance Program Bonds (the “**New Series Bonds**”), pursuant to the Act, the application of the proceeds of which will provide funding for the captioned Home Mortgage Finance Program, which may include the North Dakota Roots Program (the “**Program**”), contemplated by the Act in furtherance of the Program for the providing of decent, safe, and sanitary housing for persons and families of low or moderate income; and

WHEREAS, the Commission acting as the Agency has determined to appoint as its agents the Executive Director, the Director of Homeownership Programs and the Chief Financial Officer of the Agency (the “**Authorized Officers**”) for the negotiation of the terms of sale of the New Series Bonds, in one or more series, with fixed or floating interest rates, and with or without bondholder tender rights, and to sign such agreements on behalf of the Commission after such terms of sale have been negotiated, and such certificates and other documents as are necessary and customary to complete the sale of the New Series Bonds, and to enter into agreements for their sale by the Agency and purchase by the Underwriters described below, private entities or the U.S. Treasury and/or instrumentalities thereof, subject to the limitations herein established with regard to the New Series Bonds:

- (a) a maximum principal amount of long-term bonds of \$750,000,000; provided that bonds may be issued pursuant hereto to refund any bond outstanding under

the 1994 General Resolution or the 2009 General Bond Resolution without regard to this maximum principal amount;

(b) a maximum principal amount of short-term bonds of \$100,000,000; provided that bonds may be issued pursuant hereto to refund any bond outstanding under the 1994 General Resolution or the 2009 General Bond Resolution without regard to this maximum principal amount;

(c) a final maturity of not later than fifty years from the applicable date of issuance;

(d) a maximum average annual interest rate, on a per issue basis, of 9.00% for fixed rate bonds, and for variable rate bonds an initial rate of 8.00% with a maximum rate of 15% per annum, determined at the time of pricing any New Series Bonds; and

WHEREAS, the following documents (collectively, the “**Closing Financing Documents**”) may be prepared in connection with each issuance of the New Series Bonds:

(a) One or more Bond Certificates, (the “**Bond Certificates**”);

(b) Fixed Rate Bond Purchase Contract (the “**Fixed Rate Bond Purchase Contract**”) with respect to any New Series Bonds issued with fixed interest rates (the “**Fixed Rate Bonds**”), by and between the Commission and the representative of the underwriters selected by an Authorized Officer (collectively the “**Underwriters**”);

(c) Variable Rate Bond Purchase Contract (the “**Variable Rate Bond Purchase Contract**”) with respect to any New Series Bonds issued with variable interest rates (the “**Variable Rate Bonds**”), by and between the Commission and the sole underwriter of any Variable Rate Bonds selected by an Authorized Officer;

(d) Preliminary Official Statement, with respect to the New Series Bonds (the “**Preliminary Official Statement**”);

(e) Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) by and between the Agency and the Trustee;

(f) Remarketing Agreement (the “**Remarketing Agreement**”) with respect to any Variable Rate Bonds by and among the Commission, a remarketing agent selected by an Authorized Officer and Wilmington Trust, National Association, as tender agent (the “**Tender Agent**”); and

(g) Standby Bond Purchase Agreement (the “**Standby Bond Purchase Agreement**”) with respect to any Variable Rate Bonds by and among the Agency, the Trustee, the Tender Agent and a counterparty selected by an Authorized Officer; and

WHEREAS, Section 1.150-2 of the Internal Revenue Code regulations (the “**Tax Regulations**”) provides, if the Agency intends to finance mortgage loans with its own funds or

warehouse funds, and then reimburse itself with New Series Bond proceeds, that the Agency declare its intention to do so prior to so financing such mortgage loans.

NOW BE IT HEREWITH RESOLVED:

1. The Authorized Officers are appointed as agents of the Commission acting as the Agency for the purposes set forth in the preambles to this Annual Series Resolution and the Agency is hereby authorized to issue, execute, sell and deliver the New Series Bonds, in substance as provided in the final forms of the Closing Financing Documents as approved by an Authorized Officer, provided that the New Series Bonds meet the following conditions:

A. The New Series Bonds: (i) shall be sold, issued, executed and delivered at such time as an Authorized Officer shall determine during the period commencing January 1, 2025 and ending on January 31, 2026, in one or more series or sub-series, in an aggregate principal amount not to exceed the amounts set forth in the preambles to this Annual Series Resolution; (ii) shall be subject to redemption prior to maturity, at prices and otherwise as determined by an Authorized Officer to be in the best interests of the Agency; (iii) shall have long term ratings no lower than the long term rating on the bonds outstanding under the applicable General Resolution immediately prior to the issuance of the New Series Bonds; and (iv) shall be dated, mature in the years and in the principal amounts and be payable on the dates and at the respective rates of interest per annum determined by an Authorized Officer (subject in all cases to the limitations otherwise set forth in this Annual Series Resolution).

B. Any New Series Bonds issued as Fixed Rate Bonds shall bear interest at fixed rates determined by an Authorized Officer, provided, however that the weighted average of such rates, on a per issue basis, shall not exceed 9.0% per annum. Any New Series Bonds issued as Variable Rate Bonds shall bear interest at a variable rate that shall not initially exceed 8.0%.

C. An Authorized Officer shall determine whether the New Series Bonds shall be issued as bonds the interest on which is exempt from or subject to federal income taxation.

D. The New Series Bonds shall not constitute debt of the State or any political subdivision thereof. Neither the faith and credit nor the taxing powers of the State or any political subdivision thereof may be pledged to the payment of the principal of or interest on the New Series Bonds.

E. The New Series Bonds shall be special limited obligation revenue bonds of the State payable solely from the revenues and assets pledged therefore under the applicable General Resolution.

2. The form of one or more Bond Certificates, in substantially the forms of either the 2024 Series A/B Bond Certificate executed in connection with the issuance of the Agency's Home Mortgage Finance Program Bonds, Home Mortgage Finance Program, 2024 Series A and 2024 Series B (collectively, the "**2024 Series AB Bonds**") or the 2023 Series C Bond Certificate executed in connection with the issuance of the Agency's Home Mortgage Finance Program Bonds, Home Mortgage Finance Program, 2023 Series C (the "**2023 Series C Bonds**") are hereby approved with such changes, variations, omissions and insertions as an Authorized Officer shall

approve. The execution and delivery of such Bond Certificates by an Authorized Officer shall constitute conclusive evidence of such approval.

3. The form of the Fixed Rate Bond Purchase Contract, in substantially the form of the purchase contract prepared in connection with the issuance of the 2024 Series AB Bonds, and the form of the Variable Rate Bond Purchase Contract, in substantially the form of the purchase contract prepared in connection with the issuance of the 2023 Series C Bonds, are hereby approved with such changes, variations, omissions and insertions as an Authorized Officer shall approve. The execution and delivery of the respective Purchase Contracts by an Authorized Officer shall constitute conclusive evidence of such approvals.

4. The Preliminary Official Statement, in substantially the form of either the Official Statement prepared in connection with the issuance of the 2024 Series AB Bonds or the Official Statement prepared in connection with the 2023 Series C Bonds, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable, is hereby authorized, and the furnishing of the information in the Preliminary Official Statement and in a final Official Statement for each issuance of New Series Bonds, and the use of such Preliminary Official Statement and final Official Statement by the Underwriters in connection with the offering of such New Series Bonds to the public, are hereby approved. Any Authorized Officer is hereby authorized to execute and deliver to the Underwriters the final Official Statement for the applicable New Series Bonds in substantially the form of the Preliminary Official Statement with such changes therein as are approved by such Authorized Officer. The execution and delivery of one or more copies of the final Official Statement by an Authorized Officer shall constitute conclusive evidence of such approval.

5. The form of the Continuing Disclosure Agreement, in substantially the form of the Continuing Disclosure Agreement prepared in connection with the issuance of the 2024 Series AB Bonds is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve. The execution and delivery of the Continuing Disclosure Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.

6. The form of the Remarketing Agreement, in substantially the form of such agreement prepared in connection with the issuance of the 2023 Series C Bonds is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve. The execution and delivery of the Remarketing Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.

7. The form of the Standby Bond Purchase Agreement, in substantially the form of such agreement prepared in connection with the issuance of the Agency's Home Mortgage Finance Program Bonds, Home Mortgage Finance Program, 2019 Series E if the counterparty specified by an Authorized Officer of the Agency is the Federal Home Loan Bank of Des Moines or substantially in the form prepared in connection with the issuance of the 2023 Series C Bonds if any other counterparty is specified by an Authorized Officer of the Agency, is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve. The execution and delivery of the Standby Bond Purchase Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.

8. The Authorized Officers are hereby authorized, empowered and directed to do all acts and things required or provided for by the Closing Financing Documents and to execute and deliver all such additional certificates, instruments, agreements and documents, (including any tax certificate or forms) pay all such fees, charges and expenses and to do all such further acts and things as may be necessary, or in the reasonable discretion of an Authorized Officer, desirable and proper to effect the purposes of this Annual Series Resolution and to cause compliance by the Agency with all the terms, covenants and provisions of such documents binding upon the Agency.

9. The use of interest rate hedging agreements with such financial organizations as an Authorized Officer of the Agency may specify (each, a “**Counterparty**”) is hereby approved (in particular financial organizations with whom the Agency already has such hedging agreements) and the form of the interest rate hedging agreements with such counterparties, consisting of an ISDA Master Agreement, including a Schedule and Credit Support Annex, and one or more Confirmations thereto, relating to the New Series Bonds (collectively, the “**Hedging Agreements**”) which Counterparties and form of agreements satisfy the provisions of the Commission’s Swap Management and Execution Policy (the “**Swap Policy**”) are hereby approved, and the Authorized Officers of the Agency are authorized to negotiate the final terms of, approve and execute any such Hedging Agreements; and such execution and delivery shall constitute conclusive evidence of their approval of all changes thereto.

10. The New Series Bonds shall be executed by the manual or facsimile signatures of the Governor, the Attorney General, the Agriculture Commissioner and an Authorized Officer, and with the manual or a facsimile of the Official Seal of the Commission impressed, imprinted or otherwise reproduced thereon.

11. The terms of any sale of New Series Bonds shall be reported to the Commission at its next succeeding meeting, and any acts of the officers, agents and employees of the Commission and the Agency which are in conformity with the purpose and intent of this Annual Series Resolution and in furtherance of the sale of the New Series Bonds need not be submitted for approval, ratification and confirmation.

12. In addition to the authority otherwise granted herein, the Authorized Officers are authorized and empowered to enter into, amend or terminate interest rate hedging agreements with respect to any Home Mortgage Finance Program Bonds with a variable interest rate, including replacement of expiring hedging agreements, but only for the purposes and in accordance with the Swap Policy as then in effect, and in no case may the notional amount of any such agreement exceed the principal amount of variable interest rate Home Mortgage Finance Program Bonds whose interest rate is being hedged.

13. In addition to the authority otherwise granted herein, the Authorized Officers are authorized and empowered to enter into liquidity agreements, such as standby bond purchase agreements, including extension or replacement of expiring liquidity agreements, with financial institutions whereby such institutions are primarily obligated to purchase any tendered Home Mortgage Finance Program Bonds that are not successfully remarketed.

14. To the extent required for New Series Bonds to be issued as tax-exempt bonds, each Authorized Officer is hereby appointed to represent the Agency at public hearings held pursuant

to Section 147(f) of the Internal Revenue Code, to be held on the dates and at the times selected by such Authorized Officer regarding the proposed issuance of such New Series Bonds and will receive, on behalf of the Commission, public comments, oral or written, and advise the Chairman of the Commission of the substance of the testimony given at the public hearing prior to the date of issuance of such New Series Bonds.

15. Moneys held by the Trustee pursuant to the General Resolutions may be invested in any investments permitted by the respective General Resolution, and in accordance with North Dakota laws.

16. Program Directive No. 83, adopted by the Commission on June 23, 2004, authorizing the changing of Mortgage Loan purchase price, fees and points and interest rate is still in effect and is hereby ratified and confirmed.

17. This Annual Series Resolution is intended to qualify as a reimbursement resolution pursuant to the Tax Regulations and, therefore permit proceeds from the sale of the New Series Bonds to be used to reimburse the Agency for its purchase of any Mortgage Loans in anticipation of the availability of the proceeds from the sale of the New Series Bonds; in particular, the Agency hereby declares its intention, within the meaning of the Tax Regulations, to facilitate continuous funding of the Program by, from time to time, financing Mortgage Loans and then issuing New Series Bonds in one or more series within 18 months thereof to reimburse itself for such financing, all in an amount presently expected to not exceed the amount of long-term New Series Bonds authorized by Section 1 hereof, and hereby confirms that any Authorized Officer is authorized to also so declare the intention of the Agency within the meaning of said Tax Regulations, provided that any such declaration does not authorize or obligate the Agency to issue any such New Series Bonds.

IN WITNESS WHEREOF, this Annual Series Resolution has been adopted and signed on October 29, 2024 and shall remain in full force and effect through January 31, 2026.

INDUSTRIAL COMMISSION OF NORTH DAKOTA
ACTING AS THE NORTH DAKOTA HOUSING FINANCE AGENCY

Doug Burgum, Governor and Chairman

Drew H. Wrigley, Attorney General

Doug Goehring, Agriculture Commissioner

Attest:

Karen Tyler
Executive Director and Secretary

[SEAL]

CERTIFICATION

I hereby certify that the Annual Series Resolution to which this Certification is affixed is a true copy of the original adopted by the Industrial Commission of North Dakota at a properly noticed meeting held in Bismarck, North Dakota, on October 29, 2024 with the motion for adoption of the foregoing made by _____ and seconded by _____, and the roll call vote on the motion was as follows:

Doug Burgum	“Aye”	“Nay”	Absent	Abstained
Drew H. Wrigley	“Aye”	“Nay”	Absent	Abstained
Doug Goehring	“Aye”	“Nay”	Absent	Abstained

Karen Tyler
Executive Director and Secretary

[SEAL]



October 29, 2024

TO: Industrial Commission

FR: Financial Advisor Review Committee:

Jaden Grossman, Assistant Attorney General for the State and attorney for NDHFA

Karen Tyler, Executive Director, Industrial Commission

Dave Flohr, Executive Director, NDHFA

Kayla J. Axtman, Chief Financial Officer, NDHFA

RE: Selection of NDHFA Financial Advisor

On September 11, 2024, a Request for Proposals (RFP) was circulated to six firms who provide state housing finance agency (HFA) advisory services (a copy of the RFP is attached). The deadline for submitting proposals was September 25, 2024. The following two firms submitted proposals:

Caine Mitter & Associates, Inc. (Caine Mitter)

CSG Advisors, Inc. (CSG)

Caine Mitter & Associates, Inc. has been the NDHFA's (the Agency's) Financial Advisor since 2003.

The Review Committee met on October 03, 2024, to review the proposals. Both firms meet the requirements of the RFP and have experience providing financial advisory services to state HFAs. Caine Mitter has been serving HFAs for 46 years and currently is financial advisor to 22 State and 6 local housing entities. CSG has been in business 22 years with 13 HFA clients.

The fees structure on an hourly rate was very similar, with a maximum hourly difference between the two firms being for the analyst position at a difference of \$25.00 per hour. Caine Mitter offered the lowest per bond transaction fee of \$38,500. CSG requested a per transaction fee of \$43,500. The fees proposed by Caine Mitter have increased \$3,500 per transaction from the current engagement.

The Review Committee is recommending the Agency renew its engagement with Caine Mitter & Associates Inc. for the following reasons:

- 1) Agency staff continues to be very pleased with the services and advice it has received to date.
- 2) Caine Mitter provides the Agency with the required pertinent information to make an informed decision.
- 3) Caine Mitter maintains a database of key rates and fees for analytics.
- 4) Caine Mitter utilizes a team approach thereby ensuring there are multiple managers working on the Agency account.



- 5) Caine Mitter is the most familiar among the candidates with the history and current direction of the Agency's finance programs.
- 6) Its level of expertise is very strong, particularly when comparing expertise with swaps, Standby Purchase Agreements, and EMMA (Electronic Municipal Market Access) requirements operated by Municipal Securities Rulemaking Board (MSRB).
- 7) Caine Mitter offers additional services, should the Agency decide to contract out for a service.
- 8) Its proposed compensation is the most economical for services provided among the candidates.

Sincerely,

A handwritten signature in black ink that reads "Kayla Axtman".

Kayla Axtman, CFO
NORTH DAKOTA HOUSING FINANCE AGENCY



NORTH DAKOTA HOUSING FINANCE AGENCY
Request for Proposals for Financial Advisor
September 11, 2024

The Industrial Commission of North Dakota (the "Commission ") acting as the North Dakota Housing Finance Agency (the "NDHFA") is requesting information to select a firm to serve as Financial Advisor to the NDHFA, its appointed Executive Director, and its Advisory Board. The selected firm will serve as Financial Advisor for a period of up to four years, subject to periodic performance reviews and possible extension of term.

Questions regarding the requested services or preparing a submission must be directed to Kayla Axtman at kjaxtman@nd.gov by September 19, 2024, at 4:00 p.m. CST.

Submissions (limited to 10 pages, minimum 11 font, not including the cover letter and any attachments) must be received electronically at the email address below by 4:00 p.m. CST on September 25, 2024:

Kayla Axtman, CFO
North Dakota Housing Finance Agency 1
kjaxtman@nd.gov

Inquiries must be directed to Kayla Axtman at kjaxtman@nd.gov.

The NDHFA may conduct interviews in its selection process on October 2 or 3, 2024. The Commission intends to make its selection at its October Industrial Commission meeting. The NDHFA retains the right to negotiate fees and contractual terms and conditions with one or more firms.

The Commission issues evidences of indebtedness acting in its capacity as the NDHFA. In recent years the NDHFA has issued an average in excess of \$400,000,000 of bonds per year.

The services expected to be performed by the Commission's Financial Advisor may include, but not be limited to, the following:

1. Provide continuous advice on all matters of public finance related to housing programs, including analyzing the appropriate use of derivatives such as interest rate swaps in issuing mortgage revenue bonds or the use of Mortgage Backed Securities.
2. Analyze all programs of the NDHFA that involve the issuance of evidences of indebtedness to determine how they may be strengthened and more effectively utilized.
3. Assist the NDHFA in exploring the potential for developing new programs. Of particular interest is the financing of multi-family housing and housing on tribal lands.



4. Assist the NDHFA in preparing for and presenting information to rating agencies.
5. Research methods to improve the respective programs, as well as the financial security and marketability for each issuance of bonds.
6. Assist in the development of the issuance documents, resolutions or indentures, disclosure documents, and related documents and materials for each financing program of the NDHFA.
7. Provide advice on the terms and conditions of each sale of indebtedness and investment of proceeds. Currently, the appropriate cash flow calculations are provided by the managing underwriter or NDHFA as needed.
8. Review the recommendations of the managing underwriter with respect to the timing for the sale of bonds.
9. Assist with the selection of investment bankers, bond counsel and other financing team members.
10. Provide advice concerning fees and expenses proposed in conjunction with the program being financed and provide comparative data to assist the NDHFA in negotiating interest rates and underwriters discount at the time of sale.
11. Assist in reviewing investment opportunities for trust funds and solicit for Guaranteed Investment Contracts as needed.
12. Analyze the results of each sale of indebtedness to determine the relative market performance in comparison with similar issuances.
13. Assist with the analysis and execution of derivative transactions such as interest rate swaps and provide guidance for compliance with the various ISDA protocols and other required policy or procedural items necessary to maintain the ability to issue variable rate bonds and enter into derivative transactions.
14. Provide on-going advice (post-issuance) on evidences of indebtedness. This may include, but not be limited to, review of information provided to rating agencies, legislative committees, or other state agencies, review of cash flows, verification of bond and mortgage yield on variable yield transactions, etc.
15. Currently the NDHFA completes arbitrage calculations in-house. The financial advisor may be asked to review and comment on calculation methodology.



16. Assist in opening and maintaining accounts with MBS trading counterparties, including negotiation of the Master Securities Forward Transaction Agreement (MSFTA) and updating MSFTAs as necessary; execute the competitive sale of Ginnie Mae MBSs in the TBA market and on a specified pool basis; monitor and perform ongoing mark-to-market valuations for margin call collateral postings and recalls related to MSFTAs.
17. Assist in the analysis and negotiation of liquidity facilities and other variable rate bond products.
18. Assist in other activities related to the financing programs as requested by the NDHFA.

Your submission must include the following:

1. A discussion of your understanding and ability to perform the services required of a financial advisor based on this letter and on industry standards.
2. An identification and brief resume of the personnel who would be working with the NDHFA, indicating the year first employed by your firm. If employees to be assigned to the NDHFA have experience beyond your firm, please summarize. Please indicate the employees who will serve as the primary and secondary contacts.
3. Representative information regarding the experience of your firm during the past three years in providing financial advisory services especially in the single-family housing area, including your advisory experience with the use of interest rate swaps or other derivatives in connection with the issuance of mortgage revenue bonds and knowledge of Mortgage Backed Securities. Please specify the roles your firm played in the financing of these issues, the form of sale (competitive or negotiated) and types of programs financed.
4. A description and discussion of your firm's quantitative capabilities, including, if appropriate, the ability of your firm to develop specialized software to assist the NDHFA in analyzing financing alternatives, and a list of specific instances in which your firm has provided specialized services of this type to your clients. Also include a listing of the type of cash flow software your firm presently utilizes.
5. The relationship of your firm with political subdivisions/agencies in North Dakota and how any such relationship may affect the proposed NDHFA affiliation.
6. Relationship or corporate affiliation with any underwriting firm and how you would avoid any conflicts of interest with these entities.
7. Fee requirements. Provide the basic proposed assumptions on which your firm's fee would be predicated and any factors that would change the actual fee. State what you consider to be the most appropriate method for determining a reasonable financial advisor fee for this representation, and state your rationale.



8. Fee requirements for preparing consolidated and standalone cash flows, monthly bond call books, bond redemption analyses, yield analyses, or debt service.
9. Names and telephone numbers of at least three officials of other issuers for which you have provided comparable financial advisory services.
10. Please identify any material litigation or investigation in which your firm is currently involved, or has been involved, since January 1, 2020.
11. Why should your firm be selected to act as financial advisor for the NDHFA? Describe your anticipated working relationship with the NDHFA.
12. The status of your firm and its associated persons as Municipal Advisors in accordance with federal law requirements.
13. Evidence of insurance coverage for professional errors and omissions, including a three year "tail coverage endorsement," with minimum liability limits of \$1,000,000 per occurrence and in the aggregate.

If your firm should be selected, you must agree to abide by the terms of the Commission's Code of Ethics (the "Code"), to the extent applicable, and to refrain from engaging in any act or omission which would aid, abet, or cause a Commission Employee (as defined in the Code) to violate any term of the Code. A copy of the Code is enclosed for your information.

The NDHFA retains the right to reject any or all submissions, elect to continue discussions with one or more firms, or act in any manner which, in the sole discretion of the NDHFA, is deemed to be in its best interest. Potential firms will be responsible for any and all costs associated with submission and the selection process. Completion of the selection process requires successful contract negotiation and completion of any required approvals, including insurance, licensing, and registrations required by law and the terms of any contract.

More information about the NDHFA and its various programs is available at <http://www.ndhfa.org>

Yours truly,

A handwritten signature in black ink that reads "Kayla Axtman".

Kayla Axtman
Chief Financial Officer

Enclosures: Code of Ethics



October 29, 2024

TO: Industrial Commission

FR: Financial Advisor Review Committee:

Jaden Grossman, Assistant Attorney General for the State and attorney for NDHFA

Karen Tyler, Executive Director, Industrial Commission

Dave Flohr, Executive Director, NDHFA

Kayla Axtman, Chief Financial Officer, NDHFA

RE: Selection of NDHFA Bond Counsel

On September 11, 2024, a Request for Proposals (RFP) was circulated to fifteen firms who provide state housing finance agency (HFA) bond counsel services (a copy of the RFP is attached). The deadline for submitting proposals was September 25, 2024. The following firm submitted a proposal:

Kutak Rock LLP

Kutak Rock has been NDHFA's (the Agency's) Bond Counsel since 2010.

The Review Committee met on October 03, 2024, to review the proposal. Kutak Rock meets the requirements of the RFP and has the experience providing bond counsel services to various state HFAs. Kutak Rock has been serving HFAs for 46 years and currently is bond counsel to 26 state agencies and special tax counsel to another 10 agencies. Kutak Rock has over 110 lawyers devoting all or a major portion of their practice to the field of public finance and the related aspects of law. Additionally, Mitchell Bragin who serves as a tax attorney for Kutak Rock was involved in the writing of the IRS tax laws overseeing mortgage revenue bonds.

The flat fee structure per transaction is \$45,000 per tax-exempt plan and \$40,000 for a taxable plan. The fees proposed by Kutak Rock have increased \$800 per transaction on the tax-exempt side and \$2,500 per transaction on the taxable side from the current engagement.

The Review Committee is recommending the Agency renew its engagement with Kutak Rock LLP for the following reasons:

- 1) Agency staff continues to be very pleased with the services and advice it has received to date.
- 2) Kutak Rock provides the Agency with the required pertinent information to make an informed decision.
- 3) Kutak Rock has the knowledge and legal expertise to assist in financing single family and multifamily mortgage revenue bonds deals.



- 4) Kutak Rock has a 10-member Section 103 Tax Department (including a former IRS official) specializing in federal tax exemption matters and a number of nationally recognized authorities in the application of the federal securities laws to public finance.
- 5) Kutak Rock is familiar with the history and current direction of the Agency's finance programs.

Sincerely,

A handwritten signature in black ink that reads "Kayla Axtman".

Kayla Axtman, CFO
NORTH DAKOTA HOUSING FINANCE AGENCY



NORTH DAKOTA HOUSING FINANCE AGENCY

Request for Proposals for Bond Counsel Services

September 11, 2024

The Industrial Commission of North Dakota (“Commission”) acting as the North Dakota Housing Finance Agency (the “Agency”) and the Attorney General of North Dakota are requesting information to select a firm to provide bond counsel and tax counsel (“Bond Counsel”) services to the Agency in connection with its Home Mortgage Finance Program, Multi-family Program and Taxable Bonds (“Bonds”). The selected firm will serve as Bond Counsel for a period of up to four years, subject to periodic performance reviews and possible extension of term.

Questions regarding the requested services or preparing a submission must be directed to Kayla Axtman at kjaxtman@nd.gov by September 19, 2024, at 4:00 p.m. CST.

Submissions (limited to 10 pages, minimum 11 font, not including the cover letter and any attachments) must be received electronically at the email address below by 4:00 p.m. CST on September 25, 2024:

Kayla Axtman, CFO
North Dakota Housing Finance Agency
kjaxtman@nd.gov

Inquiries must be directed to Kayla Axtman at kjaxtman@nd.gov.

The Agency or the Attorney General or his representative may conduct interviews in this selection process on October 2 or 3, 2024. The Commission intends to make its selection at its October Industrial Commission meeting. The Agency retains the right to negotiate fees and contractual terms and conditions with one or more firms.

Services expected of Bond Counsel will include the following:

1. Issuing the usual and customary housing bond opinion and, if necessary or appropriate, opinions on related matters such as the applicability of federal and state securities and taxation laws, eligibility of the Bonds for investment by certain fiduciaries and other investors, the status of the Bonds and related obligations under creditors rights laws, and the validity and enforceability of any agreements and other documents related to the Bonds and their security.
2. Preparation of all documents necessary or appropriate to the authorization, issuance, sale and delivery of the Bonds.
3. Preparation of preliminary and final official statements.
4. Assisting in planning and structuring the Bonds.
5. Assisting, as necessary, in presenting information to bond rating agencies and other entities that may provide credit enhancement for any bond issues.

6. Preparing the arbitrage certificate for the Agency and responding to post-issuance questions regarding the arbitrage certificate raised by the Agency or any consultants retained to complete arbitrage rebate calculations.
7. Providing on-going Bond Counsel support post-issuance.
8. If requested, respond to tax, procedural, and relevant questions that may be raised post-issuance.

Submission Specifications

Items to be covered by the submission include the following:

1. A discussion of your understanding of the services required of Bond Counsel based on this letter and your qualifications to provide those services. The submission must include an attestation that the lawyers assigned to work on the Agency's bond financings possess the legal knowledge and skills reasonably necessary to represent the Commission as Bond Counsel.
2. Please provide your fee information for new money bond issues for both Single Family and Multifamily in at least two of the three forms described below. Please state the amount, if any, you would modify your fee in the event the issue includes one or more of the following: a refunding; a remarketing; an interest rate swap; taxable bonds; variable bonds; short term bonds or notes. Also, include in your fee information the extension of an existing liquidity facility. Finally, please indicate which of the alternative fee structures below would be preferred by your firm.
 - A. Single-Family bond issue
 - a. a flat fee per transaction, regardless of bond issue size;
 - b. a transaction fee based upon bond issue size (expressed as dollars per \$1,000 of bonds issued), assuming the following ranges of issue size:
 - (i) up to \$50 million
 - (ii) \$50 - \$100 million
 - (iii) \$100 - \$150 million
 - (iv) greater than \$150 million;
 - c. an hourly rate with a stated maximum dollar cost (assuming the size ranges shown in (b) above).
 - B. Multifamily bond issue
 - a. a flat fee per transaction, regardless of bond issue size;
 - b. a transaction fee based upon bond issue size (expressed as dollars per \$1,000 of bonds issued), assuming the following ranges of issue size:
 - (i) up to \$15 million
 - (ii) \$15 - \$30 million
 - (iii) \$30 - \$50 million
 - (iv) greater than \$50 million;
 - c. an hourly rate with a stated maximum dollar cost (assuming the size ranges shown in (b) above).
3. Your fee information must include your fee requirements for both bond counsel and tax counsel services. The Agency will not separately compensate you or any other attorneys or firms you may associate with for any usual and customary tax counsel services.
4. Please also provide an hourly fee schedule for special projects and services not related to the issuance of either new money or refunding bonds. Indicate whether the length of engagement will affect your quotation.

5. Identification of the attorney or attorneys who will work on this assignment. Provide a brief resume for each individual identified. Please indicate if the attorney currently has Special Assistant Attorney General status. Include the North Dakota bar licensure status of each individual identified as well as his or her National Association of Bond Lawyers membership status. At least one member of the prospective Bond Counsel firm proposed to actually work on the bond offering must be licensed as an attorney in the State of North Dakota or must submit an affidavit from the State Bar Board indicating substantial progress towards licensure at the time of submitting your information. If you are using another firm to assist in the tax counsel services, identify the firm and the attorney or attorneys that would be involved.
6. A listing of comparable financings for which your firm served as Bond Counsel or other counsel during the past three years and the role of individuals listed in No. 5 above. Housing-related financings as well as work with other State-level revenue bond issuers in North Dakota and the region should be emphasized.
7. A description of the service delivery capabilities of your firm that would ensure the timely completion of Bond Counsel services, e.g., availability of back-up attorneys, support personnel, research materials, equipment, etc.
8. Names and telephone numbers of officials with at least three other issuers for which you have provided comparable Bond Counsel services.
9. Please identify any material litigation or investigation in which your firm is currently involved, or has been involved, since January 1, 2022, regarding bond opinions your firm has rendered, or otherwise related to your representation of any party to a bond transaction.
10. Your submission must include evidence of insurance coverage for professional errors and omissions, including a three-year "tail coverage endorsement," with minimum liability limits of \$1,000,000 per occurrence and in the aggregate.
11. Please affirm in your submission your understanding of the section on Conflicts of Interest as stated in the enclosed Industrial Commission Selection and Engagement of Bond Counsel Policy. If your firm should be selected, the Commission may require a disclosure of any client relationships that may give rise to a conflict of interest with the Agency or the Commission.

Terms and Conditions

Approved Vendor Requirement Waived: Submissions will be accepted from vendors that are not currently approved vendors on the State's bidders list. The successful offeror will not be required to register as an approved vendor; however, the vendor will be required to complete a vendor application to receive payment and provide a W-9, if a 1099 reportable service is being provided.

Prior to making the final decision, the Attorney General, the Agency, and the Commission retain the right to reject any or all submissions, elect to continue discussions with one or more firms, or act in any manner which, in the discretion of the Agency, Attorney General, and Commission, is deemed to be in their best interest. Potential firms will be responsible for any and all costs associated with submission and the selection process. Completion of the selection process requires successful contract negotiation and completion of any required approvals, including insurance, licensing, and registrations required by law and the terms of any contract.

If your firm is selected, you must agree to abide by the terms of the Commission's Code of Ethics (the "Code"), to the extent applicable, and to refrain from engaging in any act or omission which would aid, abet, or cause a Commission Employee (as defined in the Code) to violate any term of the Code. Enclosed is a copy of the Code for your information.

More information about the Agency and its various programs is available at <http://www.ndhfa.org>

Yours truly,



Kayla Axtman
Chief Financial Officer

Enclosures

- Industrial Commission Code of Ethics
- Industrial Commission Bond Counsel Selection Policy



OUTDOOR HERITAGE FUND PROJECT MANAGEMENT REPORT

Reice Haase, Deputy Executive Director, NDIC

October 2024



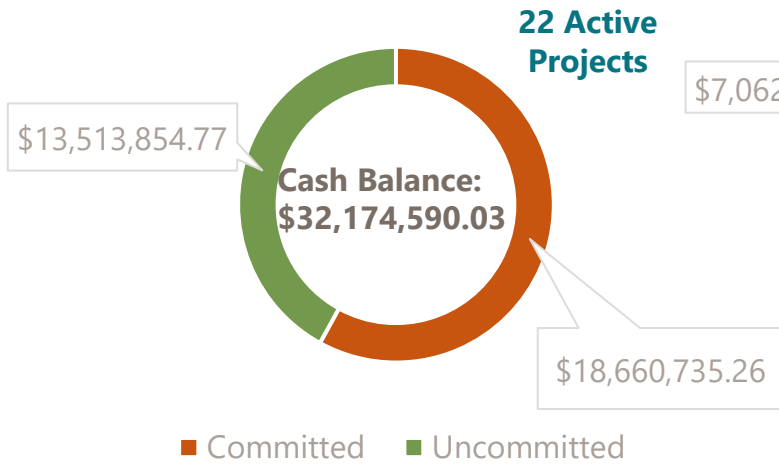
NORTH
Dakota

Be Legendary.™

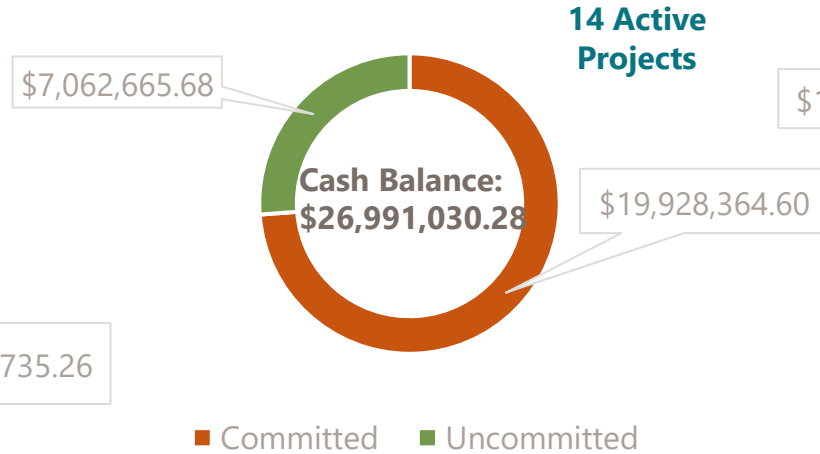
INDUSTRIAL COMMISSION-MANAGED FUNDS

OCTOBER 2024

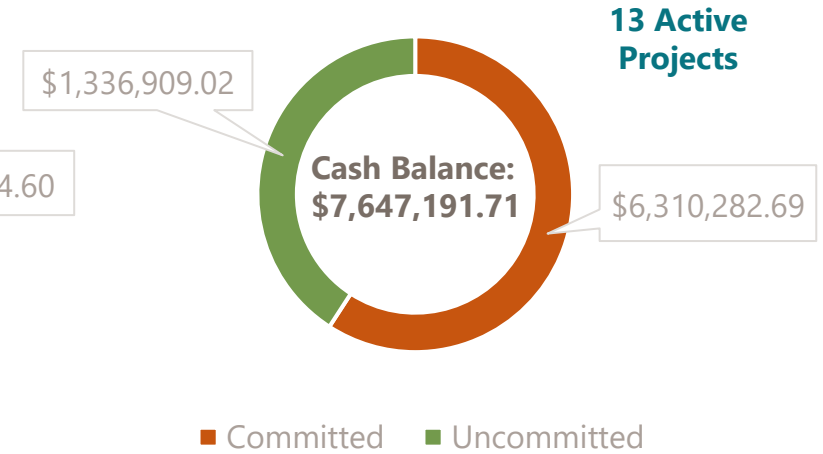
Lignite Research Fund



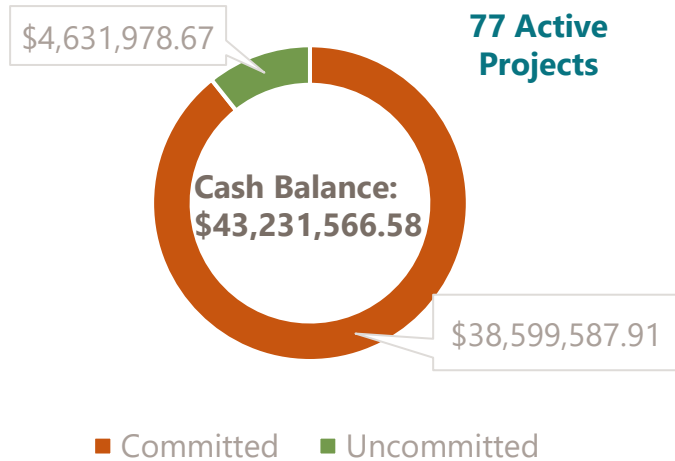
Oil and Gas Research Fund



Renewable Energy Fund



Outdoor Heritage Fund

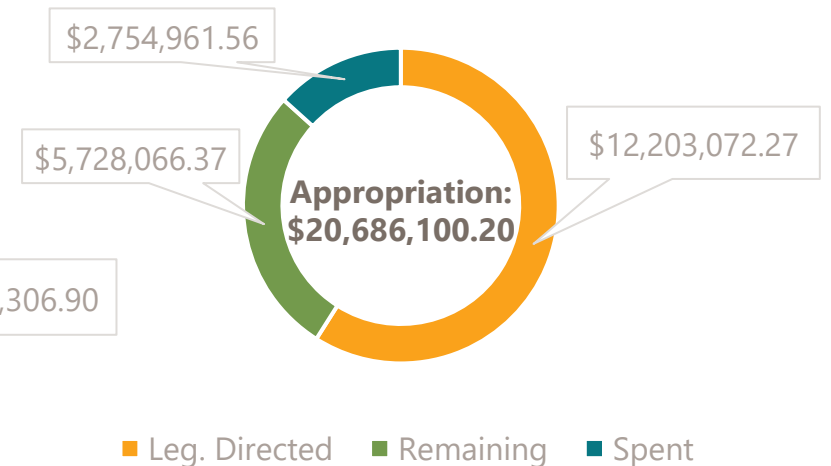


CSEA Fund*

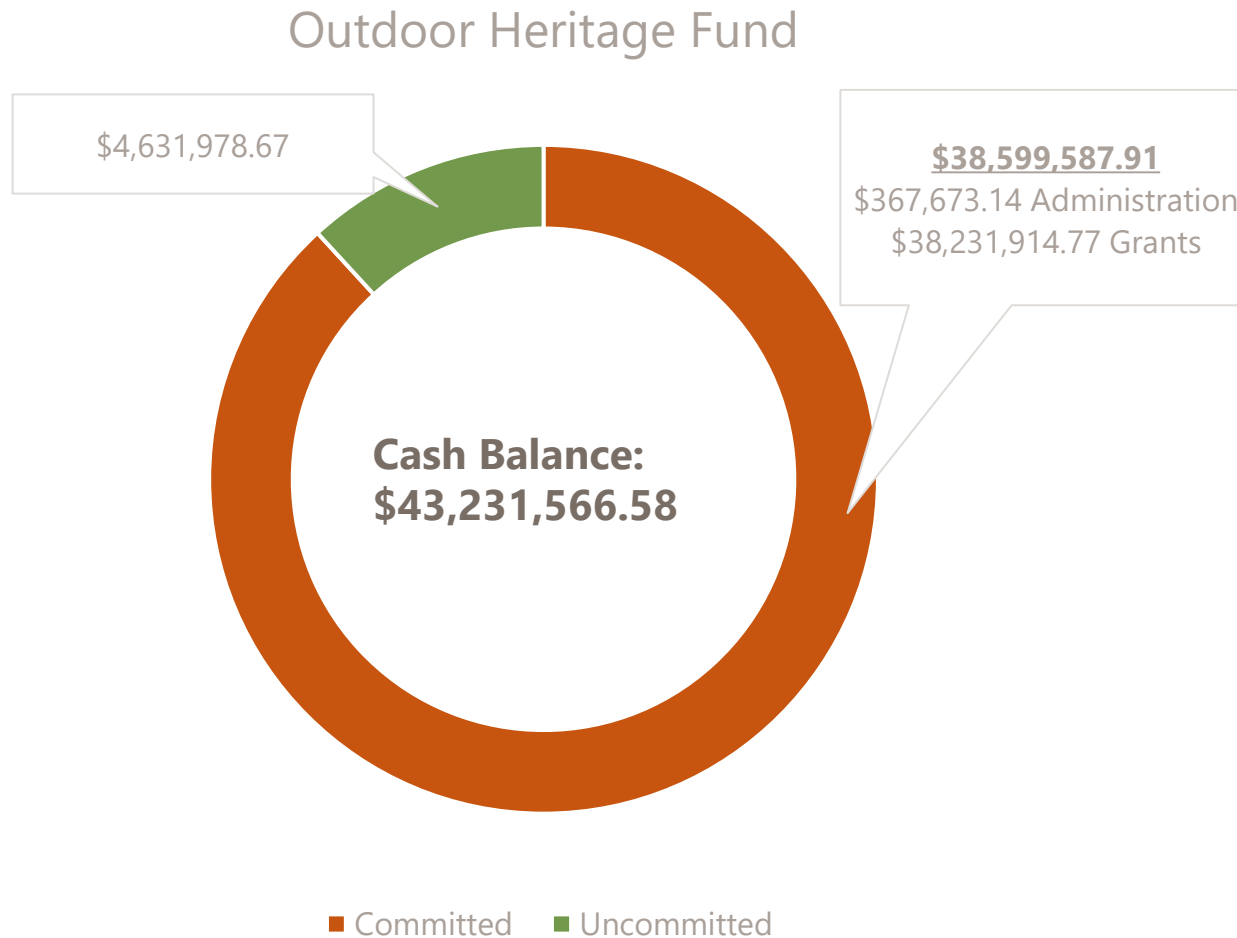


*Does not include ARPA or Loans

SERC Fund



OUTDOOR HERITAGE FUND BALANCE OCTOBER 2024



Funding Source:

- \$15 million oil production taxes (\$11,016,717.49 to date)



239 Cumulative Projects



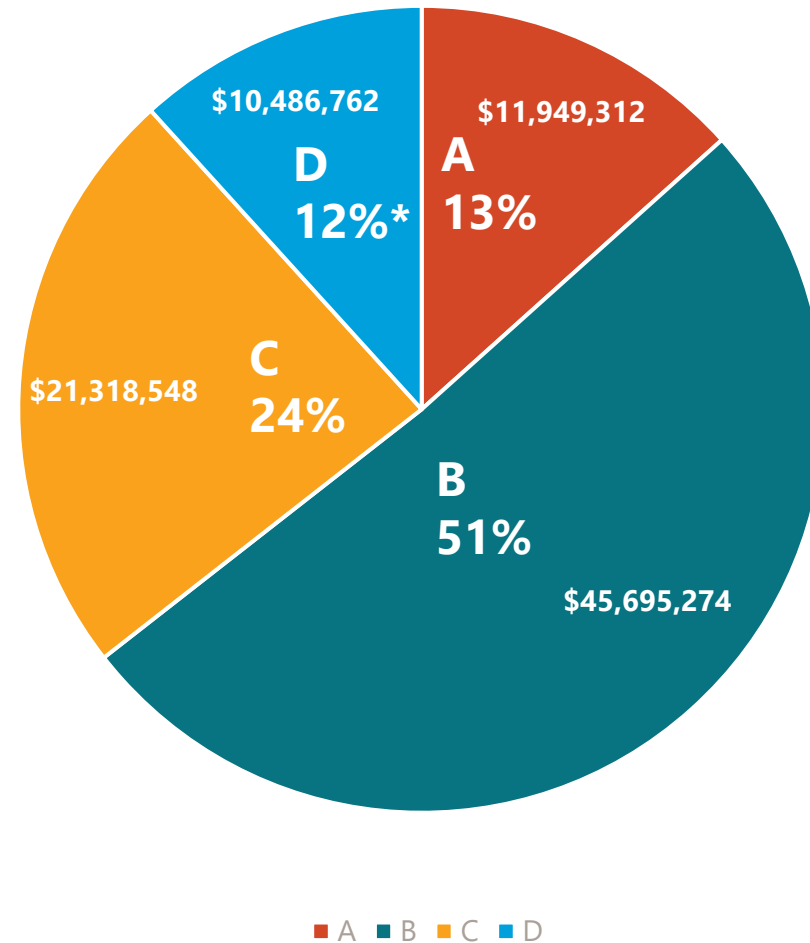
77 Active Projects



Cumulative Value:

- \$89.4 million granted
- \$233.9 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 25 Recommended Projects

Number	Major Directive	Title	Applicant	OHF Funding Recommendation	Total Project Cost	Summary	OHF Advisory Board Vote
25-1	C	Western Big Game Connectivity and Habitat Fragmentation	Mule Deer Foundation	\$ 750,000	\$ 1,400,571	Construct 60+ miles of wildlife-friendly fencing in western ND	11-0
25-5	C	Planting for the Future	North Dakota Petroleum Foundation	\$ 220,177	\$ 1,847,740	Planting of 340,000 trees across North Dakota	9-2
25-6	B	North Dakota Grazing Management Toolbox	Audubon Great Plains	\$ 635,000	\$ 1,234,506	Financial assistance to landowners to improve grassland habitat on 7,500 acres	11-0
25-10	B	Working Grasslands Partnership 7	North Dakota Natural Resources Trust	\$ 762,500	\$ 1,267,500	Cost-share for landowners for transition of CRP acres to grazing	11-0
				\$ 2,367,677	\$ 5,750,317		

Outdoor Heritage Fund
Grant Round 25
Application Summary Page
GR 025-01

Project Title: Western Big Game Connectivity and Habitat Fragmentation
Applicant: Mule Deer Foundation
Primary Contact: Collin Smith
Total Project Costs: \$1,400,571
OHF Request: \$750,000

Match Amount	Funding Source	Match Type
\$125,000	MDF	Cash
\$137,500	Project Partners and Private Landowners	Cash/In-Kind (combined)
\$240,471	MDF	Indirect
\$132,600	MDF	In-Kind
\$15,000	USFWS	In-kind
\$650,571.00		

Percentage of Matching Funds: 46%

Project Duration: 2024-2029

Major Directive: C

Additional Directive: B

Summary of Project: Construct 60+ miles of wildlife-friendly fencing in western ND.

Technical Committee Comments:

- No natural resource concerns
- Fencing does not follow NRCS specs
- Boundary fencing has not typically been allowed in the past

Comments from the OHF Advisory Board members:

- New partner, great to see
 - NRCS has given variances for wildlife-friendly fences in the past, this project is not out of the ordinary
-

Funded Projects					
Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
004-060	\$719,900	Western ND Habitat Enhancement	\$480,900	\$379,428.17	2015-2019
Totals	\$719,900.00		\$480,900.00	\$379,428.17	

Unsuccessful Applications				
Round	Request	Total Project Cost	Title	Vote
3	\$480,900	\$727,700	Western ND Habitat Enhancement Projects	5-6
Totals	\$480,900.00	\$727,700.00		

OHF Advisory Board Recommendation

Contingencies: None

Conflicts of Interest: None

Funding Vote: 11-0

Funding Amount Vote: \$750,000



The Mission of the Mule Deer Foundation is to ensure the conservation of mule deer, black-tailed deer, and their habitat.

1785 East 1450 South, Suite 210
Clearfield, UT 84015

August 19, 2024

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

RE: Western Big Game Connectivity and Habitat Fragmentation Proposal

Dear Mr. Haase,

I am pleased to submit this grant proposal titled “Western Big Game Connectivity and Habitat Fragmentation” on behalf of Mule Deer Foundation for consideration under the North Dakota Outdoor Heritage Fund. Our proposal seeks funding to improve big game connectivity across landscapes and reduce habitat fragmentation through the utilization of wildlife-friendly designed fencing in western North Dakota.

The primary objective of this project is to enhance the movement and safety of big game species, such as deer, elk, pronghorn, moose and bighorn sheep by replacing or modifying existing barriers with fencing that allows for easier passage. This initiative will not only support the health and sustainability of local wildlife populations but also contribute to the broader goals of habitat conservation and ecosystem integrity.

Our proposal aligns with the Outdoor Heritage Fund’s directives to develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands. By implementing wildlife-friendly fencing, we aim to create a more connected and resilient landscape that benefits both wildlife and the agricultural community.

We appreciate the opportunity to apply for this grant and are confident that our project will make a significant positive impact on the environment and wildlife in western North Dakota. Thank you for your consideration and support.

Sincerely,

Collin W. Smith

Collin Smith
Director of Private Land Conservation
csmith@muledeer.org
(406) 570-9103

The Mule Deer Foundation
1785 East 1450 West, Suite 210, Clearfield, UT 84015
801-973-3940 www.muledeer.org

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: Western Big Game Connectivity and Habitat Fragmentation

Name of Organization: Mule Deer Foundation

Federal Tax ID#:

Contact Person/Title: Collin Smith, Director of Private Land Conservation

Address: 1785 East 1450 South, Suite 210

City: Clearfield

State: Utah

Zip Code: 84015

E-mail Address: csmith@muledeer.org

Web Site Address (If applicable): www.muledeer.org

Phone: (406) 570-9103

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)

North Dakota is home to many iconic large mammal populations. Each year, thousands enjoy hunting, watching, or photographing elk, deer, moose, bighorn sheep and pronghorn as they move across the landscapes. An integral part of the region's ecology, economy, and culture, these animals have come to represent the very essence of North Dakota.

Technological advances in research have provided new knowledge of how these animals travel, seeking essential resources required to survive. Awareness of the importance of maintaining landscape connectivity to sustain big game populations has increased, while simultaneously shedding light on factors and features that impair critical movements. Wildlife managers and landowners are working to better avoid, minimize, and mitigate impacts caused by one of the most pervasive features that wildlife encounter – fences.

In the working landscapes of the West, fences serve crucial roles in managing livestock, marking property lines, and safeguarding natural resources. However, they also pose significant risks to wildlife, functioning as obstacles to movement and causing distress, injury, and even mortality. As awareness of the importance of connectivity increases, so does the interest in mitigation strategies. The NRCS recently expanded their Migratory Big Game Initiative from a successful pilot program in Wyoming to a broader scope that encompasses Montana and Idaho. Although not every species within North Dakota's big game populations undertakes extensive migrations through defined corridors like those in the Rocky Mountain highlands, significant movements do take place across the state's terrain as these animals seek seasonally available resources. North Dakota's vast expanse of fencing is a testament to the growing widespread concern for the potential disruption of big game travel and habitat connectivity in the Great Plains states.



Photo: MFWP

Hazardous or impassable fencing presents dual concerns: a source of direct injury or death through entanglement, and as obstructions that impede safe and effective passage. Injury and mortality generally result from fences that are too high to jump over, too low to crawl under, have loose wires, have wires that are too close together or are difficult for fast moving animals to see. Most fatalities occur when animals get caught in the top two wires trying to jump the fence. Strand spacing and total fence height are important factors in wildlife friendly designs.

Impenetrable fences, such as woven wire and 6-7 strand, commonly constructed during the sheep ranching era, can result in stress and effectually fragmented habitat. They're also known to result in mortality of deer or pronghorn fawns, and elk or moose calves left behind. Much of this fencing is obsolete for current cattle operations, yet it remains in place aging, but intact.

Making fences safer for big game passage and reducing habitat fragmentation are the objectives of this project. By working with our partners, MDF will identify, and assist interested private landowners with technical and financial assistance to remove, modify, or construct new fence to wildlife friendlier (WF) designs to facilitate 60+ miles of safe big game movements and habitat connectivity over a 5-year period in western North Dakota. Total project costs including match will be \$1,400,571.



Pronghorn expend valuable energy in late winter trying to bypass a woven wire fence used to contain sheep. The prairie speedsters never adapted to leap over obstacles and are often stymied by fences as they try to reach vital habitat.
Photo: Erik Peterson

Example of Wildlife Friendly 4-strand Fence with Bottom Smooth Wire

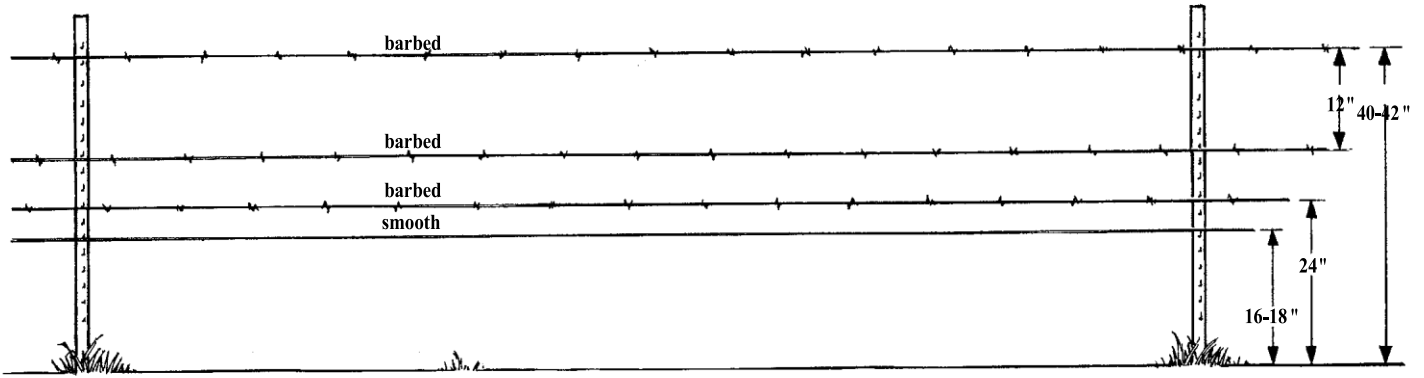


Photo: Larry Thorngren

The friendliest fences are very visible and allow wild animals to easily jump over or slip under the wires or rails, however there are many designs to fit various applications. MFWP



Photo: Backcountry Hunters and Anglers



Mule deer succumbed due to entanglement.

Cory Loecker



Moose calf tangled in fence while crossing.

Jack Jones



Deer, elk and pronghorn readily cross post and pole sections when placed in strategic locations. MFWP – Christine Paige

Project Duration: Five years

Indicate the intended schedule for drawing down OHF funds.

The following schedule is an estimated projection. Actual drawdown schedule may differ.

- 2024/25 – Utilize available science and conduct outreach to identify priority focal areas and develop education materials. Begin enrollments and implementation. 20% OHF drawdown
- 2026 – Continue outreach, enrollments and implementation. 20% OHF drawdown
- 2027 - Continue outreach, enrollments and implementation. Evaluate progress and adjust strategies as needed. 20% OHF drawdown
- 2028 - Continue outreach, enrollments and implementation. Evaluate progress and adjust strategies as needed. 20% OHF drawdown
- 2029 - Continue outreach, enrollments and implementation. Complete all planned work and prepare final completion reports. 20% OHF drawdown

Amount of Grant request: \$750,000

Total Project Costs: \$1,400,571

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

Amount of Matching Funds: \$650,571

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)
\$125,000	MDF	Cash
\$137,500	Project Partners and Private Landowners	Cash / In-Kind (combined)
\$240,471	MDF	Indirect
\$132,600	MDF	In-Kind
\$15,000	USFWS	In-kind

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 Mule Deer Foundation (MDF) is a non-profit corporation with its principal office located at 1785 East 1450 South, Suite 210, Clearfield, UT 84015. The mission of the Mule Deer Foundation is to *“Ensure the conservation of mule deer, black-tailed deer and their habitat”*.

Established in 1988, MDF is the only conservation group in North America dedicated to restoring, improving, and conserving mule deer and black-tailed deer and their habitat, with a focus on science and program efficiency. Our conservation programs combined with our grassroots support are the foundation of who we are as an organization. We are committed to sustaining our western deer populations by ensuring quality habitat in the areas deer need on a daily, seasonal, and yearly basis. Our conservation efforts are delivered through MDF staff and volunteers in partnership with private landowners, state and federal agencies and other non-profit organizations. MDF is also a strong voice for public access, wildlife management, and conservation policy issues. We support regulated hunting as a viable component to wildlife management and we are committed to mentoring the next generation of sportsmen and women into the traditions of hunting, shooting sports, and conservation.

MDF is managed by a fourteen-member board of directors. Board members are elected annually by our Board of Directors to serve as the foundation's key policymakers. Members serve three-year terms. Their primary role is to ensure the foundation maximizes its charge to deliver our mission. MDF national staff consists of 57 full-time employees at the executive, administrative, management and field levels. MDF has five full time staff actively working in North Dakota in the fundraising, development and conservation delivery realms.

Through its team of 28 professional conservation staff, MDF is actively working across the entirety of mule deer and black-tailed deer range to conduct research and improve habitat conditions, landscape connectivity, big game migration corridors and ecological restoration. In addition to our private land program, MDF is delivering work on public lands through state partnerships and national agreements with USFS and BLM. These agreements provide for a total of \$90,000,000 over the next 5 years to assist with habitat improvements to public lands. Over the last three years alone, MDF has delivered 334 habitat projects that resulted in 391,921 acres impacted and 171 miles of fencing improved or removed to support big game connectivity.

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.

This is a new project the Mule Deer Foundation is developing in North Dakota as part of our recently launched Great Plains Initiative. This initiative focuses on fostering collaboration with private landowners across the working landscapes of the Great Plains, from North Dakota to Texas. The initiative's purpose is to bolster the resilience of mule deer populations, enhance habitat quality, and ensure the continuity of the region's natural travel corridors while improving working land productivity and producer operations.

Goals: The Western Big Game Connectivity and Habitat Fragmentation project's objective is to reconfigure livestock fences on private working lands in western North Dakota that currently impact big game movements into designs that facilitate safe passage.

The goals include:

- **Minimize Harm:** Significantly reduce incidents of wildlife injuries and fatalities associated with fencing.
- **Enhance Connectivity:** Strengthen habitat connectivity to safeguard the natural migratory and travel patterns of wildlife.
- **Promote Sustainable Practices:** Advocate for sustainable agricultural practices that harmonize ranching activities with wildlife conservation efforts.

Five-Year Plan: Over the next five years, MDF, in partnership with agencies, local conservation groups, grazing associations, and landowners, will undertake the task of altering approximately 60+ miles of fencing. These modifications will range from complete removal & disposal of unnecessary fence to strategic adaptations or new construction, all aimed at creating a landscape that is navigable and safe for wildlife, while still serving the needs of the agricultural community.

Strategies: Our strategy encompasses a series of targeted actions designed to balance wildlife conservation with agricultural practices. We will initiate this by utilizing strategic partnerships with North Dakota Game and Fish Department and other conservation organizations and agencies to identify areas in western North Dakota that are crucial for pronghorn migration and those frequently traveled by other big game species such as deer, elk and moose. This prioritization allows us to concentrate efforts and resources where they are most needed. Assessing the conditions and risk posed by existing fences in these areas is our next step, utilizing the knowledge of local grazing associations, landowners, MDF volunteers and conservation partners in the region. Engaging with these entities, we plan to conduct outreach and solicit project enrollments through informational flyers distributed via local conservation offices, in addition to in-person contact. Upon enrollment, we will provide technical assistance for the selection of wildlife-friendly fence designs, offer financial incentives and contract management to facilitate the transition. While public access for hunting is not being prioritized as a requirement, private lands that are enrolled in NDGF's PLOTS program will be solicited and may receive higher consideration if fencing on those properties is known to be a proven barrier. Additionally, our partners that are presently working to improve grazing infrastructure on private lands with the purpose of enhancing wildlife habitat will provide additional opportunities for the installation or adaptation of wildlife friendly fencing at strategic locations.

Benefits: The multifaceted benefits of this project include the conservation of wildlife (particularly big game species), the economic sustainability of ranching, agriculture and local communities, and the fostering of community engagement in conservation efforts. This project is driven by the urgent need to conserve big game populations, support the economic viability of landowners and communities, and create a lasting conservation legacy. It represents a commitment to responsible land management and a model for collaborative conservation efforts.

Innovative Features and Processes: Wildlife-friendly (WF) fencing is a dynamic field, with numerous adaptations specifically designed to balance agricultural operations with wildlife conservation. The process of upgrading to WF fencing is not only beneficial for wildlife but also adds aesthetic value to the landscape.

Features and processes we will utilize include:

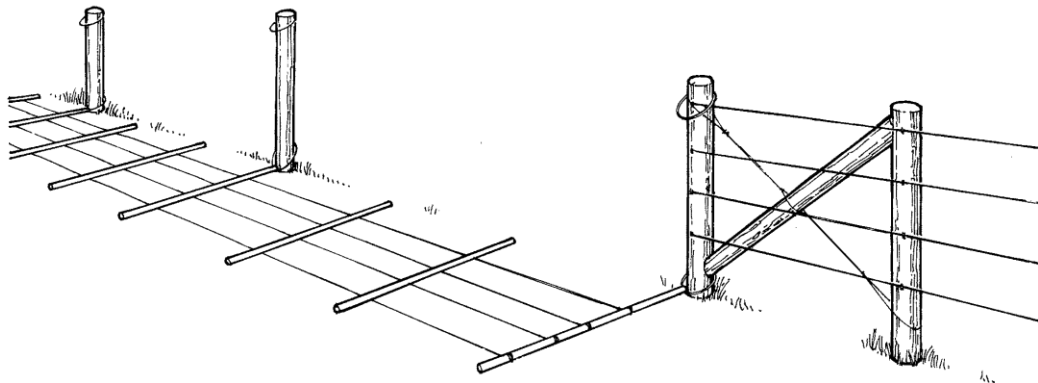
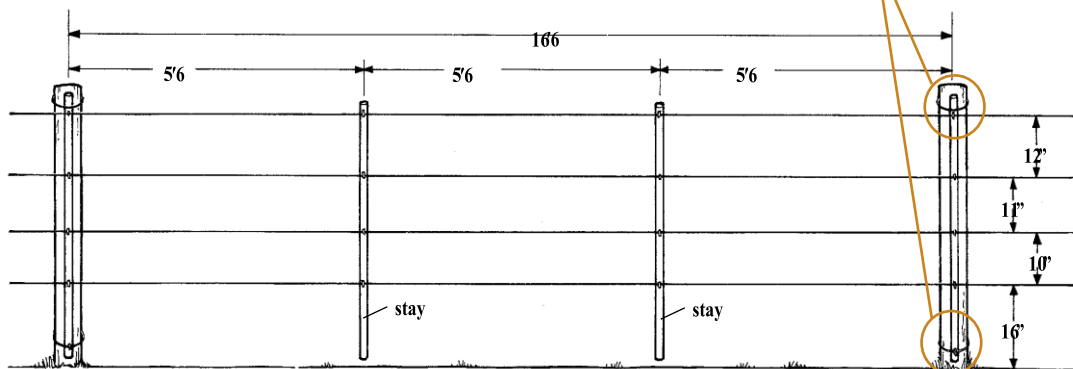
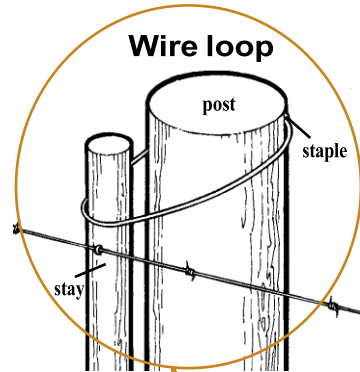
- **Utilization of science:** NDGF collected data for big game movements will be used to map and identify focus areas.
- **Removal and Modification:** Outdated and unnecessary fences can be completely removed, while those in good condition may be modified by adjusting wire spacing to facilitate wildlife movement.
- **Design Innovations:** Fence in significant disrepair will be replaced with new structures built to WF specifications, incorporating the latest design innovations for maximum effectiveness and minimal environmental impact.
- **Migration Accommodations:** “Lay-down” sections may be installed strategically in known travel corridors to provide open passages for species like pronghorn during winter migrations, or for elk in areas where chronic fence collisions and damage occur.
- **Customized Solutions:** Given the diverse needs of ranching and agricultural operations, WF fencing offers a variety of adaptations and designs to suit virtually any scenario. We may utilize smooth wire, barbed wire, electric, post/pole or any combination of techniques to effectively fit the scenario.
- **Smooth Wire Integration:** The integration of smooth wire at the base of multi-strand barbed wire fences has proven highly effective for species like pronghorn, which typically prefer to crawl under rather than leap over fences. This is a simple adaptation that may be utilized.
- **Strategic Spacing:** Fence strand spacing is adapted to accommodate different livestock operations, with special attention to the height of the bottom wire and the spacing between the top two strands to ensure safe passage for wildlife while maintaining the integrity of the fence for livestock containment.

These enhancements to traditional fencing practices not only improve the safety and well-being of wildlife but also contribute to the sustainability of agricultural lands, ensuring that both wildlife and landowners benefit from these innovative conservation efforts. By adopting these practices, we can create a landscape that supports both agricultural productivity and ecological diversity

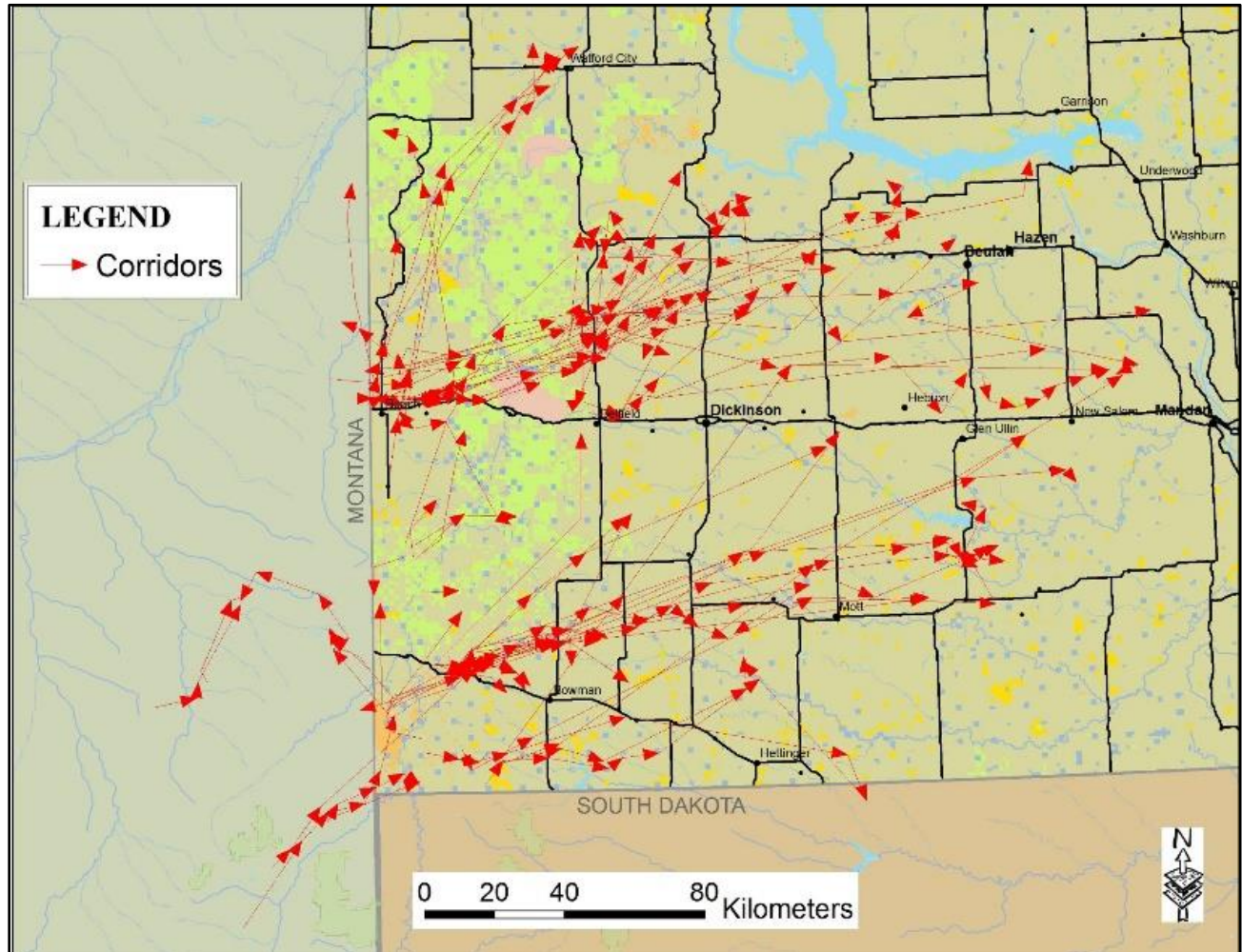
Example of Lay Down Fence

A lay-down fence is a standard 3-wire or 4-wire fence that can be laid on the ground as a unit to allow ungulates to pass through during migration or seasonal use. A lay-down fence can also reduce snow and wildlife damage and save maintenance costs. Most designs allow a single person working alone to let the fence down or put it back up.

Lay-down fence can be constructed from smooth wire or barbed wire. Fence posts can be wooden or steel, but wood is more durable in heavy snow areas.



Pronghorn Migration Data



Known pronghorn migration and travel movements in western North Dakota. NDGF

Timetable for Implementation:

Year 1: Partner with NDGF to identify critical movement areas. Assess fence conditions for risk in priority areas. Develop informational flyers. Begin planning, outreach, enrollments, design and implementation.

Year 2 - 5: Continue with outreach, enrollments, design and implementation.

Year 5: Complete end of grant report.

Each Year-End: Evaluate progress and adjust strategies as needed. Complete and submit annual reports.

This schedule is designed to ensure that each phase of the project builds upon the last, with continuous assessment and adaptation to meet the project's goals effectively. It's important to note that actual timelines may vary based on factors such as weather conditions, contractor availability and coordination with landowner operations.

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.

Mule Deer Foundation (MDF) will manage, coordinate and administer the grant, and provide guidance for the Western Big Game Connectivity and Habitat Fragmentation project. To ensure the successful completion of the project, MDF will work with our delivery partners to put into place a project management plan. The plan will start with a clear definition of the project's objectives, focusing on the identification of critical areas, and installation of wildlife-friendly fences through outreach and volunteer private land enrollments. The scope of the project will be outlined, including the tasks to be completed, the focal areas of land involved, and the deliverables at each project phase. A comprehensive timeline will be established, marking milestones for outreach, properties enrolled (through term agreements), design and contract development, implementation and subsequent quality checks. A budget will be prepared to cover all costs, ensuring that materials, labor, and any unexpected expenses are accounted for.

Collin Smith, MDF Director of Private Land Conservation will serve as the primary grant administrator. Collin is a certified wildlife biologist with 34 years' experience in wildlife management and conservation delivery, and 15 years' experience working in North Dakota with agency staff and conservation partners. Casey Nordine, MDF's Dakota Grasslands Habitat Coordinator will be responsible for managing the delivery of individual projects at the field level. Casey has been working in the region for 5 years, and will coordinate outreach efforts, strategic prioritization of project selection and collaboration among our North Dakota conservation partners assisting with delivery, to ensure the most beneficial property locations are selected and project development and management keeps on track. MDF also has 3 other full time staff members and several volunteer teams residing and operating in the state. Additionally, Ron Ness, a former member of the MDF Board of Directors and current ND Petroleum Council CEO will assist in coordinating cooperative partnership field days involving North Dakota Petroleum Foundation and MDF volunteers in assisting landowners with fencing projects. At times, these additional resources may provide planning, identification of project opportunities and valuable assistance to the partnership.

Engagement with stakeholders is crucial for the project's success. This will involve close coordination with conservation partners, landowners, and local communities to ensure that everyone's objectives are aligned and that there is broad support for the project. A communication plan will be established to keep all stakeholders informed about the project's progress and to address any issues that may arise promptly.

The management of resources is another critical component of the plan. A skilled team with experience in wildlife management, grazing improvements and conservation program delivery

and management will be assembled. Staff from partner agencies and organizations will also assist with these efforts. There will also be a focus on developing a network of fencing contractors capable of high-quality work, necessary to carry out construction. At times, MDF volunteers, partnerships, and landowners may be involved in fence deconstruction.

Risk management will involve identifying potential risks, such as delays due to weather or supply chain issues, contractor availability, producer operations regarding livestock management schedules and developing strategies to mitigate these risks. The project will employ an adaptive management approach, remaining flexible and ready to adjust plans based on ongoing monitoring and evaluation of the project's progress.

Quality assurance will be maintained by adhering to the best practices and guidelines for wildlife-friendly fencing. Inspections and assessments during construction will be conducted to ensure that the fences meet design specifications and effectively serve their intended purpose.

Finally, thorough documentation of all project activities will be kept, including financial records and progress reports. Transparent reporting to OHF will be provided, highlighting the project's achievements and any lessons learned. This structured approach will help keep the project on schedule and ensure that its objectives are met.

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.

To effectively document progress and evaluate the results of the project, an evaluation plan will be put into action. This plan will involve capturing photographs to visually record the field work and fence modifications, both before and after the project's implementation. Detailed activity logs will be kept tracking the progress, such as the number of properties enrolled, location of fences replaced or adapted, types of modification styles implemented, and total miles impacted. Maps indicating locations of fence improvements will be developed. Additionally, regular input from conservation partners and landowners will be sought to gauge their satisfaction and to incorporate their feedback for ongoing improvements.

The success of the project will be measured through various methods. Wildlife movement and safety may be monitored using camera traps in specific known crossing locations and observational studies to understand the impact of the new fences. The durability of the fences will be assessed at intervals to ensure they are performing as expected over time.

Reporting will form a core part of grant administration. Annual reports will detail the progress made, outline any challenges encountered, and describe the solutions implemented to address those challenges. Detailed expenditure reports will also be prepared to provide full transparency and accountability for the funds used throughout the project. An end of grant evaluation report will summarize the project's overall outcomes, the effectiveness of the fencing solutions, and their impact on conservation efforts. These reports will not only track the project's progress but will also offer valuable insights for future work.

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
Labor and Materials (1)	\$711,500	\$125,000			\$137,500	\$974,000
Outreach (2)	\$1,000					\$1,000
Field Staff Match (3)			\$102,600		\$15,000	\$117,600
Partial Staffing Costs (4)	\$37,500					\$37,500
Administration (5)			\$30,000	\$240,471		\$270,471
Total Costs	\$750,000	\$125,000	\$132,600	\$240,471	\$152,500	\$1,400,571

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.

OHF will provide 73% cost share on all aspects of wildlife friendly fence implementation activities. Applicant and landowner will provide 27%. OHF funds will also be used for educational information development, project signage and partial support of MDF field staffing.

NOTE: Cost Variability in Fence Modifications

Due to the diverse range of fence modifications and designs tailored to specific operational requirements, the associated costs are anticipated to differ significantly across individual landowner projects. The most expensive activity is typically the complete teardown and reconstruction of fencing. On average, the current cost for this process is \$3.00 per linear foot for a four-strand, wildlife-friendly fence design. This average is composed of \$0.50 per linear foot for deconstruction and \$2.50 per linear foot for construction.

Project Expense Categories:

1. Labor and Materials - All expenses related to contracted fence work, such as removal and disposal of unnecessary fencing, modification of existing fence to meet WF design standards, new construction to WF specifications, or adjustments to fencing in known established high travel or migration paths to create temporary lay-down sections or post/pole crossovers. It includes cash from MDF private landowners and the ND Petroleum Foundation, and in-kind value contributions for labor provided by private landowners and volunteers. NRCS cost share values will be applied when determining in-kind value for 4 strand and high tensile fence construction and fence deconstruction. OHF hourly labor allowances will be applied to WF designs not documented in NRCS Field Office Tech Guide. Total - \$974,000
2. Outreach – Includes expenses linked to the creation and distribution of educational material, flyers and project signage. Total - \$1,000
3. Field Staff Match – Includes costs associated with field coordination consisting of salaries, travel expenses and mileage. These costs will be in-kind contributions from MDF & project partners. Total - \$117,600
 - MDF Cost (5 years) - \$102,600 In-Kind
 - USFWS Cost (5 years) - \$15,000 In-Kind
4. Partial Staffing Costs - MDF staff will be required to travel considerable distances and incur significant costs over the 5-year grant performance period. MDF requests the allowable 5% of the total OHF award to help cover these expenses. Total -\$37,500
5. Administration - Includes the combined administrative and indirect costs that MDF will incur for grant management and reporting over the grant's 5-year duration. MDF Project Manager - \$30,000; MDF Indirect rate 21% - \$240,411; Total Administrative Cost - \$270,471 (Note: indirect rate is not charged to partner field staff match)

Special Request for OHF Consideration:

The Mule Deer Foundation acknowledges OHF's standard requirement for private landowners to cover 40% of project costs and that fencing expenses should not exceed the NRCS Field Office Technical Guidelines unless justified. Furthermore, perimeter fencing projects must adhere to NRCS's eligibility criteria. However, given that this project's benefits significantly favor North Dakota's big game species, we propose a reduction in the private landowner's financial commitment to 27% of the total implementation costs, to include combined partnership cash and In-Kind match. We believe that voluntary landowners who are willing to convert their fences to wildlife-friendly designs deserve encouragement through lesser financial obligations. Moreover, the NRCS guidelines do not detail specific actions or costs for implementing many wildlife-friendly fencing activities, such as removal, alterations, or modifications. Perimeter fencing is also essential for ensuring the safe movement of wildlife across the landscape. Therefore, we request that the NRCS's eligibility standards be reconsidered for aspects of this project. This request is made to facilitate landowner participation and support the overarching goal of wildlife conservation through improved fencing practices.

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 MDF mandates that participating landowners enter into legally binding agreements. These contracts will stipulate the ongoing maintenance and management of fencing, with the duration of terms varying based on the level of support and activities undertaken. All associated costs and responsibilities for maintenance will rest exclusively with the cooperating landowners. Following the project's completion, MDF will assess the project's effectiveness and determine the continued interest and necessity for further action. As part of the Great Plains Initiative, it is anticipated that MDF will forge new partnerships and acquire additional funding to bolster big game connectivity in North Dakota, thereby amplifying the impact of this vital conservation effort within the state.

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

In the event partial funding is granted, the project's scope and scale would be adjusted to align with the available budget. While the core objectives will remain intact, the following changes may be necessary:

- Fencing Improvements: The extent of fencing modifications and accomplishments will be reduced. Priority will be given to individual projects with the highest impact on wildlife movement, deferring work in less critical areas.
- Outreach: The production of educational materials may be limited, with a reduction in printed materials to minimize costs.
- Field Staffing: Travel for fieldwork may be curtailed, focusing on essential trips only. Reliance on in-kind contributions from project partners will increase to compensate for reduced funding.

Overall, the project will proceed with a focus on maximizing the impact of each dollar spent, ensuring that even with reduced funding, significant progress can be made towards the project's conservation goals. The MDF remains committed to adapting its strategies to work within the funding parameters while striving to achieve the desired outcomes.

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.*

Recognition of the Outdoor Heritage Fund (OHF) partnership is a crucial aspect of our project's success. If awarded OHF dollars, we would honor this partnership through the following measures:

- **Prominent Signage:** We will install durable, visible signs at appropriate project sites with landowner permission to acknowledge the OHF's financial support. These signs will be strategically placed to ensure they are seen by visitors or public, such as boundary fences near public right of ways, thereby highlighting the OHF's commitment to conservation.
- **Public Announcements:** During official events, press releases, and public gatherings related to the project, we will formally recognize the OHF's contribution.
- **Digital Acknowledgment:** The OHF logo and a statement of appreciation will be featured on our website, magazine, social media platforms, and in digital newsletters.
- **Printed Materials:** Educational materials, reports, and promotional flyers will include recognition of the OHF partnership.
- **Events and Workshops:** At all related events, we will verbally express our gratitude for the OHF's support.

By implementing these measures, we aim to ensure that the OHF's partnership is recognized and appreciated by all stakeholders in accordance with the fund's guidelines and when appropriate. This acknowledgment not only reflects our gratitude but also raises awareness of the OHF's vital role in supporting conservation projects.

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.

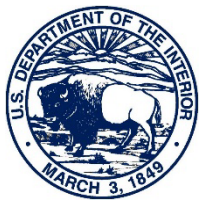
Responsibility of Recipient

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



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



In Reply Refer to:
FWS/R6

August 12, 2024

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

RE: Western Big Game Connectivity and Habitat Fragmentation

Dear Mr. Haase:

The US Fish and Wildlife Service's North Dakota Partners for Fish and Wildlife (PFW) program fully supports the Western Big Game Connectivity and Habitat Fragmentation OHF grant proposal. The USFWS has a long history of working closely with private landowners, providing financial and technical assistance on voluntary conservation efforts to restore, and enhance grassland and wetland 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 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 stands ready to assist our partners at the Mule Deer Foundation and work with willing landowners across SW North Dakota to deliver the Western Big Game Connectivity and Habitat Fragmentation OHF grant. The ND PFW program is providing \$15,000 of in-kind match for ND PFW staff to assist with the delivery. This effort will provide opportunities for landowners to install fencing solutions that encourage habitat connectivity, are safer for big game passage, yet remain effective for managing livestock. We know through experience that there is demand for wildlife friendly fencing across SW ND and feel strongly that this project will be successful, if approved for funding.

Sincerely,

Scott McLeod
U. S. Fish and Wildlife Service
ND Partners for Fish and Wildlife Program, State Coordinator



August 16, 2024

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

RE: Western Big Game Connectivity and Habitat Fragmentation

Dear Mr. Haase:

Please accept this letter on behalf of North Dakota Game and Fish Department (NDGF) stating our support of the Western Big Game Connectivity and Habitat Fragmentation grant proposal. Fences not constructed to wildlife friendly specifications present challenges to big game movements and cause mortality from animals becoming entangled in fences. Research completed in 2009 documented largescale seasonal movements of pronghorn up to 160 miles. Pronghorn make long distance movements especially in severe winters to find open food sources for survival. We have also documented mortalities of mule deer, white-tailed deer, pronghorn, and bighorn sheep from being entangled in fences.

The NDGF works closely with private landowners and conservation partners to enhance wildlife habitat across the state. We are committed to assisting the Mule Deer Foundation provide information to landowners looking to construct wildlife friendly fences that will benefit our state's big game populations. We hope the Western Big Game Connectivity and Habitat Fragmentation grant will be approved through the Outdoor Heritage Fund Program. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Bruce Stillings". The signature is written in a cursive, flowing style.

Bruce Stillings
Big Game Supervisor, North Dakota Game and Fish

Governor
Doug Burgum

Director
Jeb Williams

Deputy Director
Scott A. Peterson



August 21, 2024

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

Re: Western Big Game Connectivity and Habitat Fragmentation

Dear. Mr. Haase:

Please accept this letter on behalf of the North Dakota Petroleum Foundation (NDPF) expressing support for the Western Big Game Connectivity and Habitat Fragmentation grant proposal. This initiative perfectly aligns with our core values and commitment to embracing responsible practices, fostering innovation, and advancing conservation efforts to safeguard North Dakota's natural resources for future generations.

At the NDPF, we are deeply committed to responsible stewardship of our natural resources. Our core values emphasize the importance of balancing resource development with environmental conservation. The Mule Deer Foundation's (MDF) program embodies this balance by applying innovative solutions to challenges and integrating conservation with practical, on-the-ground efforts. Supporting such initiatives aligns seamlessly with our mission to safeguard North Dakota's natural heritage while fostering sustainable progress in both the energy and agriculture industries.

The MDF has been a crucial partner in our conservation endeavors. We have been proud sponsors of Foundation events and remain committed to providing funds, manpower and in-kind use and access to equipment. We appreciate the MDF's dedication to innovative practices that drive positive change for wildlife and their habitats. As we look to the future, we are excited to continue our partnership and support not only the Western Big Game Connectivity and Habitat Fragmentation Project but also other initiatives that contribute to the long-term health and resilience of our natural resources.

We appreciate your consideration for this program and hope we can count on your support. Together, we can advance our shared goal of responsible resource management and conservation.

Sincerely,

A handwritten signature in black ink that reads "Tessa". The signature is fluid and cursive, written over the printed name.

Tessa Sandstrom
Executive Director

P.O. BOX 7233
BISMARCK, ND 58507

701.557.3972

INFO@NDPETROLEUMFOUNDATION.ORG
WWW.NDPETROLEUMFOUNDATION.ORG



Outdoor Heritage Fund
Grant Round 25
Application Summary Page
GR 025-05

Project Title: Planting for the Future
Applicant: North Dakota Petroleum Foundation
Primary Contact: Tessa Sandstrom
Total Project Costs: \$1,847,740
OHF Request: \$660,530

Match Amount	Funding Source	Match Type
\$ 750,500.00	NDPF	Cash
\$ 153,460.00	Landowners	Cash
\$ 17,000.00	ND Petroleum Council	In-Kind
\$ 140,250.00	Landowners	In-Kind
\$1,061,210.00	Total	

Percentage of Matching Funds: 57%

Project Duration: 2025 - 2028

Major Directive: C

Additional Directive: B

Summary of Project: Planting of 340,000 trees across North Dakota.

Technical Committee Comments:

- Consider consulting NRCS specs to properly plan species on suitable soils
- Most commonly planted species include: ponderosa pine, scotch pine, cedar, lilac, buffaloberry, juniper, caragana, silverberry and willow because of their survivability and because they provide tremendous cover for wildlife. Would like to see other tree/shrub species utilized where appropriate, especially in plantings utilizing weed barrier
- In particular, would like to see caragana and lilac removed from the mix

Comments from the OHF Advisory Board members:

- Applaud the applicant's high percentage of private cost-share
 - One board member was concerned about planting species based on landowner preference vs. NRCS specifications
 - Reduced OHF funding to be in-line with NRCS costs for typical tree-planting projects
-

Funded Projects					
Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
010-116	\$196,375	Planting for the Future: Tree Habitat Program	\$108,125	\$102,681.75	Completed
014-151	\$224,650	Planting for the Future	\$88,650	\$76,860.78	Completed
019-195	\$732,500	North Dakota Petroleum Foundation Planting for the Future	\$371,000	\$245,925.37	2022-2026
Totals	\$1,153,525.00		\$567,775.00	\$425,467.90	

No Unsuccessful Applications

OHF Advisory Board Recommendation

Contingencies: Reduced OHF funding to \$220,177

Conflicts of Interest: One

Funding Vote: 9-2

Funding Amount Vote: \$220,177

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: Planting for the Future

Name of Organization: North Dakota Petroleum Foundation

Federal Tax ID#: 83-1389235

Contact Person/Title: Tessa Sandstrom, Executive Director

Address: 100 W Broadway Avenue, Suite 200

City: Bismarck

State: ND

Zip Code: 58501

E-mail Address: tsandstrom@ndoil.org

Web Site Address (If applicable): www.ndpetroleumfoundation.org

Phone: 701-557-3972

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)

In 2017, the North Dakota Petroleum Council (NDPC) founded the Planting for the Future program (the Program) with the goal of leveraging industry and landowner support for large-scale tree plantings for habitat. The Program was transferred to the North Dakota Petroleum Foundation (NDPF), a 501(c)(3) nonprofit, in the fall of 2018. The NDPF has continued to operate the Program since. To date, the program has completed more than 141 projects and planted over a half a million trees in 26 counties in North Dakota.

This Program continues to grow in support among both landowners and industry. It has continued to evolve, and in 2025, the NDPF will partner with county Soil Conservation

Districts in addition to hiring contractors. The NDPF will offer a 75-25% cost-share, similar to other federal and state programs. This will allow more projects to be completed and enable Planting for the Future to reach more areas within the state.

With these new partnerships and continued interest from landowners, the NDPF estimates it will plant an additional 340,000 trees over the next two years. The NDPF has averaged 30 projects/participants in the past three years and anticipates it will continue to see this level of interest continue or grow over the next two years, creating even more opportunities to help establish meaningful habitat throughout North Dakota.

Project Duration: January 2025-December 2028

Indicate the intended schedule for drawing down OHF funds.

This grant request is for projects that will be planted in 2025 and 2026. A majority of the funding will be drawn down in May and/or June of each year when planting takes place. Additional requests for funds may be made in 2027 and 2028 for replacement trees.

Amount of Grant request: \$ 660,530.00

Total Project Costs: \$1,847,740.00

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

Amount of Matching Funds: \$1,061,210.00

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)
\$ 750,500.00	NDPF	Cash
\$ 153,460.00	Landowners	Cash
\$ 17,000.00	ND Petroleum Council	In-Kind
\$ 140,250.00	Landowners	In-Kind

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 North Dakota Petroleum Foundation (NDPF), a 501(c)(3) nonprofit, was founded by the North Dakota Petroleum Council in 2018 to support our state and the communities in which we operate. Its mission is to provide and support education and outreach opportunities related to the petroleum industry, develop and advance quality of life initiatives, promote and enhance the conservation heritage of North Dakota, and advocate for the industry and its communities to ensure their voice is heard and respected. The NDPF works to achieve this mission through outreach programs, scholarships and education opportunities, and environmental stewardship programs.

The NDPF is governed by a seven-member board of directors and is managed by an executive director and CEO. Volunteers from NDPC member companies, partner organizations, and area communities also help support the NDPF’s various programs and initiatives throughout the year.

The NDPF is supported by revenues from the Williston Basin Petroleum Conference, as well as donations from the North Dakota Petroleum Council, the Foundation’s Board of Directors, industry companies and employees, and grants from the Oil and Gas Research Council and Outdoor Heritage Fund.

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.

Trees and forests are an important resource, providing watershed protection, wildlife habitat, recreational opportunities, and protection for crops, soil and livestock. Currently about 815,000 acres – or 1.8 percent – of North Dakota’s total land area is forested,¹ but annual mortality is on the rise. Inclement weather, flooding, invasive species and insects, lack of species diversity, and over-maturity of trees have impacted and continue to threaten existing forests and conservation plantings.

About 70 percent of North Dakota’s forest land is privately owned, which emphasizes the importance of private landowners in the management of North Dakota’s forest resources. Through Planting for the Future, the NDPF and its partners will build and leverage relationships with landowners to aid in the planting of 340,000 trees on private land over the next two years. More than 30 landowners are currently on the list for trees for 2025 and we anticipate this interest will continue to grow in 2026 and beyond.

Although there are several tree planting initiatives in existence, this program will be unique in that it will leverage the North Dakota Public Service Commission’s Tree and Shrub Mitigation Program’s requirements for companies to replace trees and shrubs removed in the construction of infrastructure while involving landowners in the installation process. In previous years the NDPF relied on independent contractors to assist with the planning and oversight of all projects while landowners provided the laborers (either through volunteers or hired help) to plant trees.

There have been instances, however, where landowners have been unable to solicit volunteers or hire laborers, and last year, the NDPF partnered with a local Soil Conservation District to complete a project in Northwest North Dakota. The NDPF agreed to cover the cost of the trees and 75 percent of the fabric and the landowner would be responsible for the remainder of the invoice, which worked out to be a 75-25% cost-share similar to what is offered through other programs.

This was a positive experience, and in 2025, the NDPF will partner with other SCDs to plant more projects through a 75-25% cost-share with landowners. This partnership will be beneficial as it will increase accessibility and affordability for landowners. While there are many excellent habitat projects coming through the SCDs, some of these are not eligible for assistance through the NRSC due to some of the stricter requirements, such as row spacing, size of project and allowable species. While the NDPF works to adhere to USDA guidelines whenever possible, there are instances that should allow for flexibility and innovation in project design, as well as landowner preference. The NDPF can step in to help fill this gap, ensuring that these valuable projects receive the support they need to succeed.

Because the projects will be implemented in several counties, the specific trees, shrubs and planting methods used will be decided on a case-by-case basis with consideration to USDA guidelines for suitable species, each area’s unique geological and geographical attributes, as well as landowner preference. The species most commonly planted include ponderosa pine,

¹ According to the North Dakota Forest Services’s “North Dakota Forest Action Plan”, which is the most recent data available: <https://www.ag.ndsu.edu/ndfs/documents/2020-north-dakota-forest-action-plan-final.pdf>

scotch pine, cedar, lilac, buffaloberry, juniper, caragana, silverberry and willow because of their survivability and because they provide tremendous cover for wildlife.

Trees will be planted using either the knifing and fabric method or the scalping method, which is a mechanical process whereby the soil is peeled back in a wide, shallow furrow. Scalping preparation is more cost-effective and has proven beneficial on agricultural areas because it reduces competition with other vegetation, improves moisture, and reduces insect predation on roots. A chemical additive for weed control will be applied the first year with additional applications contingent on necessity in following years. The planting method is determined by the landowner's preference and climate and soil conditions. The scalping method has been successful in areas that typically experience more moisture, such as the central pothole region of the state, but fabric is often recommended in the western, more arid parts of the state.

As in previous grant rounds, all projects will be monitored for up to two years after the planting year to ensure the survival and success of plantings. The Program will strive to meet (but preferably exceed) an overall 50 percent survival rate, which, according to the Natural Resources Conservation Service Field Office Technical Guide, is considered a successful tree planting for wetland and upland wildlife habitat. The Foundation will provide replacement trees to any landowner who is below the 50 percent survival rate or if they request more to achieve an even higher success rate.

The Foundation will provide funds to support habitat contractors, the NDPC will contribute in-kind support from its staff to manage the program, and landowners interested in participating in the project are expected to contribute both in-kind support and monetary funds for supplies, including, but not limited to, 25 percent of the cost of weed barrier.

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.

Because the NDPF does not have any paid staff, the Program will be overseen and managed by NDPC staff, including Ron Ness, President of the NDPC and CEO of the Foundation, and Tessa Sandstrom, Executive Director for the Foundation. This support will be provided in-kind to the Foundation and the Program.²

Both Ness and Sandstrom have a long history of responsibly managing and executing other grant proposals through the Oil and Gas Research Council and the Outdoor Heritage Fund. As the program has grown, the NDPF has also retained Ron Day to assist in the administration

² In-kind support from NDPC staff will be calculated at a rate of \$50 per hour salary equivalent.

of the Program, including the collection of applications, project approvals, ordering of trees and materials, scheduling of projects, and project monitoring, among other tasks. Ron Day spent more than 30 years in the oil industry, with the last 20 years at the Mandan Refinery. His career was focused mainly in the area for environmental, health and safety, so he brings relevant experience and expertise to the program.

The Program will again retain outside contractors to provide consultation and planting services, including:

David Shockman will serve as a lead habitat consultant for projects deploying the scalping method. David is a farmer from Burleigh County and has served as an advisor and leader for several conservation groups. An avid conservationist, he began planting trees more than 25 years ago for habitat and has planted more than 200,000 trees for the NDPF since 2018.

Ryan Odenbach is the environmental division manager for Baker Energy Services based out of Watford City, ND. Ryan has a Bachelor of Science in Environmental Geology and Technology from the University of North Dakota, Grand Forks. From 1998 to 2002 Ryan worked as the Water Quality Coordinator for the Red Lake Watershed District (RLWD) in Thief River Falls, MN. Primary accomplishments included completing several grant-funded environmental projects focusing on surface water quality. Ryan also wrote an EPA reviewed set of Standard Operating Procedures for water quality data collection for the RLWD. From 2002 to 2018, he worked as the Watershed Coordinator/Projects Manager for the Stutsman County Soil Conservation District in Jamestown, ND. In 2018, he entered the oil and gas industry focusing on meeting the environmental needs in the Bakken.

Nathan Jensen is the owner and operator of All American Tree Movers & Nursery, LLC, which was established in 2015 in Bismarck, ND. In addition to his commitment to educating people about proper planting, care, and maintenance of every tree he offers, he is also an avid outdoorsman and conservationist who has dedicated much time and resources to planting trees for habitat prior to joining the NDPF's program.

The NDPF will also retain the assistance of **Dave Nehring** and **Jody Sommer** as needed. Nehring is the owner of Habitat Unlimited in Bismarck, a company that specializes in custom planting strategies geared toward enhancing wildlife habitat on private land. Habitat Unlimited has been doing tree projects since 2005. Sommer is an active conservationist who has volunteered for and served on the board of the Dakota Chapter of Pheasants Forever, which has completed several tree planting projects, and he also serves on the North Dakota Game and Fish Advisory Board.

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.

To remain consistent with requirements entailed in the North Dakota Public Service Commission's Tree and Shrub Mitigation Program, all tree plantings will be monitored for two

years after being planted. Per the NRCS Field Office Technical Guide, projects must meet the 50% survivability rate to be considered a successful wildlife habitat project. Contractors and landowners will be asked to provide status reports and photos and/or videos of their projects for two years following the planting year and filed in their Project Folder. An annual report will be filed with the NDPSC for projects under the auspices of the Tree and Shrub Mitigation Program and all projects' reports will also be provided within grant reports submitted to the Outdoor Heritage Fund for the Planting for the Future program. Reports will include the number of trees planted, observations/survivability updates for each monitoring year and steps taken to improve projects when applicable.

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
Trees (1)	\$ 443,700.00					\$ 443,700.00
Fabric (2)	\$ 216,830.00				\$ 72,280.00	\$ 289,110.00
Operating Costs (3)		\$ 678,500.00			\$ 221,430.00	\$ 1,025,930.00
Admin Costs (4)		\$ 72,000.00	\$ 17,000.00			\$ 89,000.00
Total Costs	\$ 660,530.00	\$ 750,500.00	\$ 17,000.00		\$ 293,710.00	\$ 1,847,740.00

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.

- 1) \$443,700 is requested in OHF funds for the purchase of trees over two years.
- 2) \$216,830 is requested for the purchase of weed barrier and staples. Participating landowners will provide 25% of the cost of fabric and pins.
- 3) The NDPF will hire contractors and SCDs to design and implement each project, including site preparation for the planting of trees and monitoring throughout the duration of this grant period. SCDs will charge their usual rate and contractors will be paid per tree planted and per lineal foot of fabric laid. Other Project Sponsor's Share

accounts for expenses incurred by the landowner in land preparation and planting, including, but not limited to, use of personal equipment, gasoline, spray, flags, spray paint or other materials. It also includes the in-kind volunteer labor on behalf of the landowner to prepare land, plant trees and install weed barrier.

- 4) Since the NDPF does not have staff, the NDPC has provide staff to operate the program at an estimated wage equivalent of \$50 per hour as well as hire a contractor to assist with the administration of the project. This support will include the collection, filing and approval process of applications for trees; ordering of trees and materials; correspondence with contractors and applicants; and management of budget and grant, among other duties.

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 Program has continued to grow both in size and popularity with industry and landowners. Even without advertising or major publicity, the Program receives more applications for trees each year from both returning and new landowners than it can usually accommodate. Oil and gas companies have also been extremely supportive of the program because it aligns with their own stewardship goals and ESG policies and procedures. Because of this success, Planting for the Future has become one of the NDPF’s hallmark programs, and it is expected to remain an important component of the NDPF’s goals and priorities for many years to come.

In terms of funding, the Program continues to see participation from industry companies seeking projects to meet PSC Tree and Shrub Mitigation requirements. In addition, the NDPF raises funds to support the program from its fishing derby and Birds & Birdies events. Furthermore, NDPC member companies have foundations or budgets for philanthropy and are often looking for environmental projects that they can support. The Planting for the Future initiative meets many of their requirements, enabling the continued implementation of the program.

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

The NDPF is prepared to continue building this program even if it does not secure grant funds, albeit at a smaller scale, and our ability to grow into an impactful, long-lasting program may be hindered without the OHF funding.

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 NDPF has and will continue to recognize the Outdoor Heritage Fund through photos and videos shared on the Foundation’s website and social media channels. Currently, the Outdoor Heritage Fund logo is displayed on the NDPF website, Planting for the Future brochures and

in any other promotional or educational materials distributed and shared. Because these projects are on private land, the Program does not plan to install signage.

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:

Outdoor Heritage Fund
Grant Round 25
Application Summary Page
GR 025-06

Project Title: North Dakota Grazing Management Toolbox
Applicant: Audubon Great Plains
Primary Contact: Joshua Lefers
Total Project Costs: \$1,234,506
OHF Request: \$635,000

Match Amount	Funding Source	Match Type
\$ 169,506	Audubon	Indirect
\$30,000	Audubon	Cash-Staff costs
\$400,000	Landowners	In Kind and cash share for project costs
\$599,506.00	Total	

Percentage of Matching Funds: 49%

Project Duration: 2025 – 2028

Major Directive: B

Additional Directive: A, C

Summary of Project: Financial assistance to landowners to improve grassland habitat on 7,500 acres.

Technical Committee Comments:

- Does this grant include woody species removal similar to other grants? Says it will build on past successful PMT projects but no mention of removals in the Abstract/Executive Summary, Purpose of Grant, Project Budget, or Budget Narrative, but a passing mention in Sustainability: "Landowners that choose to tackle invasive species or rejuvenate their grasslands will need to provide ongoing monitoring and maintenance."

Comments from the OHF Advisory Board members:

- None
-

Funded Projects					
Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
023-225	\$1,206,512.26	North Dakota Prairie Management Toolbox	\$747,400	\$0	2024-2027
Totals	\$1,206,512.26		\$747,400.00	\$0.00	

Unsuccessful Applications				
Round	Request	Total Project Cost	Title	Vote
24	\$149,292	\$262,072	UWP Educational Prairie Trail	5-5
Totals	\$149,292.00	\$262,072.00		

OHF Advisory Board Recommendation

Contingencies: None
 Conflicts of Interest: One
 Funding Vote: 11-0
 Funding Amount Vote: \$635,000

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: North Dakota Grazing Management Toolbox

Name of Organization: Audubon Great Plains

Federal Tax ID#: 13-1624102

Contact Person/Title: Joshua Lefers, Director of Conservation

Address: 3002 Fiechtner Dr S, Ste A

City: Fargo

State: North Dakota

Zip Code: 58013

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 North Dakota as a strategy to improve grassland habitat health on 7,500 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 grazing infrastructure. This project will build on past successful Prairie Management Toolbox projects within North Dakota.

For this OHF grant application, Audubon is seeking \$635,000 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 and install grazing infrastructure on 7,500 acres.

Project Duration: January 1, 2025 to December 31, 2028

Indicate the intended schedule for drawing down OHF funds.

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

Amount of Grant request: \$ 635,000

Total Project Costs: \$ 1,234,506

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

Amount of Matching Funds: \$ 599,506

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)
\$ 169,506	Audubon	Indirect
\$30,000	Audubon	Cash-Staff costs
\$400,000	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 five 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

North Dakota Grazing Management Toolbox (NDGMT) is an expansion 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 North Dakota over the next four years, through December 2028.

NDGMT will implement grazing systems on approximately 7,500 acres of grazing land, primarily focused in eastern North Dakota. 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. Audubon is working with Ducks Unlimited and some early adopters of the technology to evaluate effectiveness and value of this new technology compared to traditional infrastructure. 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.

The Outdoor Heritage Fund award to Audubon Great Plains from fall 2023, North Dakota Prairie Management Toolbox, has seen significant demand. As of September 1, 2024, all dollars meant for grazing infrastructure have been allocated to contracts that are currently being implemented. Additionally, 2/3 of the funds for woody species removal are contracted for completion. Audubon has over 25 producers on a waiting list for grazing infrastructure. Thus, demand remains strong for technical and financial assistance to implement grazing management on ranches across North Dakota and Audubon Great Plains requests additional funding to continue to offer this valuable service to farmers and ranchers that are sustaining North Dakota's grasslands.

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 NDGMT grant from the Audubon Great Plains office in Fargo, ND.

NDGMT will focus on grassland acres in the project area and 7,500 acres will be impacted within the project period through grazing infrastructure installation and grazing rotation planning. 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.

Audubon Great Plains staff will provide tracking and reporting for all project agreements following grant guidelines.

Joshua Lefers, Director of Conservation, will provide oversight of grant activities and expenses.

Juli Bosmoe, Working Lands Program Manager, will lead partnership development and contractor engagement.

Charlene Prodzinski, North Dakota Range Ecologist, will provide on-the-ground technical assistance to landowners enrolled in the Prairie Management Toolbox.

Lindsey Lee, Operations Manager, will be 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	\$600,000	\$	\$	\$	\$400,000	\$1,000,000
Cultural resource surveys	\$5,000	\$	\$	\$	\$	\$5,000
Staff	\$30,000	\$30,000	\$	\$	\$	\$60,000
Indirect	\$	\$	\$	\$169,506	\$	\$169,506
Total Costs	\$635,000	\$30,000	\$0	\$169,506	\$400,000	\$1,234,498

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 of \$600,000 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.

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

Staff Time: Audubon requests \$30,000 in line with the cap at 5% of total grant request, to cover portion of the staff expenses to implement project activities, including site visits, contracts management, and reporting. Audubon will match the staff time request with an additional \$30,000.

Indirect rate: Audubon will contribute indirect rate match of \$169,506. This indirect total is based on our federally negotiated indirect cost rate of 25.49% on project expenses.

Sustainability

To sustain the impact and longevity of projects enrolled in the NDGMT, 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 NDGMT 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 NDGMT 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 NDGMT 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 NDGMT 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:

NORTH DAKOTA
NATURAL RESOURCES
TRUST

Keith Trego
Executive Director
1605 E Capitol Avenue, Ste. 101
Bismarck, ND 58501-2102
(701) 223-8501
www.ndnrt.com

August 29, 2024

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

Dear North Dakota Industrial Commission:

I write on behalf of The North Dakota Natural Resources Trust (the Trust) in support of Audubon Great Plains' North Dakota Outdoor Heritage Fund grant project titled, *North Dakota Grazing 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 expand the impact of improving management, Audubon Dakota will improve and enhance habitat on 7,500 acres through development of grazing systems with the installation of grazing infrastructure.

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, our goal is to identify common issues, create dialogue, and resolve conflicts. Through Audubon Dakota's working lands program, Audubon collaborates with ranchers to increase habitat for declining grassland birds by connecting them with tools to create healthy grasslands. By empowering private ranchers with technical assistance and the tools to improve management, Audubon can help ensure healthy grassland habitats remain on the landscape for the targeted grassland bird species, while also supporting rural communities.

The 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.

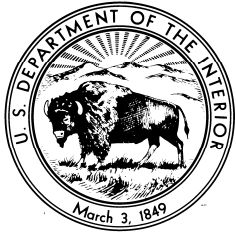
Thank you for your time.

Sincerely,



Keith Trego, Executive Director
North Dakota Natural Resources Trust

To promote the retention, restoration, creation and wildlife friendly management of wetlands, grasslands and riparian areas by presenting practical conservation opportunities throughout 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

August 28, 2024

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 Grazing 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 expand the impact of improving management, Audubon Dakota will improve and enhance habitat on 7,500 acres through development of grazing systems with the installation of grazing infrastructure.

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

Outdoor Heritage Fund
Grant Round 25
Application Summary Page
GR 025-010

Project Title: Working Grasslands Partnership 7
Applicant: North Dakota Natural Resources Trust
Primary Contact: Terry Allbee
Total Project Costs: \$1,267,500
OHF Request: \$762,500

Match Amount	Funding Source	Match Type
\$357,500.00	Private Landowners	Cash
\$100,000.00	NDNRT	Cash
\$17,500.00	NDNRT	In-Kind
\$15,000.00	Ducks Unlimited	In-Kind
\$15,000.00	ND Partners for Fish and Wildlife	In-Kind
\$505,000.00	Total	

Percentage of Matching Funds: 40%

Project Duration: 2024 - 2027

Major Directive: B

Additional Directive: C

Summary of Project: Cost-share for landowners for transition of CRP acres to grazing.

Technical Committee Comments:

- No natural resources concerns
- Great skin in the game
- Great project track record from this applicant

Comments from the OHF Advisory Board members:

- Great project with solid private match
-

Funded Projects

Contract	Total Project Cost	Title	Award Amount	Amount Expended	Project Timeframe
002-020	\$400,000	Water Storage Piggyback	\$300,000	\$300,000	Completed
¹ 005-077	\$257,441	Beginning Farmer Enhancement	\$132,884	\$132,844	Completed
006-090	\$1,467,250	Working Grassland Partnership	\$1,097,250	\$1,094,637.30	Completed
² 008-097	\$438,681	Grasslands Enhancement Pilot Project	\$230,000	\$181,133.71 ³	Completed
⁴ 009-109	\$500,000	Water Storage and Grass Seeding	\$67,500	\$64,131.50	Completed
⁵ 009-112	\$250,420	Grand Forks County Prairie Management Toolbox	\$121,200	\$97,353	Completed
⁶ 010-115	\$1,773,750	Working Grassland Partnership (Phase II)	\$903,750	\$753,826.13	2017-2027
011-124	\$743,250	Working Grassland Partnership Phase III	\$396,850	\$396,850	Completed
011-128	\$3,855,000	Bakken Development & Working Lands Program	\$2,170,000	\$2,092,935.33 ⁷	Completed
012-131	\$277,700	Livestock & Wildlife Dams - Creation & Enhancement	\$138,850	\$138,850	Completed
⁸ 013-140	\$255,000	ND Grassland Restoration Project	\$104,500	\$104,396.81	Completed
014-154	\$2,235,000	Working Grassland Partnership IV	\$1,225,000	\$1,105,921.89	2019-2023
015-160	\$255,000	North Dakota Grassland Restoration Project 2	\$100,000	\$94,972.34	Completed
017-173	\$6,390,383	Bakken Development and Working Lands Program II	\$3,308,100	\$1,321,702.24	2020-2025

¹ Returned commitment of \$40.

² Ducks Unlimited is co-applicant.

³ Returned commitment of 48,886.30.

⁴ Returned cash of \$3,368.50.

⁵ Audubon Dakota is co-applicant and returned commitment of \$23,867.27.

⁶ Co-applicants are ND Association of Soil Conservation Districts, Ducks Unlimited, and Pheasants Forever.

⁷ Returned commitment of \$77,064.67

⁸⁸⁸ Returned commitment of \$103.19.

017-174	\$1,303,000	North Dakota Partners For Wildlife Project	\$716,500	\$585,405.40	2020-2024
18-178	\$495,000	Wildlife and Livestock Dams - Wetlands Creation, Restoration and Enhancement	\$240,000	\$196,458.22	2021-2025
18-179	\$2,150,000	Grazing Resiliency in the Bakken (GRB)	\$1,270,000	\$941,412.21	2021-2026
19-194	\$1,857,500	Working Grassland Partnership 5	\$985,000	\$690,604.06	2021-2026
20-197	\$1,734,800	North Dakota Partners For Wildlife Project 2	\$1,016,500	\$598,609.83	2022-2026
20-198	\$3,280,000	Grazing Resiliency in the Bakken (GRB) II	\$1,970,000	\$914,403.15	2022-2025
21-211	\$1,410,000	Working Grasslands Partnership 6	\$740,000	\$283,815.68	2022-2027
22-221	\$3,387,000	North Dakota Partners for Wildlife Project 3	\$1,957,500	\$121,012.98	2023-2028
23-230	\$520,500	Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement II	\$267,750	\$0.00	2023-2027
24-235	\$5,462,400	Bakken Dev. & Working Lands Program III	\$3,125,000	\$0.00	2024-2029
24-236	615,470	Badlands Restoration Project	\$77,000	\$0.00	2024-2027
Totals	\$35,236,675.00		\$19,459,134.00	\$7,097,564.81	

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: \$762,500

Outdoor Heritage Fund Grant Application



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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	Working Grassland Partnership 7
Name of Organization	North Dakota Natural Resources Trust
Federal Tax ID	36-3512179
Contact Person/Title	Terry Allbee Business Manager/Biologist
Address	1605 East Capitol Avenue, Suite 101
City	Bismarck
State	North Dakota
Zip Code	58501-2102
E-mail Address	terry@naturalresourcestrust.com
Web Site Address	www.ndnrt.com
Phone	701-223-8501 701-527-1625 (cell)

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)

Conservation Reserve Program (CRP) has been part of North Dakota's landscape since the 1980's. Landowner interest in enrolling into CRP has varied since inception. Our state of North Dakota currently has just over 1.1 million acres enrolled. Most CRP contracts are 10 years in length. As many past CRP contracts reach their expiration, landowners are making decisions on what they will do with these former cropland acres. The decision typically falls into the following options: 1) reenrollment back into CRP: 2) conversion of those acres back to cropland and 3) keeping those acres in grasslands for hay or livestock production. The landowners who choose the option for grazing require additional expense for fence and water developments necessary to graze them properly. As long as there are CRP acres in North Dakota, there will be expiring CRP acres and landowners will need to make a decision. The Working Grassland Partnership concept is to assist those who want improved soil health, increased water infiltration, additional acres for livestock grazing, and to benefit grassland dependent wildlife species.



This grant proposal titled "Working Grasslands Partnership 7" is designed to assist landowners who want to transition their expiring CRP acres into grazing acres for livestock production. Working Grassland Partnership 7 (WGP7) is requesting grant funding for cost-share of fencing and water developments on CRP acres that will expire in 2024, 2025 and/or 2026. The Trust will provide habitat lease only on expiring CRP acres. WGP7 will be offered statewide.



The North Dakota Natural Resources Trust (Trust) is very appreciative of the past support of previous grant proposals that assisted landowners with transitioning expiring CRP acres. The Trust has a strong track record of delivering those previous grants. Cumulatively the Working Grassland Partnership grants from Outdoor Heritage Fund (OHF) have signed 196 landowner agreements and have enrolled 84,650 acres. All previous grant funds have been obligated and there is only a small percent of funds remaining to be paid before all previous grants will be finalized. The WGP7 will be offered on new acres and to new landowners.

Over the next three years there are 155,306 acres that will expire in North Dakota, that is 14% of all CRP acres in the state. Counties with the greatest total of expiring CRP acres include Sargent, Barnes, Grand Forks, Nelson, Ransom, Bowman and Richland Counties. Because of the OHF Advisory Board support in funding previous OHF grants, the familiarity and awareness of the Working Grassland Partnership approach is very high among landowners. The Trust has a current backlog of landowners, with many being from eastern North Dakota.

CRP Contract Expirations by Year 1/ Acres as of April 2024

STATE	2024	2025	2026	2027	2028	2029	2030	2031 +
ALABAMA	3,702	3,968	4,721	2,669	2,518	1,946	20,235	55,170
ALASKA	0	0	0	0	0	0	7,823	4,659
ARIZONA	0	0	0	0	0	0	0	61,561
ARKANSAS	10,088	14,294	13,273	11,890	7,039	9,372	14,096	107,147
CALIFORNIA	0	0	718	1,000	0	0	8,196	70,475
COLORADO	7,968	2,999	62,090	17,736	5,608	3,553	346,335	2,339,674
DELAWARE	105	100	204	99	76	168	161	1,964
FLORIDA	61	223	274	311	122	615	224	4,663
GEORGIA	11,690	17,849	8,171	4,441	3,176	13,247	20,258	70,040
HAWAII	147	2	329	0	273	225	0	5,435
IDAHO	21,424	12,318	20,178	29,994	128	95	16,917	262,994
ILLINOIS	34,206	70,919	121,796	99,019	34,411	40,301	128,081	263,553
INDIANA	9,149	18,071	27,058	19,441	9,457	5,715	20,629	74,263
IOWA	74,312	153,744	273,427	301,897	33,889	51,747	280,222	507,341
KANSAS	15,191	175,880	116,775	91,327	26,975	13,289	249,788	1,271,922
KENTUCKY	7,863	12,514	19,660	17,087	3,325	2,232	18,655	54,329
LOUISIANA	19,729	20,069	7,784	17,523	11,487	36,163	23,927	113,722
MAINE	1	10	25	2	15	0	255	1,892
MARYLAND	3,353	3,429	3,060	4,757	3,025	2,633	4,131	16,504
MASSACHUSETTS	0	0	0	0	0	9	0	0
MICHIGAN	4,023	4,118	12,203	6,673	7,058	3,304	22,540	48,942
MINNESOTA	42,433	55,225	82,224	94,005	60,581	58,926	139,928	433,115
MISSISSIPPI	14,191	25,127	33,719	27,830	14,847	20,065	76,682	242,319
MISSOURI	23,354	30,511	70,229	38,003	9,079	4,474	94,414	400,566
MONTANA	3,859	10,161	26,679	88,244	12,295	2,369	71,782	673,628
NEBRASKA	17,764	58,240	72,180	70,923	19,358	5,445	138,925	1,835,517
NEVADA	0	0	0	0	0	0	0	2,968
NEW JERSEY	54	182	138	150	70	45	245	1,260
NEW MEXICO	3,565	5,955	14,160	18,267	0	0	8,199	1,037,500
NEW YORK	541	732	1,141	1,288	600	350	1,480	8,449
NORTH CAROLINA	1,227	2,028	2,226	726	539	471	3,538	8,029
NORTH DAKOTA	37,613	60,364	57,329	108,791	35,298	33,378	163,869	651,767
OHIO	8,379	13,919	15,568	18,457	8,567	5,948	25,165	131,483
OKLAHOMA	1,520	1,962	15,577	1,913	739	66	96,240	545,870
OREGON	1,628	3,127	40,139	26,604	5,199	1,175	123,954	709,789
PENNSYLVANIA	6,118	5,689	5,129	8,138	7,484	5,948	4,888	35,989
PUERTO RICO	435	0	0	0	0	0	0	0
RHODE ISLAND	28	0	0	0	0	0	0	0
SOUTH CAROLINA	1,839	3,582	1,411	2,368	2,146	1,207	2,989	8,549
SOUTH DAKOTA	55,504	71,206	80,726	108,593	38,965	47,119	150,811	1,838,910
TENNESSEE	1,942	4,456	13,629	6,994	1,082	733	14,582	48,903
TEXAS	23,013	54,993	88,122	31,399	2,449	7,222	465,731	1,491,190
UTAH	195	0	1,060	0	6	0	40,490	121,456
VERMONT	254	154	86	67	74	64	138	1,092
VIRGINIA	906	2,389	2,889	1,020	845	457	4,495	15,317
WASHINGTON	4,984	29,115	163,597	29,600	3,507	5,746	154,445	533,246
WEST VIRGINIA	452	336	555	186	298	171	84	11,685
WISCONSIN	6,697	11,972	19,813	17,724	6,353	2,569	27,509	96,671
WYOMING	132	179	10,116	436	253	0	13,317	442,018
TOTALS:	481,639	962,107	1,510,290	1,327,593	379,217	388,558	3,006,371	16,663,541

USDA FSA Website

North Dakota has the 4th largest total of expiring acres in the country in 2024.

Project Duration: 5 Years

Indicate the intended schedule for drawing down OHF funds.

2024 \$ 62,500.00
2025 \$500,000.00
2026 \$100,000.00
2027 \$100,000.00

Amount of Grant request: \$ 762,500.00

Total Project Costs: \$1,267,500.00

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

Amount of Matching Funds: \$ 505,000.00 (40%)

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)
\$357,500.00	Private Landowners	Cash
\$100,000.00	NDNRT	Cash
\$17,500.00	NDNRT	In-Kind
\$15,000.00	Ducks Unlimited	In-Kind
\$15,000.00	ND Partners for Fish and Wildlife	In-Kind

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 1) promote the productive use of private agricultural lands private property rights that result in the enhancement and protection of private lands; 2) effectively use North Dakota's public lands both for agriculture and recreation; 3) promote good land use planning along urban river corridors, and 4) 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 resource protection.

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.

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.

Statewide, there will be just under 155,306 acres expiring from CRP in 2024, 2025 and 2026. During the next three years, decisions by landowners on the future of their property will be addressed. In many cases, landowners want to reenroll these acres back into a CRP contract. Due to national CRP scoring many of these landowners do not score high enough to be accepted. Many of these acres are highly erodible soils, so the choice for cropping is not desired. This is where the WGP7 can assist with cost-share for fencing and water developments. The transitioning of these acres to working grasslands acres will require installation of grazing infrastructure as well as providing collaborate technical assistance. WGP7 will be focused on expiring CRP acres but will also be available to landowners with past CRP acres or existing CRP acres that are part of grasslands CRP.

Using expired CRP for grazing has been proven to be a beneficial option for landowners and wildlife. As a result of past successful WGP grants, there is a collective partnership of agencies and organizations familiar with how WGP works and are willing to guide landowners, exploring their options on how to transition expired CRP acres into working grasslands. These federal, state and non-profit organizations will be a critical part of creating new landowner partnerships under WGP7. WGP7 will focus on retaining grasslands from expiring 2024, 2025, and 2026 CRP contracts. By providing cost-share on livestock and bird-friendly developments, the grant has a goal of signing agreements on over 10,000 acres. This proposal is asking for OHF to provide funding for grazing system developments that include livestock water and fencing. The Trust will also provide a habitat lease only on acres expired from CRP. This would be a one-time, upfront payment that would be issued when a WGP7 agreement is signed. The habitat lease will serve as an additional incentive to keep these acres in grassland. Technical advice, such as grazing plans, will be provided by the supporting partners. Landowners are also informed about possible NDGFD PLOTS payments on land in and around the WGP7 program acres. The WGP7 aims to build on the success of previous WGP grants by continuing to enhance grassland productivity and condition, water quality, soil health, and wildlife habitat for grassland birds. Equally valuable, this will improve the sustainability and profitability of many existing livestock operations. By supporting grazing infrastructure, we believe these former CRP acres will transition into working, bird-friendly grazing lands for long-term livestock operations.

In addition to the WGP7, landowners will be informed of additional opportunities through the Meadowlark Initiative. The Meadowlark Initiative Coordinator will be an additional resource for landowners looking for other potential grassland based programs that could further enhance their ranches. The Meadowlark Initiative's focus is to help producers remain profitable and productive while supporting grassland dependent wildlife.

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 Trust will oversee and coordinate all activities associated with the WGP7 proposal. WGP7 will be offered throughout the entire state of North Dakota with priority given to projects with the most recent expired CRP acres. The Trust will develop site specific agreements with landowners which will include a map defining boundaries, planned developments, the payments amount, landowner contributions, and the Trust matching funds. All agreements will be signed and dated by the landowner and the Trust. A signed agreement by the Trust will be used to determine the level of obligated funds for the grant. The Trust will honor all signed agreements, as our organization recognizes them as legally binding documents.

The Trust will complete all program coordination from our office in Bismarck, ND. Terry Allbee, Business Manager/Biologist and Eric Rosenquist, Conservation Program Coordinator, will serve as the program coordinators. Additional Trust staff will be instrumental in the delivery of WGP7. Trust has been the grateful recipient of OHF grants in the past and is committed to the opportunity to complete the proposed activities. The Trust staff has been successful in delivering other OHF grants and has a strong track record of delivery.

The Trust will partner with the North Dakota Partners for Fish and Wildlife Program (ND PFW) and Ducks Unlimited (DU). The partners will utilize a network of conservation biologists that have strong technical skills in assisting landowners. Providing additional cultural review submissions, recommendations on technical assistance to landowners for grazing systems, assist with cost effective project designs, and on-site reviews. The ND PFW and DU have provided in-kind match to this grant proposal.

All grant funds will be paid as agreements and development activities are completed and proper documentation is supplied to the Trust. WGP7 will obligate funds through continuous enrollment, meaning there will be no batching period and funding stops when the funds are committed. The Trust will provide 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.

We worked diligently to create this diverse partnership for implementation and evaluation reasons in addition to doing optimal outreach to producers. Our partners enable “boots on the ground” contact with landowners, and the focus on developing strong local relationships sets the tone for positive results in how the program can benefit their operation and wildlife habitat. Our partners help with contract facilitation and the implementation aspects, verifying that fence and water resources are completed as prescribed and following up on grazing plans. Our administration ensures timely payments and support lines for both participating landowners and partners. More specifically, success will be measured by the number of

landowners participating and the number of acres enrolled. Furthermore WGP7 will increase conservation habitat for grassland dependent species, provide productive agricultural returns and result in satisfied landowners.

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)	Other Project Sponsor's Share	Total Each Project Expense
Grazing Systems	\$742,500.00	\$10,000.00	\$0.00	\$357,500.00	\$1,110,000.00
Habitat Leases	\$0.00	\$80,000.00	\$0.00	\$0.00	\$80,000.00
Contractual Services	\$10,000.00	\$10,000.00	\$0.00	\$0.00	\$20,000.00
Project Staffing	\$10,000.00	\$0.00	\$17,500.00	\$30,000.00	\$57,500.00
Total Costs	\$762,500.00	\$100,000.00	\$17,500.00	\$387,500.00	\$1,267,500.00

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.

Grazing Systems -This OHF grant proposal requests \$742,500 in grazing developments and landowners will provide \$357,500 in match. The grant proposal estimates that the cost-share will be split equally between fencing and water developments. The Trust will provide \$10,000 for additional developments that may not be eligible for cost-share by OHF guidelines. These may include portable equipment, portable power supply and/or other cost-share on any unique practices. Grazing Systems will consist of installing fencing and water developments on private property to be managed by livestock grazing. Fencing will follow the NRCS Office Tech Guide Allowable Cost; the full funding rate will be determined by NRCS's practice scenario amount. Funding rate will be determined by federal fiscal year when the landowner agreement is signed. The grant will provide landowners with a 60% cost-share payment on fencing. All fencing cost-share will be paid based on a rate per foot of fence and type of fence installed. Landowners will provide the remaining 40% cost-share. If a unique fencing development does not have a NRCS practice scenario rate it will be cost-shared at 60% of actual costs. Water Developments will follow the NRCS Office Tech Guide Allowable Cost;

the full funding rate will be determined by NRCS's practice scenario amount for planning purposes. The OHF grant will use 75% cost-share of these rates for agreement developments but will pay based on actual costs. The landowners will provide the remaining 25% cost-share. If the split between fence and water developments are not equal, available landowner matching funds may adjust.

Habitat Leases - The Trust will provide \$80,000 in habitat lease payments. These habitat lease payments will be available to the landowner for any CRP acres expiring in 2024, 2025 and 2026. The lease rate will be \$7.00 per acre per year, so landowners will receive a \$70/acre one-time payment for the 10 year agreement. Lease payments will be on expired/expiring CRP acres only. If the full \$100,000 is not used for habitat leases, the Trust will provide these funds for additional grazing system developments.

Contractual Services - This grant proposal is requesting \$10,000 for any additionally required contracted services for items such as cultural resources, specialized services, equipment rentals, habitat assessments, promotional services, partnership coordination meetings, and for any additional delivery and/or program monitoring. If contracted services request is not utilized during the grant period for these services, these funds would be used for additional grazing systems identified in the proposal. The Trust will provide a cash match of \$10,000 toward contracted services and/or outreach, education, support, and workshops that help landowners receive information about technical assistance. If these funds are not utilized for contracted services, the funds would be used for additional grazing system developments.

Project Staffing - This grant proposal requests \$10,000 of project staffing for the Trust from OHF. Additional staffing costs will be provided by the Trust, ND PFW and DU will be considered in-kind match based on actual costs of salary, benefits, and travel. The Trust will provide a minimum of \$17,500 of in-kind match, ND PFW will provide \$15,000 of in-kind match and DU will provide \$15,000 of in-kind match. Staffing activities includes all activities to complete program promotion and outreach, meeting with landowners, providing technical assistance, completing landowner agreements, partnering with state, federal, local, and nongovernmental organizations, processing payments, providing agreement monitoring, and completing all grant administration.

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.

WGP7 will only be available to private landowners. The WGP7 is a completely voluntary project that will focus on increasing wildlife habitat, increasing agricultural productivity and improving soil health. It is our vision in this proposal that landowners will select options to fit their farming/ranching operational goals by providing a modest cost-share and that these activities will be retained long after the WGP7 agreement has ended. When the partnership of OHF, conservation organizations, and private landowners can be completed with working grasslands, it is a win for every citizen in our state.

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

The Trust is very grateful for past Working Grassland Partnership grant funding. We feel these funds have made a difference in agricultural operations of private landowners in North Dakota. The Trust thanks the OHF Advisory Board for considering our WGP7 proposal. This request for \$762,500 of OHF funds with an additional \$505,000 in match is very important for participating landowners. If the OHF Advisory Board recommends a reduction in funding from the original proposal, this will result in a lower number of agreements with landowners, a smaller number of acres achieved, and a reduction in the amount of cash and in-kind match provided by the Trust, ND PFW, DU, and landowners.

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 WGP7 funds will be placed on private lands. All landowners will be informed of the OHF funding sources. OHF logo will be on all landowner agreements on the first page at the very top. If any signs are placed at project locations, it will include the OHF logo. All WGP7 distributed information for outreach and/or media will identify OHF as a funding source. Additionally, all presentations or discussions to partners and/or other organizations will acknowledge OHF as a funding source.



Dakota Prairie Legacy Initiative website showing Working Grassland Partnership

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



INDUSTRIAL COMMISSION OF NORTH DAKOTA

NORTH DAKOTA TRANSMISSION AUTHORITY

Governor
Doug Burgum
Attorney General
Drew H. Wrigley
Agriculture Commissioner
Doug Goehring

November 5, 2024

Stutsman County Auditor
511 2nd Ave SE Suite 102
Jamestown, ND 58401

RE: Stutsman County Zoning Ordinance – Setback of Electric, Gas or Liquid Transmission Infrastructure

The North Dakota Transmission Authority (NDTA) was created by the North Dakota Legislative Assembly in 2005 at the request of the North Dakota Industrial Commission. The NDTA's mission is to facilitate the development of transmission infrastructure in North Dakota. The NDTA was established to serve as a catalyst for new investment in transmission by facilitating, financing, developing and/or acquiring transmission to accommodate energy development. The NDTA is the builder of last resort, meaning private business has the first opportunity to invest in and/or build electric transmission lines.

As such, the NDTA has a keen interest in public policy impacting transmission planning, construction, and operation. The NDTA's interest is that adequate transmission infrastructure is built/maintained so that the electric grid has ample capacity and proper access to maintain a reliable and resilient electric grid. Stutsman County's proposed setbacks of 2,600 feet from inhabited residences for electric, gas and liquid transmission lines is concerning for constructability, cost burdens on consumers, maintenance, energy independence, grid reliability and economic development.

Constructability: Even though North Dakota is a very rural state, setbacks of 2,600 feet from rural residences will create difficulty in locating transmission infrastructure. Utilities and landowners have a long history working together to plan and locate infrastructure so that lines are located to provide consumer safety, uniformly set (straight lines are preferred), with the least disruption to production agriculture and located so that access for maintenance is efficient. From a utility maintenance perspective, lines located along good roads facilitates the movement of large utility repair crews, especially important for storm restoration work. Construction of transmission line turns/corners adds a tremendous cost and exposure to projects, costs that are ultimately paid for by the consumers of electricity in North Dakota.

Cost Burdens on Consumers: Electric transmission construction is costly. From a pure cost perspective, the shortest distance from beginning to end would be the least expensive. While a straight line would be utopic, any effort to safely locate transmission line with minimal turns, guy wires, and corners will minimize cost of construction, exposure to weather events and ongoing maintenance costs.

Transmission Line Maintenance: Like other construction and agricultural equipment, utility line maintenance equipment is larger and heavier than ever before. The modern equipment enables utilities to repair and maintain the transmission lines more efficiently and effectively. Because of this equipment size, access to transmission infrastructure from township, county and state roads facilitates efficient and expeditious restoration and maintenance. The proposed setback of 2,600 feet would likely place transmission lines on minimum maintenance roads; creating difficulty in access and ultimately adding to restoration time and costs.

Energy Independence: North Dakota is fortunate to be an energy rich state. North Dakota has been a leader in mine-mouth coal electric generation, has developed significant wind energy farms and is a leader in oil & gas recovery. More recently, North Dakota has recognized great geology potential for carbon capture, an industry that could unlock significantly more oil/gas production.

In an unstable geo-political environment, these resources are more and more valuable to our nation's energy independence. From a more local perspective, the energy sector provides over 50% (and growing) of the state's tax revenue collections. While North Dakotans work to grow industry within the state to capitalize on the energy availability, North Dakota will remain an exporter of electricity, oil, and gas. Export capacity ultimately means more pipelines and more transmission lines, a good thing for North Dakota and our nation.

Grid Reliability: As we grow to depend more upon technology, the reliability of the grid is increasingly important for the safety and well being of our population. We've experienced cell phone interruptions in this fall, creating havoc for users. Grid interruptions go far beyond disrupting comfort and convenience – they are economically damaging and life threatening. . Businesses are unable to sell a carton of milk or a pair of gloves if the power is out. Moreover, many of our elderly are dependent on health care equipment that requires power. Expanding and upgrading electric transmission backbone is vital for grid reliability...and locating and constructing the lines efficiently will yield long-term maintenance benefits.

More specifically, the 345kV **JETx** transmission project from Jamestown to Ellendale will create a “345kV transmission loop”. This looped system vastly improves the grid reliability for the City of Jamestown and surrounding area. Should a storm/fault impact the line, the power flow can come from the opposite direction.

Economic Development: Stutsman County has a long history of aggressive economic development from aerospace manufacturing and ag processing to data processing. Stutsman County is positioned well for further development. The automation of agriculture, automation of processing/manufacturing, smarter vehicles, and our insatiable appetites for information/data on our personal phones is driving data processing/AI demand. Further development, whether ag or data processing will require more electrical and natural gas capacity.

In conclusion, Stutsman Count's proposed setbacks of 2,600 feet from inhabited residences for electric, gas, and liquid transmission lines will be detrimental to constructability, affordability, maintenance, energy independence, grid reliability, and economic development and this proposal should be reconsidered. Utilities have had a long history of working closely with landowners to locate facilities thoughtfully for the safety and well-being of the community with cost awareness following.

Sincerely,

Claire Vigesaa

**NOTICE OF PUBLIC COMMENT PERIOD FOR PROPOSED
STUTSMAN COUNTY ZONING ORDINANCE CHANGES**

Notice is hereby given that the Stutsman County Commission will receive written comments on proposed amendments to the Stutsman County Zoning Ordinance regarding electric, gas and liquid transmission lines. Written comments will be accepted via US Mail postmarked on or before November 15, 2024, addressed to Stutsman County Auditor, 511 2nd Ave SE, Ste 102, Jamestown, ND 58401. Hand delivered written comments will also be accepted until 5:00 p.m. on November 15, 2024, at the Stutsman County Auditor's Office, 511 2nd Ave SE, Jamestown, North Dakota. Email and telephonic comments will be rejected. A copy of the proposed Zoning Ordinance changes can be obtained at the Stutsman County Auditor's Office.

Jessica Alonge
Auditor/COO

Publish October 5, October 12, October 19, October 26

SECTION 3.1 ZONING DISTRICTS ESTABLISHED

Stutsman County is hereby divided into zoning districts for purposes of controlling the use of lands and structures as authorized by Section 11-03-02 of the NDCC. Said districts shall be known as:

- A - Agricultural Zone
- RR - Rural Residential Zone
- RC - Residential Community Zone
- C - Commercial Zone
- I - Industrial Zone
- R/O - Recreation/Open Space Zone

The zoning districts as described in this ordinance shall be mapped. Said maps shall be known as the Stutsman County Zoning Map, shall have attached or be filed with all materials necessary for the interpretation of the maps, shall have date of adoption and date of each amendment to the map printed on the map and shall be on file in the office of the County Auditor.

SECTION 3.2 AGRICULTURAL DISTRICT (A)

The intent and purpose of the A Zone is to allow and encourage the use of land so designated for agricultural purposes and to discourage those uses that might interfere with or be detrimental to carrying out agricultural practices. Further, the provisions of this district are set forth to provide for other low density uses which do not place unreasonable demands upon rural public services and are in consonance with the orderly and efficient development of the social, economic and physical environs of Stutsman County.

Permitted Uses

1. All types of farming and ranching operations including the raising of livestock and the raising, harvesting and selling of crops, forest products, dairy products, poultry and poultry products;
2. Truck gardening, apiaries, greenhouses, fur farming and the sale of only those garden, apiary, greenhouse and fur products which have been grown on the premises;
3. Public and private conservation/recreation areas;
4. Churches, cemeteries, public, private and parochial schools, subject to the setback requirements detailed below;
5. Animal hospitals or clinics;
6. Single-family non-farm residences on lots being subject to the requirements detailed in the A Zoning District Regulations presented below;
7. Community halls(publicly owned);
8. Communication towers, ~~lines~~ **structures**, and equipment
9. Commercial surface and subsurface mineral extraction, including sand, gravel, fill, and preparation activities, used in the construction or maintenance of public roads.

Conditional Uses

The following uses may be permitted in the A Zone subject to the granting of the Conditional Use

Permit:

1. Livestock sales arenas, livestock feedlots and slaughterhouses as previously defined, provided that: no livestock sales arenas, feedlot or slaughterhouse shall be located within 2,640 feet of any natural surface water body that contains water on an average of more than two months of any given year;
2. Commercial dog kennels;
3. Commercial grain elevators;
4. Water treatment facilities, sewage lagoons and sediment ponds, provided that: written proof that all proposed water treatment facilities, sewage lagoons and sediment ponds meet or exceed the approval criteria set forth by any and all North Dakota state agencies or officials shall be required prior to approval of a Conditional Use Permit for such use. Said written proof shall be signed by the acting agency director or official or his/her authorized representative;
5. Sanitary landfills, solid waste disposal facilities and hazardous waste deposition and/or storage sites, provided that: solid waste disposal facilities as regulated by this section shall include all facilities for the incineration or disposal of solid waste or solid waste residue which are required to be permitted under statute or rule by the North Dakota Department of Health and Consolidated Laboratories. Hazardous waste deposition and/or storage facilities as regulated by this section shall include all facilities for the disposal or storage of hazardous waste which are required to be permitted under statute or rule by the North Dakota Department of Health and Consolidated Laboratories. Written proof that all proposed sanitary landfills solid waste disposal facilities and hazardous waste deposition and/or storage sites meet or exceed the approval criteria set forth by any and all North Dakota state agencies or officials shall be required prior to approval of a Conditional Use Permit for such use. Said written proof shall be signed by the acting agency director or official or his/her authorized representative. A solid waste disposal facility or a hazardous waste deposition and/or storage site may be allowed in any "A" Agricultural Zone as a conditional use provided:
 - a. It is located at least one-half (½) mile from any residence or residentially zoned area unless written approval is obtained from the owner of any residence within this area.
 - b. It is continuously licensed and approved by the State Health Department as to location and operation.
 - c. There is no substantive evidence that the facility will endanger the public health or the environment.
 - d. The Conditional Use Permit will be valid for a period of time set by the Board of County Commissioners. For the permit to be approved sixty percent (60%) of all property owners within one-half (½) mile of the proposed location must approve of the proposed facility.
6. Oil and/or gas production, extraction and drilling provided that: any lubricants, anti-corrosives or other foreign substances used in or resulting from the drilling of oil and/or gas wells which are not consumed in the actual drilling process shall not be disposed of at nor near the drilling site. Said substances shall be disposed of in an existing approved sanitary landfill or retained by the driller. Any water emerging from sub-glacial-drift aquifers during drilling and/or extraction of oil and/or gas shall not be applied to surrounding land nor allowed to enter surface waters;
7. Governmental administrative, maintenance and research facilities;

8. Commercial surface and subsurface mineral extraction not used for public road projects.
9. Airports
10. Campgrounds, seasonal recreational camps, commercial stables, gun clubs, and recreational resorts;
11. Wrecking, junk, and salvage yards;
12. **Electric transmission lines with a design in excess of 115 kilovolts and at least one mile long;**
13. **Gas or liquid transmission lines with a pipeline that has an outside diameter in excess of 4 ½ inches and at least one mile long.**

A Zone District Regulations

1. Single family non-farm residences shall be located on lots of not less than five acres and no more than one such lot or residence may be situated on any legal quarter-quarter section located in the A Zone;
2. Minimum setback of non-farm structure shall be 100 feet from any public road right-of-way and 50 feet from any lot line of any lot of record. **Setbacks for electric, gas, & liquid transmission lines are to be 2,600 feet from an inhabited rural residence.**
3. Minimum setback of any non-farm vegetation exceeding 48 inches in height which is left standing after November 1st of any year shall be 100 feet from any public right-of-way.
4. For commercial surface and subsurface mineral extraction, including sand, gravel, fill, and preparation activities, the following regulations are required prior to issuance of a zoning permit:
 - It is required to have all road haul agreements in place with the appropriate jurisdictions, if required by those jurisdictions.
 - Dust control measures must be used around structures that are legally inhabited or in use at the time the permit application is submitted.
 - Minimum setback of one half (1/2) mile from any structures that are legally inhabited or in use at the time the permit application is submitted. For any structures within the ½ mile setback, a waiver from the property owner(s) and/or leaseholder(s) will be required.

SECTION 3.3 RURAL RESIDENTIAL (RR) ZONE

The intent and purpose of the RR Zone is to allow the development of moderate-density residential areas in a manner that does not interfere with normal farming and business activities and is not unduly destructive to the infrastructure or environment of Stutsman County.

Permitted Uses

1. Agricultural;
2. One and two family residences;
3. Schools, churches and cemeteries;
4. Public parks, playgrounds and open spaces;
5. Community meeting halls.

Conditional Uses

1. Medical care facilities and nursing homes;
2. Mobile home courts, provided that the provisions of Section 2.3 are met;
3. Animal hospitals or clinics;
4. Commercial dog kennels;
5. Government administrative, maintenance or research facilities;
6. Campgrounds;
7. Water treatment facilities, sewage lagoons and sediment ponds provided that: written proof that all water treatment facilities, sewage lagoons and sediment ponds meet or exceed the approval criteria set forth by any and all North Dakota State agencies or officials shall be required prior to approval of a Conditional Use Permit for such use. Said written proof shall be signed by the acting agency director or official or his/her authorized representative.
8. **Electric transmission lines with a design in excess of 115 kilovolts and at least one mile long;**
9. **Gas or liquid transmission lines with a pipeline that has an outside diameter in excess of 4 ½ inches and at least one mile long.**

RR Zone District Regulations

1. The minimum size of a RR District shall be 10 acres;
2. Minimum lot size shall be 20,000 square feet for lots served by public water or sewer and 1 acre for lots not served by public water or sewer;
3. Minimum setback of any structure shall be: 100 feet from any right-of-way & 50 feet from any lot line; **Setbacks for electric, gas, & liquid transmission lines are to be 2,600 feet from an inhabited rural residence.**
4. Any structure exceeding 35 feet in height shall require a Conditional Use Permit, with the exception of metal towers such as windmills and antennas;
5. The maximum intensity of buildings or other structures on any lot shall be 30% of the lot area;
6. Any two family residential structures shall include off-street parking space for at least two full size automobiles;
7. Points of ingress and egress from any public road shall be limited to one per 1/4 mile in or from any RR Zone properties. A frontage road shall be constructed as necessary to allow access to public roads via the allowable points of ingress and egress;
8. Minimum setback of any non-farm vegetation exceeding 48 inches in height which is left standing after November 1st of any year shall be 100 feet from any public right-of-way.

SECTION 3.4 RESIDENTIAL COMMUNITY ZONE (R-C)

The intent and purpose of the R-C Zone is to preserve the integrity and character of rural residential areas and incorporated or unincorporated cities and small towns in Stutsman County.

Permitted Uses

1. Agriculture, excluding the keeping of livestock;

2. Single -family residences;
3. Multi-family residences containing four units or less;
4. Schools, churches, cemeteries;
5. Public parks, playgrounds and open spaces;
6. Community and meeting halls;
7. Medical care facilities and nursing homes;
8. Mobile home courts, provided the provisions of Section 2.3 are met.

Conditional Uses

1. Campgrounds;
2. Keeping of livestock on lots of 30,000 square feet or more;
3. Water treatment facilities, sewage lagoons and sediment ponds provided that: written proof that all proposed water treatment facilities, sewage lagoons and sediment ponds meet or exceed the approval criteria set forth by any or all North Dakota State agencies or officials shall be required prior to approval of a Conditional Use Permit for such use. Said written proof shall be signed by the acting agency director or official or his/her authorized representative.
4. **Electric transmission lines with a design in excess of 115 kilovolts and at least one mile long;**
5. **Gas or liquid transmission lines with a pipeline that has an outside diameter in excess of 4 ½ inches and at least one mile long.**

R/C Zone District Regulations

1. The minimum size of an R/C District shall be 40 acres;
2. Minimum lot size shall be 5,000 square feet for lots served by public water or sewer and 20,000 square feet for lots not served by public water or sewer;
3. Minimum setback of any structure shall be: 25 feet from any public right-of-way, 10 feet from any lot line; **Setbacks for electric, gas, & liquid transmission lines are to be 2,600 feet from an inhabited rural residence.**
4. Any structure exceeding 35 feet in height shall require a Conditional Use Permit with the exception of metal towers such as windmills and antennas;
5. The maximum intensity of buildings or other structures on any lot shall be 40% of the lot area;
6. Any two or more family residential structures shall include off-street parking space for at least one full-size automobile per housing unit.

SECTION 3.5 COMMERCIAL (C) ZONE:

The intent and purpose of the C Zone is to provide areas in the county in which commercial sales and service establishments may be situated such that they compliment the surrounding land uses, economy and social structure.

Permitted Uses

1. Agriculture, including any permitted use in an A Zone, as listed in Section 3.2;
2. Retail business;
3. Auction houses or stores, excluding livestock sales;

4. Automobile, motorized vehicle, boat, motor home and implement sales, including repair and storage facilities;
5. Business, professional and government offices;
6. Repair shops, upholstery shops, auto body shops and equipment retail shops;
7. Hotels, motels and seasonal campgrounds less than one acre in size;
8. Lodges, clubs, fraternal and community meeting halls;
9. Warehousing, not to include any outside storage;
10. Fabrication and manufacturing enterprises occupying not more than 100,000 square feet of floor space;
11. Commercial eating and drinking establishments;
12. Race tracks, drive-in theaters, movie houses, gun clubs, carnivals, circuses and other similar entertainment enterprises;
13. Animal hospitals or clinics;
14. Governmental research or maintenance facilities;
15. Communication towers, lines, equipment, maintenance facilities and offices.

Conditional Uses

1. Residential dwellings of not more than four housing units;
2. Commercial dog kennels;
3. Medical care facilities and nursing homes;
4. Water treatment facilities, sewage lagoons and sediment ponds provided that: written proof that all water treatment facilities, sewage lagoons and sediment ponds meet or exceed the approval criteria set forth by any and all North Dakota state agencies or officials shall be required prior to approval of a Conditional Use Permit for such use. Said written proof shall be signed by the acting agency director or official or his/her authorized representative.
5. **Electric transmission lines with a design in excess of 115 kilovolts and at least one mile long;**
6. **Gas or liquid transmission lines with a pipeline that has an outside diameter in excess of 4 ½ inches and at least one mile long.**

C Zone District Regulations

1. Minimum lot size shall be 20,000 square feet for lots served by public water and sewer and 1 acre for lots not served by public water and sewer;
2. Minimum setback of any structure shall be 100 feet from any public road right-of-way and 10 feet from any lot line; **Setbacks for electric, gas, & liquid transmission lines are to be 2,600 feet from an inhabited rural residence.**
3. Any structure exceeding 35 feet in height shall require a Conditional Use Permit, with the exception of metal towers such as windmills and antennas;
4. Off-street parking shall be provided at the minimum rate of 2 spaces per management employee on the premises;
5. All loading docks, truck bays, etc., shall be located in such a manner that no public right-of-way is wholly or partially blocked during normal cargo loading or unloading procedures;
6. Minimum setback of any non-farm vegetation exceeding 48 inches in height which is left standing after November 1st of any year shall be 100 feet from any public road right-of-way.

SECTION 3.6 INDUSTRIAL (I) ZONE

The intent and purpose of the I Zone is to allocate specific locations for large-scale manufacturing, processing and/or related enterprises where such enterprises may utilize natural and manmade resources to their benefit while imposing minimal adverse effects on surrounding uses.

Permitted Uses

1. Agriculture;
2. Processing of food, fiber, agricultural products, petroleum and mineral resources;
3. Manufacturing and fabrication enterprises;
4. Railroad yards, including maintenance, storage, repair facilities, and offices;
5. Communication towers, ~~lines~~, **structures**, equipment, maintenance facilities, and offices
6. Water treatment facilities, sewage lagoons and sediment ponds, provided that: written proof that all water treatment facilities, sewage lagoons and sediment ponds meet or exceed that approval criteria set forth by any and all North Dakota state agencies or officials shall be required prior to approval of a Conditional Use Permit for such use. Said written proof shall be signed by the acting agency director or official or his/her authorized representative;
7. Rock, sand or gravel excavation, crushing and handling;
8. Truck and freight terminals, warehousing, bulk terminals involving dry, liquid and gaseous substances;
9. Concrete and concrete product plants.

Conditional Uses

1. Single-family residential dwellings;
2. Temporary work camps, provided that: such camps shall provide occupancy only for those persons directly involved in the construction of industrial facilities during such construction. No such camp shall be in existence for more than 18 months. All such camps must be approved prior to occupancy by the County Sanitarian;
3. Electrical generation facilities with greater than five megawatts (5 MW) rate output;
4. Livestock slaughter and meat processing operations, provided that: written proof shall be provided to the Stutsman County Planning and Zoning Commission that any livestock slaughter and/or meat processing operations meet or exceed State Health Department standards and are approved by the County Sanitarian shall be furnished prior to commencement of any such operations;
5. Wrecking, junk and salvage yards;
6. **Electric transmission lines with a design in excess of 115 kilovolts and at least one mile long;**
7. **Gas or liquid transmission lines with a pipeline that has an outside diameter in excess of 4 ½ inches and at least one mile long.**

1. All enterprises in the I Zone shall comply with all regulatory and legislative requirements set forth by any and all federal, state and local government agencies and offices. Written verification of such compliance shall be submitted to the Stutsman County Planning and Zoning Commission prior to commencement of operations in an I Zone.
2. Minimum lot size in I Zone shall be 25,000 square feet;
3. Minimum setback shall be 50 feet from any lot line and 100 feet from any public road right-of-way; **Setbacks for electric, gas, & liquid transmission lines are to be 2,600 feet from an inhabited rural residence.**
4. Minimum setback of any non-farm vegetation exceeding 48 inches in height which is left standing after November 1st of any year shall be 100 feet from any public road right-of-way

SECTION 3.7 RECREATION/OPEN SPACE (R/O) ZONE

The intent and purpose of the R/O Zone is to encourage the conservation of public and private lands to be used for outdoor recreation and to preserve natural features and wildlife habitat.

Permitted Uses

1. Agriculture;
2. Harvesting of natural crops;
3. Raising of game animals, fowl and fish;
4. Public parks, recreation areas, playgrounds, picnic areas and natural preserves;
5. Flood water management structures;
6. Historical structures and monuments;
7. Structures and facilities used directly for the administration and/or management of lands in the R/O district.
8. **Electric transmission lines with a design in excess of 115 kilovolts and at least one mile long;**
9. **Gas or liquid transmission lines with a pipeline that has an outside diameter in excess of 4 ½ inches and at least one mile long.**

Conditional Uses

1. Residential dwellings, either seasonal or permanent;
2. Commercial retail businesses related to recreation, such as marinas, bait shops and souvenir shops;
3. Private docks, ramps and boat houses;
4. Campgrounds.



Financial Statements
June 30, 2024 and 2023

North Dakota Student Loan Trust

NORTH DAKOTA STUDENT LOAN TRUST

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Independent Auditor's Report

Governor of North Dakota
and the Legislative Assembly
State of North Dakota
Bismarck, North Dakota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the North Dakota Student Loan Trust (the Trust), an enterprise fund of the State of North Dakota, as of and for the years ended June 30, 2024 and 2023, and the related notes to the 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 Trust, as of June 30, 2024 and 2023, and the respective changes in its financial position, and cash flows thereof for the years 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Trust, 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 Trust are intended to present the financial position, the changes in financial position and cash flows of only that portion of the State of North Dakota that is attributable to the transactions of the Trust. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2024 and 2023, and the changes in its financial position, or, where applicable, 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 the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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 judgment 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 Trust'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.

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 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 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 GAAS, 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 comprise the Trust. The combining statements of net position and combining statements of revenues, expenses, and changes in net position are presented for purposes of additional analysis and are 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 combining statements of net position and combining statements of revenues, expenses, and changes in net position are fairly stated, in all material respects, in relation to the basic 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 September 11, 2024 on our consideration of the Trust'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 Trust'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 Trust's internal control over financial reporting and compliance.



Bismarck, North Dakota
September 11, 2024

NORTH DAKOTA STUDENT LOAN TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024, 2023, and 2022
(In Thousands)

The discussion and analysis of the financial performance of the North Dakota Student Loan Trust (Trust) that follows is meant to provide additional insight into the Trust's activities for the years ended June 30, 2024, 2023, and 2022. Please read it in conjunction with the Trust's financial statements and footnotes, which are presented within this report.

FINANCIAL HIGHLIGHTS:

Section 54-17-24 of the North Dakota Century Code authorized the establishment of the North Dakota Student Loan Trust. On June 27, 1979, the Commission adopted the North Dakota Student Loan Revenue Bonds General Bond Resolution establishing the North Dakota Student Loan Trust fund. On June 19, 1996, the Commission adopted the Second General Bond Resolution and the First Supplemental Resolution to the North Dakota Student Loan Revenue Bonds - Second General Bond Resolution. The purpose of the Trust is to provide loans to students in post-secondary education. The Trust acquires eligible loans insured or guaranteed, respectively, by the United States government or the North Dakota Guaranteed Student Loan Program. All guaranteed loans and the collections and earnings therefrom are pledged as collateral to the outstanding bonds of the respective trusts.

DEAL loans are available at either a fixed rate or a variable rate with the rates being adjusted quarterly. As of June 30, 2024, the fixed rate was 6.66% and the variable rate was 6.83%. As of June 30, 2023, the fixed rate was 6.29% and the variable rate was 6.44%. As of June 30, 2022, the fixed rate was 4.78% and the variable rate was 2.38%.

The Trust 2024 statement of net position indicates that the Trust continues to have adequate resources to provide for bond repayment and continuing operations. There are \$1,803 of current assets available to meet the next fiscal year's obligations of approximately \$6. The net loss in the statement of revenues, expenses, and changes in net position is a result of the changing rate environment.

REQUIRED FINANCIAL STATEMENTS:

The management discussion and analysis is intended to serve as an introduction to the Trust's financial statements. The Trust is accounted for utilizing fund accounting and includes the requirements of 1) the General Bond Resolution Fund and 2) the Second General Bond Resolution Fund. Note 1 to the financial statements provides a description of the organization, funds and significant accounting policies. The financial statements of the Trust provide accounting information similar to that of many other business entities. The Statement of Net Position summarizes the assets and liabilities, with the difference between the two reported as net position. It also serves as the basis for analysis of the soundness and liquidity of the Trust. The Statement of Revenues, Expenses and Changes in Net Position summarizes the Trust's operating performance for the year. The Statement of Cash Flows summarizes the flow of cash through the Trust as it conducts its business

NORTH DAKOTA STUDENT LOAN TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024, 2023, and 2022
(In Thousands)

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS - UNRESTRICTED		
Due from other state agencies	\$ 5	\$ 7
Interest receivable	<u>2</u>	<u>1</u>
Total unrestricted current assets	<u>7</u>	<u>8</u>
CURRENT ASSETS - RESTRICTED		
Cash	743	713
Investments	1,000	1,000
Student loans receivable	<u>53</u>	<u>59</u>
Total restricted current assets	<u>1,796</u>	<u>1,772</u>
NONCURRENT ASSETS - UNRESTRICTED		
Student loans receivable	<u>388</u>	<u>434</u>
Total assets	<u><u>\$ 2,191</u></u>	<u><u>\$ 2,214</u></u>

NORTH DAKOTA STUDENT LOAN TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024, 2023, and 2022
(In Thousands)

Significant Statement of Net Position Changes

Total assets of the Trust decreased (\$23) in 2024, primarily due to the decrease in loans receivable. Total assets of the Trust decreased (\$20) in 2023, primarily due to the decrease in loans receivable. Total assets of the Trust increased \$12 in 2022, primarily due to interest earned on student loans.

There were no new bonds issued in 2024, 2023, or 2022. No principal payments were made during the fiscal years ended June 30, 2024, 2023, or 2022.

Cash, Cash Equivalents and Investments

Trust cash, cash equivalents and investments, which are included in restricted assets, are restricted for the debt service of bond issues for the General Bond Resolution and Second General Bond Resolution purposes listed in Note 1 to the financial statements.

Trust cash, cash equivalents and investments, which are included in unrestricted assets, are unrestricted within the Trust for the overall uses of the General Bond Resolution and Second General Bond Resolution purposes listed in Note 1 to the financial statements.

Student Loans Receivable

The student loans receivable are included in current and noncurrent assets of the statement of net position. As of June 30, 2024, all student loans are insured by the North Dakota Guaranteed Student Loan Program (GSL). All guaranteed loans and the collections and earnings therefrom are pledged as collateral to the outstanding bonds of the respective trusts. Additional discussion can be found in Notes 1 and 4 to the financial statements.

Appropriation Payable

North Dakota Legislature did not pass any legislation impacting the Trust in the 2021 or 2023 sessions.

Bonds Payable

The Trust has issued bonds in order to facilitate the purchase of student loans. The bonds payable are included in the current and noncurrent liabilities of the preceding statement. The bonds are direct obligations of the Trust and are secured by student loans purchased under the applicable resolutions, interest earnings and certain accounts established pursuant to the applicable bond resolutions. Note 5 to the financial statements provides a detailed listing of all the bonds outstanding.

Net Position

The Restricted Net Position of the North Dakota Student Loan Trust is restricted by bond resolutions for the repayment of bond interest and principal. Monies held in surplus accounts can be used to redeem or purchase bonds, finance student loans, or upon certification from the Industrial Commission of North Dakota, fund a guarantee agency's guarantee program.

NORTH DAKOTA STUDENT LOAN TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024, 2023, and 2022
(In Thousands)

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024, 2023, AND 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
OPERATING REVENUES			
Interest on student loans	\$ 27	\$ 30	\$ 35
Total operating revenues	<u>27</u>	<u>30</u>	<u>35</u>
OPERATING EXPENSES			
Interest	61	46	10
Service fees	4	4	5
Other	10	10	10
Total operating expenses	<u>75</u>	<u>60</u>	<u>25</u>
OPERATING INCOME (LOSS)	(48)	(30)	10
NONOPERATING REVENUE	<u>25</u>	<u>7</u>	<u>1</u>
CHANGE IN NET POSITION	(23)	(23)	11
NET POSITION, BEGINNING OF YEAR	<u>1,208</u>	<u>1,231</u>	<u>1,220</u>
NET POSITION, END OF YEAR	<u>\$ 1,185</u>	<u>\$ 1,208</u>	<u>\$ 1,231</u>

Note 1 to the financial statements contains discussion of several of the various operating revenue and expense items pertaining to the Trust.

Transfers

No transfers were made during the fiscal years 2024, 2023, and 2022.

**NORTH DAKOTA STUDENT LOAN TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024, 2023, and 2022
(In Thousands)**

ECONOMIC FACTORS AND FUTURE OUTLOOK

There was no legislation impacting the Trust during the 2021 or 2023 Legislative Sessions. The Trust continues to have adequate cashflow from student loan repayments to meet its future obligations.

CONTACTING THE NORTH DAKOTA STUDENT LOAN TRUST'S FINANCIAL MANAGEMENT

The information in this report is intended to provide the reader with an overview of the Trust's operations along with the Trust'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 Industrial Commission, North Dakota Student Loan Trust, 600 East Boulevard Avenue, Department 405, Bismarck, ND 58505-0840.

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NORTH DAKOTA STUDENT LOAN TRUST
STATEMENTS OF NET POSITION
JUNE 30, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS - UNRESTRICTED		
Due from other state agencies	\$ 5	\$ 7
Interest receivable	<u>2</u>	<u>1</u>
Total unrestricted current assets	<u>7</u>	<u>8</u>
CURRENT ASSETS - RESTRICTED		
Cash	743	713
Investments	1,000	1,000
Student loans receivable	<u>53</u>	<u>59</u>
Total restricted current assets	<u>1,796</u>	<u>1,772</u>
NONCURRENT ASSETS - UNRESTRICTED		
Student loans receivable	<u>388</u>	<u>434</u>
Total assets	<u><u>\$ 2,191</u></u>	<u><u>\$ 2,214</u></u>

NORTH DAKOTA STUDENT LOAN TRUST
STATEMENTS OF NET POSITION – Page 2
YEARS ENDED JUNE 30, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Due to other state agencies	\$ 5	\$ 5
Accrued fees payable - related party	<u>1</u>	<u>1</u>
Total current liabilities	<u>6</u>	<u>6</u>
NONCURRENT LIABILITIES		
Bonds payable	<u>1,000</u>	<u>1,000</u>
Total noncurrent liabilities	<u>1,000</u>	<u>1,000</u>
Total liabilities	<u>1,006</u>	<u>1,006</u>
NET POSITION		
Restricted for debt service	796	772
Unrestricted	<u>389</u>	<u>436</u>
Total net position	<u>1,185</u>	<u>1,208</u>
Total liabilities and net position	<u>\$ 2,191</u>	<u>\$ 2,214</u>

NORTH DAKOTA STUDENT LOAN TRUST
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Interest on student loans	\$ 27	\$ 30
Total operating revenues	<u>27</u>	<u>30</u>
OPERATING EXPENSES		
Interest	61	46
Service fees	4	4
Administration fees	-	1
Bond related expenses	<u>10</u>	<u>9</u>
Total operating expenses	<u>75</u>	<u>60</u>
OPERATING (LOSS)	(48)	(30)
NONOPERATING REVENUE		
Investment income	<u>25</u>	<u>7</u>
CHANGE IN NET POSITION	(23)	(23)
NET POSITION, BEGINNING OF YEAR	<u>1,208</u>	<u>1,231</u>
NET POSITION, END OF YEAR	<u>\$ 1,185</u>	<u>\$ 1,208</u>

NORTH DAKOTA STUDENT LOAN TRUST
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Receipts of student loan repayments	\$ 75	\$ 87
Payments to state agency service providers	(5)	(5)
Payments to other service providers	<u>(10)</u>	<u>(9)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>60</u>	<u>73</u>
NON-CAPITAL FINANCING ACTIVITIES		
Bond interest payments	<u>(61)</u>	<u>(43)</u>
NET CASH USED FOR NON-CAPITAL FINANCING ACTIVITIES	<u>(61)</u>	<u>(43)</u>
INVESTING ACTIVITIES		
Investment interest received	25	6
Purchase of investment securities	(2,000)	(2,000)
Proceeds from sale of loans	6	-
Proceeds from sale and maturity of investment securities	<u>2,000</u>	<u>2,000</u>
NET CASH FROM INVESTING ACTIVITIES	<u>31</u>	<u>6</u>
NET CHANGE IN CASH	30	36
CASH, BEGINNING OF YEAR	<u>713</u>	<u>677</u>
CASH, END OF YEAR	<u><u>\$ 743</u></u>	<u><u>\$ 713</u></u>

NORTH DAKOTA STUDENT LOAN TRUST
STATEMENTS OF CASH FLOWS – Page 2
YEARS ENDED JUNE 30, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM/USED FOR OPERATING ACTIVITIES		
Operating (loss)	\$ (48)	\$ (30)
Reclassification of interest expense to other activities	61	44
Changes in assets and liabilities		
Student loans receivable	46	55
Due from other state agencies	2	2
Interest receivable	(1)	(1)
Due to other state agencies	-	4
Accrued fees payable - related party	-	(1)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 60</u>	<u>\$ 73</u>

NORTH DAKOTA STUDENT LOAN TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023
(In Thousands)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Section 54-17-24 of the North Dakota Century Code authorized the establishment of the North Dakota Student Loan Trust (Trust). On June 27, 1979, the Commission adopted the North Dakota Student Loan Revenue Bonds General Bond Resolution establishing the North Dakota Student Loan Trust fund. On June 19, 1996, the Commission adopted the Second General Bond Resolution and the First Supplemental Resolution to the North Dakota Student Loan Revenue Bonds - Second General Bond Resolution. The purpose of the Trust is to provide loans to students in post-secondary education. The Trust acquires eligible loans insured or guaranteed, respectively, by the United States government or the North Dakota Guaranteed Student Loan Program. All guaranteed loans and the collections and earnings therefrom are pledged as collateral to the outstanding bonds of the respective trusts.

Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*, the Trust should include all component units over which the Trust 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 financial burdens on the Trust.

Based on that criteria, no organizations were determined to be part of the reporting entity. The Trust is included as part of the primary government in the State of North Dakota's reporting entity as an enterprise fund.

Accounting Standards and Adoptions of Accounting Policies

The Trust follows the pronouncements of the Governmental Accounting Standards Board, which is the nationally accepted standard setting body for establishing generally accepted accounting principles for governmental entities.

Fund Accounting

The North Dakota Student Loan Trust is accounted for as an enterprise fund and uses the accrual basis of accounting. The fund is set up in accordance with the authorizing act, the bond resolutions and indenture. The fund consists of the First General Bond Resolution Fund, which includes the 2004 A student loan revenue bonds and the Second General Bond Resolution Fund. Proceeds of bonds are recorded in the fund and used to provide student loans to eligible students. The bond resolutions require the establishment of certain accounts and sub-accounts. Bond proceeds that are deposited in these accounts are invested in qualifying investments. Interest income, interest expense, special allowance and interest subsidy, and gain on redemption of bonds are recorded in this fund in accordance with the bond resolutions.

NORTH DAKOTA STUDENT LOAN TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023
(In Thousands)

Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All enterprise funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the Trust are included on the statement of net position. Net position is segregated into restricted and unrestricted components. The statement of revenues, expenses and changes in net position present increases (e.g. revenues) and decreases (e.g. expenses) in net total position. The statement of cash flows presents the cash flows for operating activities, non-capital financing activities, and investing activities.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net position and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Group Concentrations of Credit Risk

Most of the Trust's activities are with student loan borrowers in the State of North Dakota.

Cash

The Trust considers all cash and time deposit accounts with original maturities of three months or less to be cash for purposes of reporting cash flows.

Deposits and Investments

Time deposit investments are carried at cost, as they are nonnegotiable certificates of deposits with redemption terms that do not consider market rates.

Restricted Assets and Restricted Net Position

The assets and net position of the North Dakota Student Loan Trust are restricted by bond resolutions for the repayment of bond interest and principal.

Moneys held in surplus accounts (which are classified as unrestricted on the statement of net position) can be used to redeem or purchase bonds, finance student loans, or upon certification from the Industrial Commission of North Dakota (the Commission), fund a guarantee agency's guarantee program.

Expenses of the Trust are paid in accordance with the provisions of the General and Second General Bond Resolutions and the Series Resolutions. Expenses related to a specific bond series are paid from funds available within that particular resolution. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Trust considers restricted funds to have been spent first.

Operating and Non-Operating Revenues

Operating revenues consist of interest income on loans. All other revenues that do not meet the above criteria are
(continued on next page)

NORTH DAKOTA STUDENT LOAN TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023
(In Thousands)

classified as non-operating.

NOTE 2 - UNRESTRICTED NET POSITION

The assets and net position of the North Dakota Student Loan Trust are restricted by bond resolutions for the repayment of bond interest and principal.

As of June 30, 2024 and 2023, the surplus accounts consist of the following:

	<u>2024</u>	<u>2023</u>
Due from other state agencies	\$ 5	\$ 7
Interest receivable	2	1
Accrued fees payable - related party	(1)	(1)
Due to other state agencies	(5)	(5)
Student loans receivable	<u>388</u>	<u>434</u>
	<u>\$ 389</u>	<u>\$ 436</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

All funds have their monies invested in securities or deposits allowed by the General Bond Resolution establishing the Trust and the Second General Bond Resolution. Such moneys may be invested in: (1) direct obligations of or obligations guaranteed by the United States of America, (2) deposits of the Bank of North Dakota which are guaranteed as provided in North Dakota Century Code Section 6-09-10, (3) demand deposits and time deposits issued by banks, which are members of the Federal Deposit Insurance Corporation, (4) bonds, debentures, or notes or other evidences of indebtedness issued or guaranteed by any agency or instrumentality of the United States of America, (5) repurchase agreements or reverse repurchase agreements with banks, which are secured by securities which are obligations described in item (1) above, and (6) banker's acceptances of banks described in items (2) and (3) above.

Deposits

As of June 30, 2024 and 2023, the Trust had cash deposits of \$743 and \$713, respectively, with the Bank of North Dakota. The Trust also had time deposit investments of \$1,000 and \$1,000, respectively, with the Bank. For classification purposes on the Statement of Net Position, cash was \$743 and \$713, respectively, and investments were \$1,000 and \$1,000 as of June 30, 2024 and 2023, respectively.

NORTH DAKOTA STUDENT LOAN TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023
(In Thousands)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of the investments.

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 Trust 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 Trust does not have a formal policy that limits custodial credit risk for deposits. None of the Trust's deposits are covered by depository insurance. The Trust's deposits are uncollateralized and all of the deposits are deposited in the Bank of North Dakota and are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

NOTE 4 - STUDENT LOANS RECEIVABLE

The Trust has outstanding loans with annual fixed and variable interest rates. DEAL student loans are fully guaranteed by the North Dakota Guaranteed Student Loan Program, so there is no allowance for loan loss. Loan balances as of June 30, 2024 and 2023 total \$441 and \$493, respectively, with \$53 and \$59 designated as current assets. The loans are expected to be collected through July 2045.

Student loans are classified as student, deferred, repayment or claim status. The student status represents the period from the date the loan is made until a student is out of school, plus an authorized grace period. Deferred status represents a loan that has an authorized deferment of payment period. Repayment status indicates the loan is in repayment. Claim status represents those loans that have a claim filed with the guarantor.

As of June 30, 2024, there were \$34 in deferred status and \$407 in repayment status. As of June 30, 2023, there were zero in deferred status and \$493 in repayment status.

NOTE 5 - BONDS PAYABLE

Changes in Bonds Payable

The following is a summary of the changes in bonds payable for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,000	\$ 1,000
Principal payments on bonds	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Amounts due within one year	<u>\$ -</u>	<u>\$ -</u>

NORTH DAKOTA STUDENT LOAN TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023
(In Thousands)

Maturities of Bonds Payable

The combined aggregate of future maturities and sinking fund requirements for all bonds is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	-	60	60
2026	-	60	60
2027	-	60	60
2028	-	61	61
2029	1,000	61	1,061
	<u>\$ 1,000</u>	<u>\$ 302</u>	<u>\$ 1,302</u>

The following is a more detailed description of the individual bond issue that remains outstanding as of June 30, 2024 and 2023.

	<u>Maturity Dates</u>	<u>Interest Rate</u>	<u>2023</u>	<u>2022</u>
General Bond Resolution Fund				
2004 Series A	June 1, 2029	6.03% (1)	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Less current portion			<u>-</u>	<u>-</u>
Noncurrent portion			<u>\$ 1,000</u>	<u>\$ 1,000</u>

(1) Variable on June 30, 2024.

2004 SERIES A BONDS

Interest is payable semiannually on June 1 and December 1 of each year. The 2004 Series A Bonds are variable rate bonds. The rate of interest is determined based on one-month SOFR plus 0.7%. The maximum rate of interest is 12% per annum. Details of the terms and provisions of the variable rate bonds are outlined in Section 2.1 of the Fourth Supplemental Resolution to the State of North Dakota Student Loan Revenue Bonds First General Bond Resolution. Section 2.2 of the Fourth Supplemental Resolution to the State of North Dakota Student Loan Revenue Bonds First General Bond Resolution has deemed these to be Federally Taxable Bonds. The Series 2004 Bonds are subject to redemption prior to maturity at the option of the Commission from any source of funds, in whole or in part, on any date at a redemption price equal to 100% of the principal amount plus accrued interest to date of redemption.

NORTH DAKOTA STUDENT LOAN TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023
(In Thousands)

NOTE 6 - INTERFUND AND RELATED PARTY TRANSACTIONS

The North Dakota Student Loan Trust is related to the Bank of North Dakota through common management under the Industrial Commission of North Dakota. All cash and time deposit investments are deposited in the Bank of North Dakota. Interest receivable from the Bank of North Dakota totaled \$5 and \$7 as of June 30, 2024 and 2023 and is reflected as due from other state agencies on the statement of net position. Investment securities are held in safekeeping and all student loans are purchased from the Bank of North Dakota. The Bank of North Dakota also acts as the paying agent for the 2004 Series A Bonds. In addition, the Bank services the student loans held by the Trust, and maintains the accounting and other records for the Trust.

Fees expensed to the Bank of North Dakota for the following services included in the accompanying financial statements were as follows:

	<u>2024</u>	<u>2023</u>
Service fees	\$ 4	\$ 4
Administration fees	-	1

Payables to the Bank of North Dakota for such fees amounting to \$1 and \$1 as of June 30, 2024 and 2023 are included in “accrued fees payable – related party” on the statement of net position.

The North Dakota Student Loan Trust is related to the North Dakota Guaranteed Student Loan Program through common management under the Industrial Commission of North Dakota. Proceeds on defaulted loans sold to the North Dakota Guaranteed Student Loan Program were \$6 for the year ended June 30, 2024. There were no defaulted loans sold to the North Dakota Guaranteed Student Loan Program during the year ended June 30, 2023.

NOTE 7 - RISK MANAGEMENT

The North Dakota Student Loan Trust is exposed to various risks of loss related to torts and errors and omissions. The North Dakota Student Loan Trust is administered by the North Dakota Industrial Commission and, therefore, is eligible to the same funds/pools established by the State for risk management issues. These include:

The 1995 Legislative Session established the Risk Management Fund (RMF), an internal service fund of the State of North Dakota, 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’ employees, and the University System. All State agencies participating in the RMF and their fund contribution was determined using a projected cost allocation approach. The statutory liability of the State is limited to a total of \$406,250 per person and \$1,625,000 per occurrence. The State Bonding Fund currently provides the Fund with blanket employee fidelity bond coverage in the amount of \$750,000. 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 and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.



Supplementary Information
June 30, 2024 and 2023

North Dakota Student Loan Trust

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NORTH DAKOTA STUDENT LOAN TRUST
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(In Thousands)

	General Bond Resolution Fund	Second General Bond Resolution Fund	Combined
ASSETS			
CURRENT ASSETS - UNRESTRICTED			
Interest receivable	\$ 2	\$ -	\$ 2
Due from other state agencies	-	5	5
	<u>2</u>	<u>5</u>	<u>7</u>
Total unrestricted current assets	<u>2</u>	<u>5</u>	<u>7</u>
CURRENT ASSETS - RESTRICTED			
Cash	33	710	743
Investments	1,000	-	1,000
Student loans receivable	-	53	53
	<u>1,033</u>	<u>763</u>	<u>1,796</u>
Total restricted current assets	<u>1,033</u>	<u>763</u>	<u>1,796</u>
NONCURRENT ASSETS - UNRESTRICTED			
Student loans receivable	-	388	388
	<u>-</u>	<u>388</u>	<u>388</u>
Total assets	<u>\$ 1,035</u>	<u>\$ 1,156</u>	<u>\$ 2,191</u>

NORTH DAKOTA STUDENT LOAN TRUST
COMBINING STATEMENT OF NET POSITION – Page 2
JUNE 30, 2024
(In Thousands)

	General Bond Resolution Fund	Second General Bond Resolution Fund	Combined
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Due to other state agencies	\$ 5	\$ -	\$ 5
Accrued fees payable - related party	-	1	1
Total current liabilities	<u>5</u>	<u>1</u>	<u>6</u>
NONCURRENT LIABILITIES			
Bonds payable	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total noncurrent liabilities	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total liabilities	<u>1,005</u>	<u>1</u>	<u>1,006</u>
NET POSITION			
Restricted for debt service	33	763	796
Unrestricted	<u>(3)</u>	<u>392</u>	<u>389</u>
Total net position	<u>30</u>	<u>1,155</u>	<u>1,185</u>
Total liabilities and net position	<u>\$ 1,035</u>	<u>\$ 1,156</u>	<u>\$ 2,191</u>

NORTH DAKOTA STUDENT LOAN TRUST
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023
(In Thousands)

	General Bond Resolution Fund	Second General Bond Resolution Fund	Combined
ASSETS			
CURRENT ASSETS - UNRESTRICTED			
Interest receivable	\$ 1	\$ -	\$ 1
Due from other state agencies	-	7	7
Total unrestricted current assets	<u>1</u>	<u>7</u>	<u>8</u>
CURRENT ASSETS - RESTRICTED			
Cash	13	700	713
Investments	1,000	-	1,000
Student loans receivable	-	59	59
Total restricted current assets	<u>1,013</u>	<u>759</u>	<u>1,772</u>
NONCURRENT ASSETS - UNRESTRICTED			
Student loans receivable	-	434	434
Total assets	<u>\$ 1,014</u>	<u>\$ 1,200</u>	<u>\$ 2,214</u>

NORTH DAKOTA STUDENT LOAN TRUST
COMBINING STATEMENT OF NET POSITION – Page 2
JUNE 30, 2023
(In Thousands)

	General Bond Resolution Fund	Second General Bond Resolution Fund	Combined
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Due to other state agencies	\$ 5	\$ -	\$ 5
Accrued fees payable - related party	-	1	1
Total current liabilities	<u>5</u>	<u>1</u>	<u>6</u>
NONCURRENT LIABILITIES			
Bonds payable	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total noncurrent liabilities	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total liabilities	<u>1,005</u>	<u>1</u>	<u>1,006</u>
NET POSITION			
Restricted for debt service	13	759	772
Unrestricted	<u>(4)</u>	<u>440</u>	<u>436</u>
Total net position	<u>9</u>	<u>1,199</u>	<u>1,208</u>
Total liabilities and net position	<u>\$ 1,014</u>	<u>\$ 1,200</u>	<u>\$ 2,214</u>

NORTH DAKOTA STUDENT LOAN TRUST
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024
(In Thousands)

	General Bond Resolution Fund	Second General Bond Resolution Fund	Combined
OPERATING REVENUES			
Interest on student loans	\$ -	\$ 27	\$ 27
Total operating revenues	-	27	27
OPERATING EXPENSES			
Interest	61	-	61
Service fees	-	4	4
Bond related expenses	-	10	10
Total operating expenses	61	14	75
OPERATING INCOME/(LOSS)	(61)	13	(48)
NONOPERATING REVENUE			
Investment income	21	4	25
INCOME (LOSS) BEFORE TRANSFERS	(40)	17	(23)
TRANSFERS			
Interfund	61	(61)	-
CHANGE IN NET POSITION	21	(44)	(23)
NET POSITION, BEGINNING OF YEAR	9	1,199	1,208
NET POSITION, END OF YEAR	<u>\$ 30</u>	<u>\$ 1,155</u>	<u>\$ 1,185</u>

NORTH DAKOTA STUDENT LOAN TRUST
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023
(In Thousands)

	General Bond Resolution Fund	Second General Bond Resolution Fund	Combined
OPERATING REVENUES			
Interest on student loans	\$ -	\$ 30	\$ 30
Total operating revenues	-	30	30
OPERATING EXPENSES			
Interest	46	-	46
Service fees	-	4	4
Administration fees	-	1	1
Bond related expenses	-	9	9
Total operating expenses	46	14	60
OPERATING INCOME/(LOSS)	(46)	16	(30)
NONOPERATING REVENUE			
Investment income	5	2	7
INCOME (LOSS) BEFORE TRANSFERS	(41)	18	(23)
TRANSFERS			
Interfund	42	(42)	-
CHANGE IN NET POSITION	1	(24)	(23)
NET POSITION, BEGINNING OF YEAR	8	1,223	1,231
NET POSITION, END OF YEAR	\$ 9	\$ 1,199	\$ 1,208



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*

Governor of North Dakota
and 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 (*Government Auditing Standards*), the financial statements of the North Dakota Student Loan Trust (the Trust), an enterprise fund of the State of North Dakota, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Trust’s basic financial statements, and have issued our report thereon dated September 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust’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 Trust’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust’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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust'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 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 Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Bismarck, North Dakota
September 11, 2024



North Dakota Student Loan Trust
Auditor's Specific Comments Requested by the North Dakota Legislative Audit and Fiscal Review
Committee
Year Ended June 30, 2024

Governor of North Dakota
and the Legislative Assembly
State of North Dakota
Bismarck, North Dakota

The Legislative Audit and Fiscal Review Committee requires a separate audit summary from certified public accountants performing audits of state agencies. The separate audit summary regarding the June 30, 2024 audit of North Dakota Student Loan Trust is as follows:

Purpose of the Audit

North Dakota Student Loan Trust is an enterprise fund of the financial statements of the state of North Dakota. The purpose of the audit of North Dakota Student Loan Trust is to express an opinion on the financial statements of North Dakota Student Loan Trust.

The objectives of our audit of the financial statements 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually and in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Type of Audit Opinion

We issued an unmodified opinion on the financial statements of North Dakota Student Loan Trust.

Findings and Recommendations

We have no findings or recommendations to communicate as a result of the audit.

Status of Prior Recommendations

There were no findings or recommendations communicated in the prior audit.

Explanations of Significant Audit Adjustments and Misstatements

There were no significant audit adjustments or uncorrected misstatements that were identified as a result of our audit procedures.

Disagreements with Management or Difficulties Encountered during the Audit

No disagreements with management arose during the course of the audit.

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Other Audit Report Highlights

None

Cost of the Audit Compared to the Prior Audit

The cost of the 2024 North Dakota Student Loan Trust audit was \$10,200.

The cost of the 2023 North Dakota Student Loan Trust audit was \$9,550.

This report is intended solely for the information and use of the Governor of North Dakota, Legislative Assembly, North Dakota Industrial Commission, Bank of North Dakota Advisory Board and management of the Program, and is not intended to be and should not be used by anyone other than these specified parties.



Bismarck, North Dakota
September 11, 2024



September 11, 2024

Governor of North Dakota
and the Legislative Assembly
State of North Dakota
Bismarck, North Dakota

We have audited the financial statements of North Dakota Student Loan Trust (the Trust) as of and for the year ended June 30, 2024, and have issued our report thereon dated September 11, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated June 26, 2024 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Trust solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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 dated September 11, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Trust is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. No such sensitive accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Trust's financial statements relate to Note 6 – Interfund and Related Party Transactions.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no corrected misstatements identified as a result of our audit procedures.

The following misstatement that we identified as a result of our audit procedures was brought to the attention of, and corrected by, management:

There was a misstatement of approximately \$6,000 in the statement of cash flows between operating activities and investing activities for proceeds from sale of defaulted student loans to the North Dakota Guaranteed Student Loan Program.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Trust's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

We have made the following modification to our auditor's report to add an Emphasis of Matter paragraph.

As discussed in Note 1, the financial statements of the Trust are intended to present the financial position, the changes in financial position and cash flows of only that portion of the State of North Dakota that is attributable to the transactions of the Trust. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2024 and 2023, and the changes in its financial position, and, where applicable, cash flows 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.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated September 11, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Trust, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Trust's auditors.

This report is intended solely for the information and use of the Governor of North Dakota, Legislative Assembly, North Dakota Industrial Commission, Bank of North Dakota Advisory Board, and management of the Trust and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Bismarck, North Dakota
September 11, 2024

College **SAVE**[™]

Bank of North Dakota's 529 Plan

(A Fiduciary Fund of the State of North Dakota)

BASIC FINANCIAL STATEMENTS

December 31, 2023 and 2022

and

SUPPLEMENTARY INFORMATION

December 31, 2023

(With Independent Auditor's Report Thereon)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

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INDEPENDENT AUDITOR'S REPORT

Bank of North Dakota and
Ascensus Broker Dealer Services, LLC (Plan Manager)
College SAVE

Report on the Audit of the Basic Financial Statements

Opinion

We have audited the accompanying statements of fiduciary net position and statements of changes in fiduciary net position of **College SAVE** (the Plan) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

In our opinion, the basic financial statements present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2023 and 2022, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) 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 Basic Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Other

As disclosed in Note 1, the Plan is included in the state of North Dakota's financial reporting entity as a fiduciary fund. The assets of the Plan are held in the College SAVE Trust (the Trust). These basic financial statements present only the activities and balances attributable to the Plan and do not purport to, and do not, present fairly the fiduciary net position or changes in fiduciary net position of the Trust or any other fiduciary funds of the state of North Dakota as of and for the years ended December 31, 2023 and 2022. Our opinion is not modified with respect to this matter.

Bank of North Dakota and
Ascensus Broker Dealer Services, LLC (Plan Manager)
College SAVE

Report on the Audit of the Basic Financial Statements (Continued)

Responsibilities of Management for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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 Basic Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic 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 U.S. 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 judgment made by a reasonable user based on the basic financial statements.

In performing an audit in accordance with U.S. 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 basic 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 basic 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 Plan'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 basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings and certain internal control-related matters that we identified during the audits.

Bank of North Dakota and
Ascensus Broker Dealer Services, LLC (Plan Manager)
College SAVE

Report on the Audit of the Basic Financial Statements (*Continued*)

Required Supplementary Information

U.S. GAAP requires that management's discussion and analysis on pages 7 through 14 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 as it is considered 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 U.S. GAAS, 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 audits were conducted for the purpose of forming an opinion on the Plan's basic financial statements. The schedules of fiduciary net position and changes in fiduciary net position by investment option on pages 40 through 43 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2023 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 U.S. GAAS. In our opinion, the information in these schedules is fairly stated, in all material respects, in relation to the basic 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 March 28, 2024 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 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 Plan's internal control over financial reporting and compliance.



Little Rock, Arkansas
March 28, 2024

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Management's Discussion and Analysis
(Unaudited)

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College SAVE™

Bank of North Dakota's 529 Plan

(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

December 31, 2023 and 2022

This management's discussion and analysis is intended to provide readers an objective discussion of the basic financial statements of College SAVE (the Plan) as of and for the years ended December 31, 2023, 2022 and 2021. This discussion and analysis, which is supplementary information required by the Governmental Accounting Standards Board (GASB), is intended to provide a highly summarized overview of the Plan's assets, liabilities, fiduciary net position and changes in fiduciary net position and should be read in conjunction with the Plan's financial statements and notes thereto, which are included on pages 17 through 37. In addition, readers may find useful the supplementary information on pages 40 through 43, which include information about the investment options offered to account owners.

* * * * *

College SAVE was established in September of 2000, to encourage the investment of funds to be used for qualified higher education expenses at eligible institutions, as authorized under North Dakota Century Code Title 6, Chapter 9, Section 38. Plan assets are held for the benefit of account owners and their designated beneficiaries in the College SAVE Trust (the Trust), for which the Bank of North Dakota (the Bank) serves as Trustee. The Plan is administered as a "qualified tuition program" in compliance with Section 529 of the Internal Revenue Code of 1986, as amended, and both the Plan and the Trust are exempt from federal taxation.

The Bank has established rules to administer, manage, promote and market the Plan, which are set forth in North Dakota Administrative Code Title 12.5, Article 2, Chapter 1. As allowed under these rules, the Bank may contract with third-party service providers to perform administrative duties related to the Plan and to manage the Plan's investments.

Pursuant to the College SAVE Plan Management Agreement, as amended, Ascensus Broker Dealer Services, LLC (ABD) serves as the Plan Manager and Ascensus College Savings Recordkeeping Services, LLC (ACSR) serves as the recordkeeping and servicing agent. Collectively, ABD and ACSR are referred to as "Ascensus Government Savings (AGS)." The Vanguard Group, Inc. (Vanguard) provides investment advisory and related administrative services.

Financial Highlights

The following highlight some of the Plan's key financial results:

- At December 31, 2023, 2022 and 2021, the Plan's fiduciary net position totaled \$602.3 million, \$541.3 million and \$647.3 million, respectively. Fiduciary net position increased \$61.0 million, or 11.3%, from December 31, 2022, to December 31, 2023, after decreasing \$106.0 million, or 16.4%, from December 31, 2021, to December 31, 2022.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2023 and 2022

Financial Highlights (*Continued*)

- Withdrawals exceeded contributions by approximately \$11.7 million, \$9.8 million and \$1.6 million for the years ended December 31, 2023, 2022 and 2021, respectively.
- Contributions during the years ended December 31, 2023, 2022 and 2021, totaled \$45.6 million, \$45.5 million and \$53.7 million, respectively. Contributions increased \$96.9 thousand, or 0.2%, from December 31, 2022, to December 31, 2023, after decreasing \$8.1 million, or 15.1%, from December 31, 2021, to December 31, 2022.
- Withdrawals during the years ended December 31, 2023, 2022 and 2021, totaled \$57.4 million, \$55.4 million and \$55.3 million, respectively. Withdrawals increased \$2.0 million, or 3.6%, from December 31, 2022, to December 31, 2023, after increasing \$108.1 thousand, or 0.2%, from December 31, 2021, to December 31, 2022.
- Administrative fees totaled \$3.5 million, \$3.6 million and \$4.1 million for the years ended December 31, 2023, 2022 and 2021, respectively. These fees, which are based on the Plan's fiduciary net position, are paid to the Bank, AGS and Vanguard for performing oversight, administrative and investment duties.
- For the year ended December 31, 2023, the Plan experienced net investment income of \$76.2 million, resulting from the net increase in the fair value of investments of \$60.2 million and dividends, capital gain distributions and interest of \$16.0 million. For the year ended December 31, 2022, the Plan experienced a net investment loss of \$92.5 million, resulting from the net decrease in the fair value of investments of \$104.8 million, somewhat offset by dividends, capital gain distributions and interest of \$12.3 million. For the year ended December 31, 2021, the Plan experienced net investment income of \$53.2 million, resulting from the net increase in the fair value of investments of \$39.2 million and dividends, capital gain distributions and interest totaling \$14.0 million.
- The number of active accounts has increased from 50,406 at December 31, 2021, to 52,933 at December 31, 2022, to 55,597 at December 31, 2023. The average active account balance decreased from \$12,800 at December 31, 2021, to \$10,200 at December 31, 2022, but increased to \$10,833 at December 31, 2023.
- BND Match awards totaling \$155,433, \$129,150, and \$188,254 in 2023, 2022 and 2021, respectively, were granted to qualifying account owners.
- New Baby Match awards totaling \$222,909, \$214,027, and \$244,829 in 2023, 2022 and 2021, respectively, were granted to qualifying account owners.
- Kindergarten Kickoff Match awards totaling \$73,654, \$64,228 and \$150,260 in 2023, 2022 and 2021, respectively, were granted to qualifying account owners.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2023 and 2022

Overview of the Basic Financial Statements

The Plan's basic financial statements comprise the statement of fiduciary net position, the statement of changes in fiduciary net position and the related notes to the financial statements. The statement of fiduciary net position presents information on the Plan's assets and liabilities, with the difference between them representing net position held in trust for account owners and their beneficiaries. The statement of changes in fiduciary net position shows how the Plan's fiduciary net position changed during the year. The notes to the financial statements provide additional explanatory information about the amounts presented in the financial statements. It is essential that readers of this report consider the information in the notes to obtain a full understanding of the Plan's financial statements.

The Plan is included in the financial reporting entity of the state of North Dakota as a fiduciary fund. Assets are held in a trust for account owners and beneficiaries and cannot be used to support other governmental programs.

The Plan's basic financial statements are prepared in accordance with accounting and financial reporting standards for governmental entities set forth by the GASB. As required under generally accepted accounting principles applicable to fiduciary fund types, the Plan's basic financial statements are prepared using the accrual basis of accounting. Mutual funds are reported at fair value, and investment contracts are reported at contract value. All investment transactions are recorded on a trade-date basis. Realized and unrealized gains and losses are reported as "net increase (decrease) in the fair value of investments" on the statements of changes in fiduciary net position. Dividends and capital gain distributions are recorded on the ex-dividend date rather than when they are received. Contributions are recognized when they are received, provided enrollment in the Plan has been successfully completed, and withdrawals are recognized when the withdrawal request has been received and approved for payment. Administrative fees are recognized in the period when the related services are provided, regardless of when cash is paid.

Financial Analysis

Fiduciary Net Position

The following condensed statements of fiduciary net position provide a "snapshot" of the overall financial position of the Plan:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total assets	\$ 603,611,061	\$ 542,865,229	\$ 648,369,775
Total liabilities	<u>1,309,381</u>	<u>1,544,991</u>	<u>1,078,512</u>
Net position held in trust for account owners and beneficiaries	<u>\$ 602,301,680</u>	<u>\$ 541,320,238</u>	<u>\$ 647,291,263</u>

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

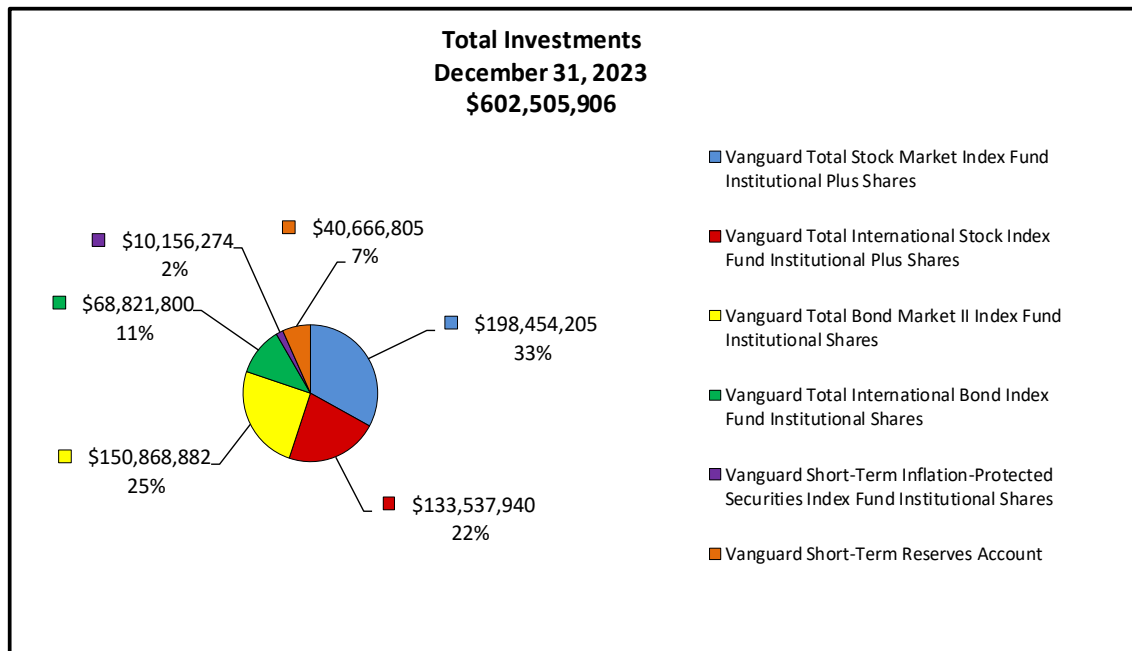
December 31, 2023 and 2022

Financial Analysis (Continued)

Fiduciary Net Position (Continued)

The reported balance of net position held in trust for account owners and their beneficiaries represents the cumulative total of contributions since the Plan's inception, increased (decreased) by net investment income (loss), and decreased by withdrawals and administrative fees.

Investments, which totaled \$602.5 million, \$541.7 million, and \$647.4 million at December 31, 2023, 2022 and 2021, respectively, represent over 99% of the Plan's total assets. Account owners are able to direct investment of their contributions into one or more investment options and unit classes (subject to eligibility), each of which is invested in one or more Vanguard mutual funds or investment contracts (the Underlying Funds) in accordance with a predetermined asset allocation strategy approved by the Bank. At December 31, 2023, 2022 and 2021, the Plan's Underlying Funds are as follows:



Note: Percentages are stated as a percent of total investment value.

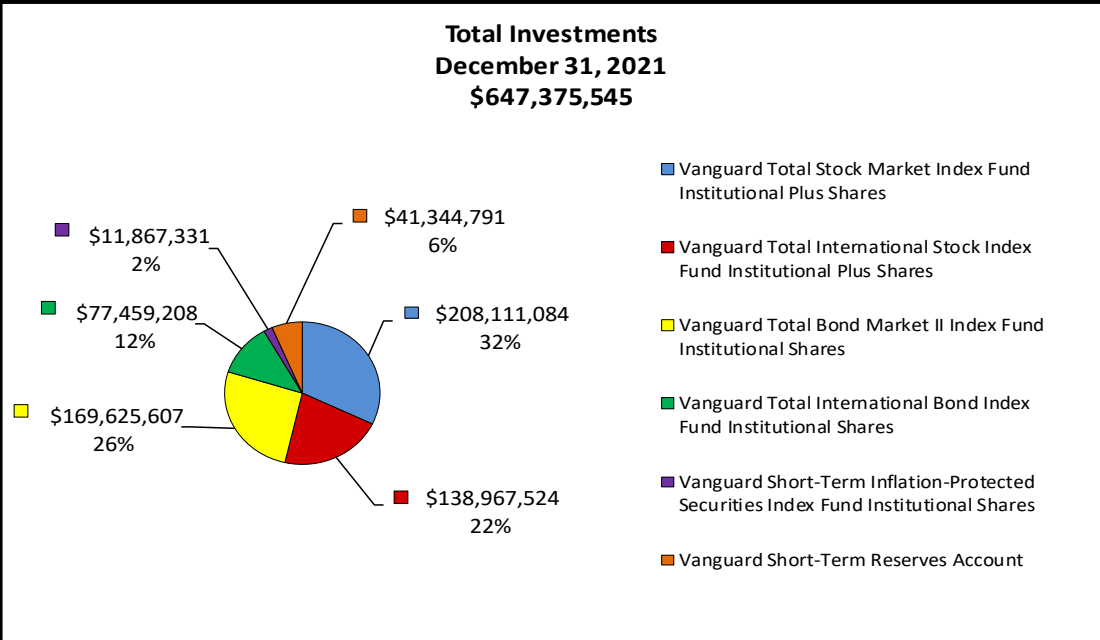
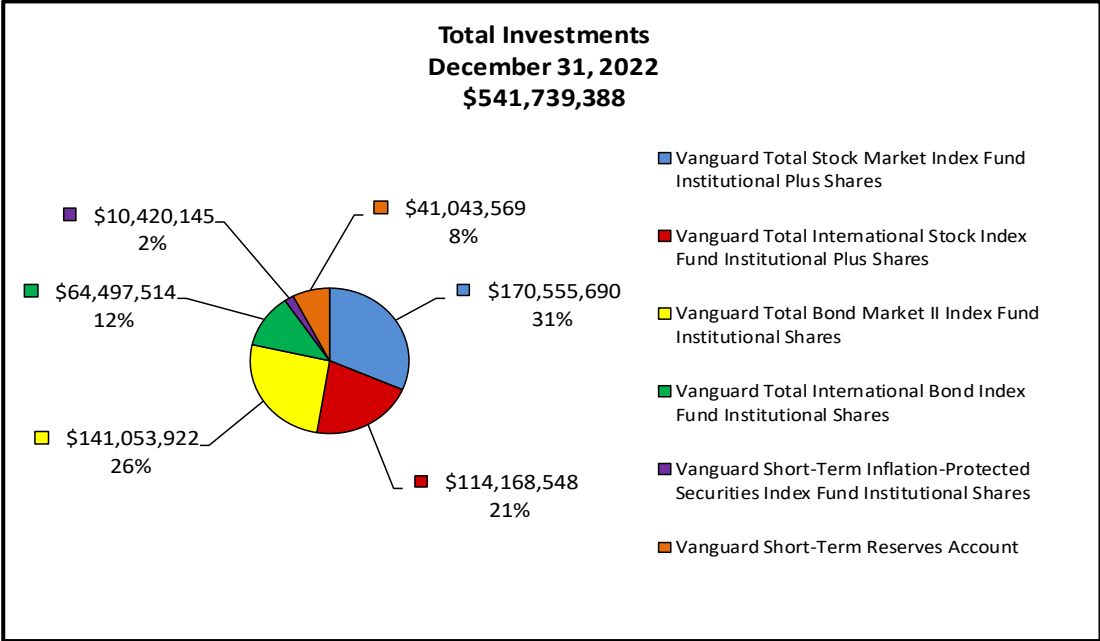
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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2023 and 2022

Financial Analysis (Continued)

Fiduciary Net Position (Continued)



Note: Percentages are stated as a percent of total investment value.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2023 and 2022

Financial Analysis (Continued)

Fiduciary Net Position (Continued)

Other assets, which totaled \$1.1 million at December 31, 2023, \$1.1 million at December 31, 2022 and \$994.2 thousand at December 31, 2021, comprise amounts to be invested or distributed on behalf of account owners and their beneficiaries and receivables for proceeds from Underlying Fund sales transactions. The Plan's liabilities, which totaled \$1.3 million at December 31, 2023, \$1.5 million at December 31, 2022 and \$1.1 million at December 31, 2021, comprise accrued administrative fees, payables for withdrawals approved but not yet paid and payables for Underlying Fund purchase transactions.

Changes in Fiduciary Net Position

The following statements of changes in fiduciary net position summarize how the Plan's net position held in trust for account owners and their beneficiaries changed during the years presented:

	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>	<u>Year Ended</u> <u>December 31, 2021</u>
Contributions	\$ 45,631,896	\$ 45,535,022	\$ 53,659,608
Net investment income (loss)	76,217,001	(92,537,420)	53,207,398
Withdrawals	(57,357,966)	(55,381,845)	(55,273,753)
Administrative fees	<u>(3,509,489)</u>	<u>(3,586,782)</u>	<u>(4,129,045)</u>
Net increase (decrease)	60,981,442	(105,971,025)	47,464,208
Net position held in trust for account owners and beneficiaries, beginning of year	<u>541,320,238</u>	<u>647,291,263</u>	<u>599,827,055</u>
Net position held in trust for account owners and beneficiaries, end of year	<u><u>\$ 602,301,680</u></u>	<u><u>\$ 541,320,238</u></u>	<u><u>\$ 647,291,263</u></u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2023 and 2022

Investment Commentary

The following section provides a brief description of each of the Plan's investments. More complete information can be found in the *College SAVE Plan Disclosure Statement and Participation Agreement* document or in each mutual fund's prospectus and annual report.

The Vanguard Total Stock Market Index Fund Institutional Plus Share Class is passively managed, using index sampling. This fund invests in large-, mid- and small-capitalization stocks diversified across growth and value investment styles and seeks to track the performance of the CRSP U.S. Total Market Index. This fund experienced returns of 26.03%, (19.51%) and 25.74% for the years ended December 31, 2023, 2022 and 2021, respectively. The share price of this fund decreased from \$220.49 at December 31, 2021, to \$174.63 at December 31, 2022, but increased to \$216.65 at December 31, 2023.

The Vanguard Total International Stock Index Fund Institutional Plus Share Class fund employs an indexing investment approach and seeks to track the performance of the FTSE Global All Cap ex U.S. Index, which is designed to measure equity market performance in developed and emerging markets, excluding the United States. This fund experienced returns of 15.54%, (15.97%) and 8.68% for the years ended December 31, 2023, 2022 and 2021, respectively. The share price of this fund decreased from \$136.80 at December 31, 2021, to \$111.44 at December 31, 2022, but increased to \$124.53 at December 31, 2023.

The Vanguard Total Bond Market II Index Fund Institutional Share Class is passively managed, using index sampling and seeks to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This fund provides broadly diversified exposure to the entire U.S. investment grade bond market and is intermediate in duration. This fund experienced returns of 5.66%, (13.12%) and (1.67%) for the years ended December 31, 2023, 2022 and 2021, respectively. The share price of this fund decreased from \$11.05 at December 31, 2021, to \$9.37 at December 31, 2022, but increased to \$9.59 at December 31, 2023.

The Vanguard Total International Bond Index Fund Institutional Share Class fund is passively managed, using index sampling and seeks to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This fund provides broad exposure to non-U.S. investment grade bonds, primarily bonds issued by developed countries, but also some from emerging markets countries. This fund experienced returns of 8.85%, (12.89%) and (2.19%) for the years ended December 31, 2023, 2022 and 2021, respectively. The share price of this fund decreased from \$33.10 on December 31, 2021, to \$28.42 on December 31, 2022, but increased to \$29.60 on December 31, 2023.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2023 and 2022

Investment Commentary *(Continued)*

The Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Share Class employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. This index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than five years. This fund experienced returns of 4.61%, (2.80%) and 5.32% for the years ended December 31, 2023, 2022 and 2021, respectively. The share price of this fund decreased from \$25.76 at December 31, 2021, to \$23.44 at December 31, 2022, but increased to \$23.83 at December 31, 2023.

The Vanguard Short-Term Reserves Account seeks to provide current and stable income while maintaining a \$1 net asset value. This fund seeks to achieve its objective by diversifying among high-credit-quality investments and investment contracts that are structured to smooth market gains and losses over time. This fund experienced returns of 2.55%, 1.59% and 1.60% for the years ended December 31, 2023, 2022, and 2021, respectively.

Requests for Information

This financial report is designed to provide a general overview of the Plan's financial status and changes in financial status. Additional information can be found at www.collegesave4u.com. If you have any questions about the information provided, please call the Plan's customer service representatives at 1-866-728-3529.

Basic Financial Statements

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College SAVE™

Bank of North Dakota's 529 Plan
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STATEMENTS OF FIDUCIARY NET POSITION December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments	\$ 602,505,906	\$ 541,739,388
Cash and cash equivalents	795,752	939,054
Receivables from investments sold	309,403	186,787
Total Assets	<u>603,611,061</u>	<u>542,865,229</u>
LIABILITIES		
Payables for investments purchased	203,565	585,769
Withdrawals payable	798,667	669,770
Accrued administrative fees	307,149	289,452
Total Liabilities	<u>1,309,381</u>	<u>1,544,991</u>
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES	<u>\$ 602,301,680</u>	<u>\$ 541,320,238</u>

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS AND NET INVESTMENT INCOME (LOSS)		
Contributions	\$ 45,631,896	\$ 45,535,022
Investment income (loss):		
Dividends, capital gain distributions and interest	16,048,137	12,254,418
Net increase (decrease) in the fair value of investments	60,168,864	(104,791,838)
Net investment income (loss)	76,217,001	(92,537,420)
Total Additions and Net Investment Income (Loss)	<u>121,848,897</u>	<u>(47,002,398)</u>
DEDUCTIONS		
Withdrawals	57,357,966	55,381,845
Administrative fees	3,509,489	3,586,782
Total Deductions	<u>60,867,455</u>	<u>58,968,627</u>
NET INCREASE (DECREASE)	60,981,442	(105,971,025)
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR	<u>541,320,238</u>	<u>647,291,263</u>
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR	<u>\$ 602,301,680</u>	<u>\$ 541,320,238</u>

See accompanying notes to financial statements.

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College SAVE™

Bank of North Dakota's 529 Plan
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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

The following provides a brief description of College SAVE (the Plan). For more information and disclosures about the Plan, refer to the *College SAVE Plan Disclosure Statement and Participation Agreement* available on the Plan's website (www.collegesave4u.com) or call 1-866-728-3529.

(a) General

The Plan was created in September of 2000, pursuant to North Dakota Century Code Title 6, Chapter 9, Section 38, to enable residents of North Dakota (and other states) to save on a tax-favored basis for qualified higher education expenses. The Plan is designed to comply with the requirements for treatment as a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder (Section 529).

The College SAVE Trust (the Trust) was created to hold the assets of the Plan. The Bank of North Dakota (the Bank), an enterprise fund of the state of North Dakota, is the designated Trustee. Assets of the Plan can only be used for the benefit of account owners and their beneficiaries and cannot be used by the state of North Dakota or the Bank to support other programs or operations. The Plan is included in the financial reporting entity of the state of North Dakota as a fiduciary fund.

These basic financial statements present only the balances that are directly attributable to the Plan. These basic financial statements are not intended to, and do not represent a complete presentation of the financial position and changes in financial position of the Trust or any other fiduciary funds of the state of North Dakota.

(b) Administration

As Trustee, the Bank is the authority responsible for oversight and overall administration of the Plan. Rules governing the operation of the Plan, as adopted by the Bank, are set forth in the North Dakota Administrative Code Title 12.5, Article 2, Chapter 1 (the Administrative Code). The Administrative Code allows the Bank to enter into contracts with service providers, agents or third-party contractors to administer the Plan, provide investment advice for the Plan, provide accounting and recordkeeping services for the Plan, enroll participants, process account owner transactions and market the Plan.

Pursuant to the College SAVE Plan Management Agreement, as amended (the Management Agreement), Ascensus Broker Dealer Services, LLC (ABD) serves as the Plan Manager and Ascensus College Savings Recordkeeping Services, LLC (ACSR) serves as the recordkeeping and servicing agent. Collectively, ABD and ACSR are referred to as "Ascensus Government Savings (AGS)."

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS (Continued)

(b) Administration (Continued)

Pursuant to the terms of the North Dakota 529 Program Operational Agreement, as amended (the Operational Agreement), The Vanguard Group, Inc. (Vanguard) provides investment advisory and related administrative services.

The Bank of New York Mellon Corporation (BNY Mellon) is the custody agent for the Plan, responsible for maintaining a custody account to provide for the safekeeping and recordkeeping of certain assets invested in the Plan.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to fiduciary fund types prescribed by the Governmental Accounting Standards Board (GASB), the Plan's basic financial statements are prepared using the flow of economic resources measurement focus and accrual basis of accounting.

(b) Income Taxes

The Plan has been designed to comply with the requirements for treatment as a "qualified tuition program" under Section 529. As such, the Plan is exempt from federal and state income tax.

(c) Estimates

The preparation of basic financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(d) Investments

The Plan's investments consist of Vanguard mutual funds and investment contracts (the Underlying Funds).

The mutual funds are reported at fair value, determined by Vanguard based on the net asset value per share of each mutual fund as of the close of the New York Stock Exchange (NYSE) on the reporting date. Net realized and unrealized gains (losses) are included in "net increase (decrease) in the fair value of investments" on the statements of changes in fiduciary net position. Purchase and sales of shares of mutual funds are recorded on a trade-date basis. Dividends and capital gain distributions are recorded on the ex-dividend date and are automatically reinvested in additional shares of the respective mutual fund.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investments (Continued)

The investment contracts, which include contracts issued by financial institutions and insurance companies, are fully benefit-responsive and are reported at contract value, which is equal to contributions, plus interest credited at a guaranteed rate, less withdrawals and any applicable fees and expenses. Interest is accrued as it is earned.

Accounting standards categorize fair value measurements according to a hierarchy that is based on valuation inputs that are used to measure fair value. Level 1 inputs are quoted prices for identical assets in active markets that can be accessed at the measurement date. Level 2 inputs are inputs other than quoted market prices that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable. The fair values of the Plan's mutual funds are determined using Level 1 inputs. The fair value standards are not applicable to the investment contracts, since they are reported at contract value, rather than fair value.

(e) Cash and Cash Equivalents

Cash and cash equivalents generally include contributions received that have not yet been invested in Underlying Funds and/or redemption proceeds from Underlying Funds for withdrawals that have not yet been distributed in accordance with account owners' instructions.

Contribution and withdrawal transactions are processed through a non-interest-bearing account maintained at BNY Mellon in the Plan's name. The bank balances of this account at December 31, 2023 and 2022, are \$29,590 and \$47,400, respectively. Balances in this account are insured by the Federal Deposit Insurance Corporation (FDIC), along with any other accounts maintained at BNY Mellon under the same taxpayer identification number, in the aggregate, up to the maximum amount allowable under federal law. Amounts in excess of FDIC insurance limits are not collateralized or covered by supplementary insurance.

Excess cash balances are swept daily from the BNY Mellon account described in the preceding paragraph into a separate account and invested in a government money market mutual fund structured to maintain a net asset value per share equal to \$1. The balances of this account at December 31, 2023 and 2022, are \$1,688,457 and \$1,673,315, respectively.

Cash and cash equivalents also include the Plan's equity position in a non-interest-bearing pooled cash account maintained by Vanguard for the benefit of the Plan and other Vanguard clients to settle investment buy and sell transactions. This account is held in the name of Vanguard and is insured by the FDIC up to the maximum amount allowable under federal law. Balances in excess of FDIC insurance limits are not collateralized or covered by supplementary insurance. The Plan's equity position in this account, which is (\$105,838) and \$398,983 at December 31, 2023 and 2022, respectively, is segregated from balances attributable to other Vanguard clients on Vanguard's books and records.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributions

Individuals or entities meeting eligibility requirements who execute a participation agreement with the Plan may establish an account to which cash contributions may be made, subject to certain minimum contribution requirements and limitations on the aggregate amount of contributions. Contributions received by AGS prior to the close of the NYSE are recorded as increases in fiduciary net position on the date they are received, provided that all related documentation is found to be in good order and approved by AGS.

Account owners may elect to invest their contributions in one or more investment options offered by the Plan, consisting of six Individual Portfolios and three Age-Based Options. The Individual Portfolios are structured for various time horizons and levels of risk tolerance and are designed to allow account owners flexibility in managing their asset allocations. The Age-Based Options allow account owners to choose a predetermined investment strategy based on their risk tolerance and the age of the beneficiary. Over time, as the beneficiary approaches college age, the asset allocation becomes more conservative.

In addition to the various investment options, the Plan offers two unit classes, the Direct Class (available to account owners who do not utilize a financial advisor to invest in the Plan) and the Advisor Class (available to account owners who utilize a financial advisor to invest in the Plan). As more fully disclosed in Note 4, each unit class is subject to a different fee structure.

In exchange for contributions to the Plan, account owners receive full and/or fractional interests, or units, issued by the Trust. These units are municipal fund securities. Although money contributed to the Plan is invested in investment options that hold mutual funds or investment contracts, the units themselves are not direct investments in the mutual funds or the investment contracts. These units are not insured by the FDIC, the Bank or the state of North Dakota, nor have they been registered with the Securities and Exchange Commission or any state commission.

In addition, although account owners can select the investment options in which their contributions are invested, they cannot direct the selection or allocation of the Underlying Funds composing each investment option.

The Trustee allows North Dakota resident account owners who meet certain eligibility requirements to be considered for a BND Match award. Once all requirements are met, and the account owner has contributed to their account within 12 months from the enrollment date, a dollar for dollar match up to \$300 will be awarded BND Match awards total \$155,433 and \$129,150 for the years ended December 31, 2023 and 2022, respectively, and are included in contributions on the statements of changes in fiduciary net position.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributions (Continued)

New Baby Match allows North Dakota newborns to be considered for a one-time award. To be eligible to receive this award, interested persons must complete and return an enrollment form during the time the beneficiary, who must be a North Dakota resident, is 12 months old or younger. In addition, the account owner has up to 12 months from enrollment date to contribute to the account in order to be eligible to receive a dollar for dollar match in an amount of up to \$200. New Baby Match awards total \$222,909 and \$214,027 for the years ended December 31, 2023 and 2022, respectively, and are included in contributions on the statements of changes in fiduciary net position.

The Kindergarten Kickoff Match allows North Dakota resident beneficiaries who meet certain requirements to be considered for a one-time award. To be eligible to receive this award, interested persons must complete and return an enrollment form during the time the beneficiary, who must be a North Dakota resident, is 5 or 6 years old. In addition, the account owner has up to 12 months after being awarded the grant or prior to the beneficiary's seventh birthday to contribute to the account in order to be eligible to receive a dollar for dollar match in an amount of up to \$100. Kindergarten Kickoff Match awards total \$73,654 and \$64,228 for the years ended December 31, 2023 and 2022, respectively, and are included in contributions on the statements of changes in fiduciary net position.

The Bank, on behalf of the account owner and designated beneficiary, will open a single matching account when their application for a specific match is verified. This matching account holds all match designations and assets regardless of the combination of matches applicable. The Bank retains ownership of the assets in this matching account until the account owner submits a request in good order for a qualified withdrawal to an eligible educational institution.

(g) Withdrawals

Account owners may request withdrawals for qualified or non-qualified expenses. It is the responsibility of the account owner to determine whether or not the withdrawal is for qualified educational expenses and to calculate the applicable amount of federal or state tax or penalties for non-qualified withdrawals, if any. Withdrawals are recorded as deductions from fiduciary net position on the date the withdrawal request is found to be in good order and approved by AGS.

Withdrawals presented on the statements of changes in fiduciary net position include annual account maintenance fees, which are \$20 for each account and are assessed annually during the anniversary month of the account opening. This fee is not charged to BND Match, New Baby Match or Kindergarten Kickoff Match accounts, nor is it charged to those accounts for which the account owner or the beneficiary is a North Dakota resident. In addition, accounts established prior to February 28, 2002,

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Withdrawals (Continued)

where either the account owner or the beneficiary was a resident of South Dakota at the time of account opening, are not subject to this fee. Withdrawals also include service fees for other transactions, such as returned checks, overnight delivery charges, outgoing wire transfers and requests for historical statements. These annual account maintenance fees and service fees, which total approximately \$178,000 and \$182,000 for the years ended December 31, 2023 and 2022, respectively, are paid to AGS.

(h) Exchanges and Transfers

For each of the Age-Based Options, account balances will automatically be exchanged from one investment option to another more conservative investment option as the beneficiary approaches college age. In addition, subject to certain limitations and restrictions, account owners may generally direct that their account balance be reinvested in one or more different investment options twice per calendar year. Transfers of funds between investment options are referred to as "exchanges." Under certain conditions, account assets may be transferred from one beneficiary to another or from one account owner to another. These transactions are referred to as "transfers." The amounts of contributions and withdrawals reported on the statements of changes in fiduciary net position do not include exchanges or transfers, as these transactions have no impact on the net position of the Plan.

(i) Unit Valuation

Each account owner's full and/or fractional interest in an investment option is evidenced by a unit. The net asset value of a unit is calculated daily based on the value of the Underlying Funds, adjusted for the effects of such transactions as accrued administrative fees and investment income that has not been reinvested. The value of any individual account is determined by multiplying the number of units in an investment option attributable to that account owner by the net asset value per unit of that investment option.

(j) Indemnification

Neither the Bank, Vanguard, AGS nor any other person or entity, indemnifies any account owner or designated beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of members of the Bank, Vanguard or AGS. The Bank, Vanguard and AGS have entered into contracts related to the operation and administration of the Plan that contain a variety of representations and warranties that provide general indemnifications. The maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Bank, Vanguard or AGS that have not yet occurred. However, the Bank, Vanguard and AGS have not experienced any prior claims or losses pursuant to these contracts, and the risk of loss is expected to be remote.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS

(a) Investments by Type

At December 31, 2023 and 2022, investments held in the various investment options are detailed in the schedules that follow. Percentages are rounded to the nearest tenth of a percent.

2023			
Underlying Fund	Designation	Balance as of December 31, 2023	Percent of Total Balance
Aggressive Growth Portfolio			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	\$ 83,681,552	59.8%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	<u>56,359,738</u>	<u>40.2%</u>
		<u>140,041,290</u>	<u>100.0%</u>
Aggressive Portfolio ⁽¹⁾			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	23,135,292	52.4%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	15,541,845	35.2%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	3,863,081	8.7%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	<u>1,651,613</u>	<u>3.7%</u>
		<u>44,191,831</u>	<u>100.0%</u>
Growth Portfolio			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	36,374,115	45.0%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	24,447,264	30.2%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	14,105,685	17.4%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	<u>6,027,399</u>	<u>7.4%</u>
		<u>80,954,463</u>	<u>100.0%</u>

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

(Continued)

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

2023			
Underlying Fund	Designation	Balance as of December 31, 2023	Percent of Total Balance
Blended Growth Portfolio ⁽¹⁾			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	\$ 13,585,963	37.3%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	9,153,648	25.3%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	9,494,102	26.2%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	4,056,438	11.2%
		<u>36,290,151</u>	<u>100.0%</u>
Moderate Growth Portfolio			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	20,041,972	30.0%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	13,461,146	20.2%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	23,245,631	34.9%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	9,932,364	14.9%
		<u>66,681,113</u>	<u>100.0%</u>
Blended Moderate Growth Portfolio ⁽¹⁾			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	9,170,876	22.6%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	6,188,111	15.2%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	17,744,168	43.6%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	7,583,596	18.6%
		<u>40,686,751</u>	<u>100.1%</u>

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

(Continued)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

2023			
Underlying Fund	Designation	Balance as of December 31, 2023	Percent of Total Balance
Conservative Growth Portfolio			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	\$ 8,366,957	15.0%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	5,631,832	10.1%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	29,344,036	52.5%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	<u>12,543,318</u>	<u>22.4%</u>
		<u>55,886,143</u>	<u>100.0%</u>
Conservative Portfolio ⁽¹⁾			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	4,097,478	7.5%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	2,754,356	5.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	33,584,699	61.3%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	<u>14,352,195</u>	<u>26.2%</u>
		<u>54,788,728</u>	<u>100.0%</u>
Income Portfolio			
Vanguard Short-Term Reserves Account	Stable Value	13,500,656	25.0%
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	Inflation-Protected Bond	9,732,801	18.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	18,670,651	34.5%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	<u>12,144,350</u>	<u>22.5%</u>
		<u>54,048,458</u>	<u>100.0%</u>

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

2023			
Underlying Fund	Designation	Balance as of December 31, 2023	Percent of Total Balance
Balanced Income Portfolio ⁽¹⁾			
Vanguard Short-Term Reserves Account	Stable Value	\$ 938,801	49.7%
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	Inflation-Protected Bond	225,796	12.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	438,030	23.2%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	284,223	15.1%
		<u>1,886,850</u>	<u>100.0%</u>
Conservative Income Portfolio ⁽¹⁾			
Vanguard Short-Term Reserves Account	Stable Value	2,469,931	75.0%
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	Inflation-Protected Bond	197,677	6.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	378,799	11.5%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	246,304	7.5%
		<u>3,292,711</u>	<u>100.0%</u>
Interest Accumulation Portfolio			
Vanguard Short-Term Reserves Account	Stable Value	23,757,417	100.0%
Total Investments		<u>\$ 602,505,906</u>	

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

2022			
Underlying Fund	Designation	Balance as of December 31, 2022	Percent of Total Balance
Aggressive Growth Portfolio			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	\$ 69,464,646	59.9%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	46,407,762	40.1%
		<u>115,872,408</u>	<u>100.0%</u>
Aggressive Portfolio ⁽¹⁾			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	22,074,767	52.6%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	14,708,216	35.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	3,668,347	8.7%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	1,564,696	3.7%
		<u>42,016,026</u>	<u>100.0%</u>
Growth Portfolio			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	29,260,095	45.0%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	19,602,416	30.1%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	11,384,734	17.5%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	4,842,004	7.4%
		<u>65,089,249</u>	<u>100.0%</u>

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

(Continued)

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

2022			
Underlying Fund	Designation	Balance as of December 31, 2022	Percent of Total Balance
Blended Growth Portfolio ⁽¹⁾			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	\$ 11,322,772	37.4%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	7,611,433	25.2%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	7,962,408	26.3%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	3,371,185	11.1%
		<u>30,267,798</u>	<u>100.0%</u>
Moderate Growth Portfolio			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	17,930,718	29.9%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	12,069,537	20.1%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	21,001,108	35.1%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	8,910,067	14.9%
		<u>59,911,430</u>	<u>100.0%</u>
Blended Moderate Growth Portfolio ⁽¹⁾			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	8,751,846	22.4%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	5,919,692	15.1%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	17,192,214	43.9%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	7,280,325	18.6%
		<u>39,144,077</u>	<u>100.0%</u>

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio Option.

(Continued)

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

2022			
Underlying Fund	Designation	Balance as of December 31, 2022	Percent of Total Balance
Conservative Growth Portfolio			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	\$ 7,757,587	15.0%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	5,184,194	10.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	27,219,268	52.6%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	11,619,077	22.4%
		<u>51,780,126</u>	<u>100.0%</u>
Conservative Portfolio ⁽¹⁾			
Vanguard Total Stock Market Index Fund Institutional Plus Shares	Domestic Large Blend	3,993,259	7.5%
Vanguard Total International Stock Index Fund Institutional Plus Shares	International Large Blend	2,665,298	5.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	32,711,937	61.3%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	13,971,735	26.2%
		<u>53,342,229</u>	<u>100.0%</u>
Income Portfolio			
Vanguard Short-Term Reserves Account	Stable Value	13,850,635	25.1%
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	Inflation-Protected Bond	9,965,869	18.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	19,042,555	34.5%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	12,373,790	22.4%
		<u>55,232,849</u>	<u>100.0%</u>

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

2022			
Underlying Fund	Designation	Balance as of December 31, 2022	Percent of Total Balance
Balanced Income Portfolio ⁽¹⁾			
Vanguard Short-Term Reserves Account	Stable Value	\$ 997,661	50.1%
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	Inflation-Protected Bond	239,184	12.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	459,109	23.0%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	296,859	14.9%
		<u>1,992,813</u>	<u>100.0%</u>
Conservative Income Portfolio ⁽¹⁾			
Vanguard Short-Term Reserves Account	Stable Value	2,689,268	75.0%
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	Inflation-Protected Bond	215,092	6.0%
Vanguard Total Bond Market II Index Fund Institutional Shares	Intermediate-Term Bond	412,242	11.5%
Vanguard Total International Bond Index Fund Institutional Shares	Intermediate-Term Bond	267,776	7.5%
		<u>3,584,378</u>	<u>100.0%</u>
Interest Accumulation Portfolio			
Vanguard Short-Term Reserves Account	Stable Value	23,506,005	100.0%
		<u>\$ 541,739,388</u>	

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio Option.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(b) Vanguard Short-Term Reserves Account

The Plan maintains a stable value separate account that serves as an underlying asset for certain investment options. This account, which is managed by Vanguard, invests in traditional and synthetic (wrap) contracts issued by insurance companies, bank investment contracts issued by financial institutions and a money market mutual fund. These contracts are held in the name of the Bank, as Trustee of the Trust in which the Plan's assets are held. The underlying holdings of this account at December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Investment contracts, at contract value		
Traditional contracts:		
Metropolitan Life	\$ 779,020	\$ 868,386
New York Life Insurance Company	217,502	212,207
Total traditional contracts	<u>996,522</u>	<u>1,080,593</u>
Wrap contracts:		
American General Life Insurance Company	3,010,913	3,015,364
Citibank	2,927,434	-
JPMorgan Chase Bank	2,061,538	2,063,337
Lincoln National Life Insurance Company	-	3,235,728
Massachusetts Mutual Life Insurance Company	4,010,875	4,015,872
Metropolitan Life	3,551,074	3,582,323
Nationwide Life	3,916,645	3,624,217
New York Life Insurance Company	4,173,675	4,193,326
Pacific Life	3,467,577	3,475,379
Prudential Insurance Company	3,798,381	3,803,899
State Street Bank	3,984,422	3,992,045
Transamerica	2,968,340	2,973,797
Total wrap contracts	<u>37,870,874</u>	<u>37,975,287</u>
Vanguard Federal Money Market Fund	<u>1,799,409</u>	<u>1,987,689</u>
Total Vanguard Short-Term Reserves Account	<u>\$ 40,666,805</u>	<u>\$ 41,043,569</u>

The crediting rates on these contracts range from 0.90% to 3.33% at December 31, 2023, and from 0.74% to 3.33% at December 31, 2022. These rates may reset periodically.

The underlying assets of the wrap contracts are set forth in the related agreements and are the Vanguard Institutional Short-Term Bond Fund and the Vanguard Institutional Intermediate-Term Bond Fund. The fair value of these underlying assets at December 31, 2023 and 2022, is \$35,687,186 and \$34,970,599, respectively.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(b) Vanguard Short-Term Reserves Account (Continued)

The bank investment contracts are not insured by the FDIC or otherwise covered by collateral or supplementary insurance.

(c) Net Increase (Decrease) in the Fair Value of Investments

The following table calculates the net increase (decrease) in the fair value of investments during the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Fair value of investments, end of year	\$ 602,505,906	\$ 541,739,388
Less cost of investments purchased and investment income reinvested during the year	(100,905,789)	(141,451,612)
Plus proceeds from investments sold during the year	100,308,135	142,295,931
Less fair value of investments, beginning of year	<u>(541,739,388)</u>	<u>(647,375,545)</u>
Net increase (decrease) in the fair value of investments	<u>\$ 60,168,864</u>	<u>\$ (104,791,838)</u>

(d) Investment Risk

The mutual funds in which the Plan invests include various types of investment securities in their asset holdings, such as corporate debt and equity securities, obligations of the U.S. government and government agencies and international debt and equity securities. These securities are exposed to interest rate, market and credit risk, and it is at least reasonably possible that changes in their fair values could occur in the near term, materially affecting account owner balances and the amounts reported in the Plan's basic financial statements.

U.S. GAAP requires that certain disclosures be made related to the Plan's investment policy and exposure to credit risk, interest rate risk and foreign currency risk, which are included in the paragraphs that follow.

Investment Policy

The Underlying Funds in which the Plan's assets are invested and the allocation of the Underlying Funds within each investment option are specified in the Management Agreement and the Operational Agreement and may not be changed without approval of the Bank. There is no separate investment policy that specifically addresses credit risk, interest rate risk, concentrations of credit risk or foreign currency risk.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 3: INVESTMENTS (Continued)

(d) Investment Risk (Continued)

Credit Risk

Certain mutual funds invest in bonds issued by corporations, foreign governments, the U.S. government, its agencies and instrumentalities. Through its investment in bond funds, the Plan is indirectly exposed to credit risk, which is the risk that a bond issuer will fail to pay interest and principal, when due, as a result of adverse market or economic conditions. The bond funds in which the Plan invests are not rated as to credit quality by a nationally recognized statistical rating organization.

The Plan's mutual funds are not subject to classification by custodial credit risk, which is the risk the Plan will not recover the value of investments that are in the possession of an outside party.

Interest Rate Risk

The Plan is indirectly exposed to interest rate risk through its investment in bond funds. Interest rate risk is the risk that changes in interest rates will adversely impact the fair value of an investment. Average maturity, which is a measure of interest rate risk, is the average length of time until fixed-income securities held by a fund reach maturity and will be repaid, taking into consideration the possibility that the issuer may call a bond before its maturity date. In general, the longer the average maturity, the more a fund's share price will fluctuate in response to a change in interest rates. Average duration is also a measure of how much the value of the bonds held by a fund will fluctuate in response to changes in interest rates. As of December 31, 2023, the average maturity and average duration of the bond funds in which the Plan invests are as follows:

	<u>Average Maturity</u>	<u>Average Duration</u>
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	2.5 years	2.4 years
Vanguard Total Bond Market II Index Fund Institutional Shares	8.8 years	6.4 years
Vanguard Total International Bond Index Fund Institutional Shares	8.9 years	7.3 years
Vanguard Federal Money Market Fund	28 days	N/A

Foreign Currency Risk

The Vanguard Total International Stock Index Fund Institutional Plus Shares invests in a diversified index of non-U.S. stocks representing the major developed and emerging equity markets, and the Vanguard Total International Bond Index Fund Institutional Shares invests in diversified investment grade, fixed-income investments issued in currencies other than the U.S. dollar. There are certain inherent risks involved when investing in international securities that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention or delay of currency exchange due to foreign governmental laws or restrictions.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 4: ADMINISTRATIVE FEES AND OTHER EXPENSES

(a) Administrative Fees

As provided in the Management Agreement and the Operational Agreement, AGS, Vanguard and the Bank are entitled to service fees, including plan management fees and state administrative fees, which are calculated based on the fiduciary net position of each investment option, accrued daily and paid monthly.

In addition, Advisor Class units of each investment option, excluding the Interest Accumulation Portfolio, are subject to an ongoing distribution and service fee, which is calculated based on net position of Advisor Class units in each investment option and accrued daily. This fee is paid monthly to AGS, and on a quarterly basis is distributed to financial advisors for certain distribution and account-related services. Direct Class units are not subject to the distribution and service fee.

Administrative fees related to the years ended December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
AGS	\$ 2,483,287 ⁽¹⁾	\$ 2,551,398 ⁽¹⁾
Vanguard	456,837	463,680
Bank	<u>569,365</u>	<u>571,704</u>
Total administrative fees	<u>\$ 3,509,489</u>	<u>\$ 3,586,782</u>

⁽¹⁾ Includes distribution and service fees ultimately paid to financial advisors.

(b) Underlying Fund Expenses

Vanguard also receives compensation for management of the mutual funds in which the Plan invests. This compensation is not included in administrative fees presented on the Plan's statements of changes in fiduciary net position since it reduces the amount of investment income available for distribution to the Plan and is not a direct expense paid from Plan assets.

(c) Other Administrative Expenses

The Bank incurs certain costs in performing administrative, marketing and oversight services for the Plan and funding BND Match, New Baby Match and Kindergarten Kickoff Match for qualifying account owners. These costs, which total \$748,543 and \$758,960 for the years ended December 31, 2023 and 2022, respectively, are not paid directly from Plan assets and are not reported as expenses in the accompanying basic financial statements.

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NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

NOTE 4: ADMINISTRATIVE FEES AND OTHER EXPENSES (Continued)

(c) Other Administrative Expenses (Continued)

Pursuant to the terms of the Management Agreement, AGS is required, on an annual basis, to provide a cash marketing commitment to the Bank for marketing of the Plan and a marketing support commitment for the design, production and distribution of collateral marketing materials, including the Plan's disclosure statement, and for phone and email sales and service support. The commitment amounts vary each year. The annual cash marketing commitment and marketing support commitment, which total \$327,557 and \$318,017 for the years ended December 31, 2023 and 2022, respectively, are not paid directly from Plan assets and are not reported as expenses in the accompanying basic financial statements.

Supplementary Information

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College SAVE™

Bank of North Dakota's 529 Plan
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SCHEDULE OF FIDUCIARY NET POSITION BY INVESTMENT OPTION December 31, 2023

	Aggressive Growth Portfolio	Aggressive Portfolio*	Growth Portfolio	Blended Growth Portfolio*	Moderate Growth Portfolio	Blended Moderate Growth Portfolio*	Conservative Growth Portfolio
ASSETS							
Investments	\$ 140,041,290	\$ 44,191,831	\$ 80,954,463	\$ 36,290,151	\$ 66,681,113	\$ 40,686,751	\$ 55,886,143
Cash and cash equivalents (cash overdraft)	192,241	118,703	130,460	43,854	62,371	47,580	(111,613)
Receivables from investments sold	24,733	-	-	-	3,278	-	59,264
Total Assets	140,258,264	44,310,534	81,084,923	36,334,005	66,746,762	40,734,331	55,833,794
LIABILITIES							
Payables for investments purchased	52,324	31,556	44,402	12,023	10,984	1,458	-
Withdrawals payable	113,283	-	44,940	4,905	28,315	6,708	67,502
Accrued administrative fees	71,806	20,742	42,233	17,354	34,152	20,105	29,493
Total Liabilities	237,413	52,298	131,575	34,282	73,451	28,271	96,995
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES							
	\$ 140,020,851	\$ 44,258,236	\$ 80,953,348	\$ 36,299,723	\$ 66,673,311	\$ 40,706,060	\$ 55,736,799
UNIT INFORMATION^{(1) (2)}							
Advisor Class							
Units outstanding	2,347,904	1,119,844	1,548,791	1,061,034	1,422,647	1,485,856	1,595,479
Net asset value per unit	\$ 31.05	\$ 14.38	\$ 28.06	\$ 13.17	\$ 22.81	\$ 11.95	\$ 18.24
Direct Class							
Units outstanding	3,815,716	1,921,834	2,394,270	1,663,630	2,470,956	1,885,792	2,201,261
Net asset value per unit	\$ 17.59	\$ 14.65	\$ 15.66	\$ 13.42	\$ 13.85	\$ 12.17	\$ 12.10

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

See Independent Auditor's Report.

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SCHEDULE OF FIDUCIARY NET POSITION BY INVESTMENT OPTION

December 31, 2023

	Conservative Portfolio*	Income Portfolio	Balanced Income Portfolio*	Conservative Income Portfolio*	Interest Accumulation Portfolio	Plan Total
ASSETS						
Investments	\$ 54,788,728	\$ 54,048,458	\$ 1,886,850	\$ 3,292,711	\$ 23,757,417	\$ 602,505,906
Cash and cash equivalents (cash overdraft)	12,335	178,918	2,154	16,399	102,350	795,752
Receivables from investments sold	159,391	56,272	-	-	6,465	309,403
Total Assets	<u>54,960,454</u>	<u>54,283,648</u>	<u>1,889,004</u>	<u>3,309,110</u>	<u>23,866,232</u>	<u>603,611,061</u>
LIABILITIES						
Payables for investments purchased	1	2,767	203	16,070	31,777	203,565
Withdrawals payable	265,052	194,159	-	-	73,803	798,667
Accrued administrative fees	29,752	30,146	794	1,622	8,950	307,149
Total Liabilities	<u>294,805</u>	<u>227,072</u>	<u>997</u>	<u>17,692</u>	<u>114,530</u>	<u>1,309,381</u>
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES						
	<u>\$ 54,665,649</u>	<u>\$ 54,056,576</u>	<u>\$ 1,888,007</u>	<u>\$ 3,291,418</u>	<u>\$ 23,751,702</u>	<u>\$ 602,301,680</u>
UNIT INFORMATION^{(1) (2)}						
Advisor Class						
Units outstanding	2,847,541	2,307,832	26,687	114,425	995,007	
Net asset value per unit	\$ 10.75	\$ 14.12	\$ 10.62	\$ 10.66	\$ 11.08	
Direct Class						
Units outstanding	2,190,763	1,976,978	148,711	190,935	1,149,686	
Net asset value per unit	\$ 10.98	\$ 10.86	\$ 10.79	\$ 10.85	\$ 11.07	

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

See Independent Auditor's Report.

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Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY INVESTMENT OPTION Year Ended December 31, 2023

	Aggressive Growth Portfolio	Aggressive Portfolio*	Growth Portfolio	Blended Growth Portfolio*	Moderate Growth Portfolio	Blended Moderate Growth Portfolio*	Conservative Growth Portfolio
ADDITIONS AND NET INVESTMENT INCOME							
Contributions	\$ 13,617,866	\$ 6,022,365	\$ 5,889,138	\$ 3,079,197	\$ 4,295,227	\$ 2,649,201	\$ 3,022,411
Investment income:							
Dividends, capital gain distributions and interest	2,965,787	1,036,320	1,944,805	940,117	1,868,859	1,187,942	1,758,026
Net increase in the fair value of investments	22,192,388	6,672,581	10,064,140	4,045,375	6,563,016	3,307,329	3,593,681
Net investment income	25,158,175	7,708,901	12,008,945	4,985,492	8,431,875	4,495,271	5,351,707
Exchanges and transfers in	7,132,733	8,086,045	22,128,145	17,244,934	21,143,534	18,961,322	25,310,424
Total Additions and Net Investment Income	<u>45,908,774</u>	<u>21,817,311</u>	<u>40,026,228</u>	<u>25,309,623</u>	<u>33,870,636</u>	<u>26,105,794</u>	<u>33,684,542</u>
DEDUCTIONS							
Withdrawals	7,549,890	519,338	3,775,070	295,396	4,236,023	517,135	6,347,055
Administrative fees	794,881	243,797	458,316	195,159	393,323	230,516	340,266
Exchanges and transfers out	13,334,365	18,840,002	19,964,305	18,778,006	22,457,972	23,774,144	22,992,335
Total Deductions	<u>21,679,136</u>	<u>19,603,137</u>	<u>24,197,691</u>	<u>19,268,561</u>	<u>27,087,318</u>	<u>24,521,795</u>	<u>29,679,656</u>
NET INCREASE (DECREASE)	24,229,638	2,214,174	15,828,537	6,041,062	6,783,318	1,583,999	4,004,886
NET POSITION HELD IN TRUST FOR ACCOUNT AND BENEFICIARIES, BEGINNING OF YEAR	<u>115,791,213</u>	<u>42,044,062</u>	<u>65,124,811</u>	<u>30,258,661</u>	<u>59,889,993</u>	<u>39,122,061</u>	<u>51,731,913</u>
NET POSITION HELD IN TRUST FOR ACCOUNT AND BENEFICIARIES, END OF YEAR	<u>\$ 140,020,851</u>	<u>\$ 44,258,236</u>	<u>\$ 80,953,348</u>	<u>\$ 36,299,723</u>	<u>\$ 66,673,311</u>	<u>\$ 40,706,060</u>	<u>\$ 55,736,799</u>

* Age-based Option portfolio only. Not available for investment as an Individual Portfolio Option.

See Independent Auditor's Report.

College SAVE™

Bank of North Dakota's 529 Plan

(A Fiduciary Fund of the State of North Dakota)

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY INVESTMENT OPTION Year Ended December 31, 2023

	Conservative Portfolio*	Income Portfolio	Balanced Income Portfolio*	Conservative Income Portfolio*	Interest Accumulation Portfolio	Plan Total
ADDITIONS AND NET INVESTMENT INCOME						
Contributions	\$ 2,573,535	\$ 2,359,622	\$ 131,364	\$ 380,710	\$ 1,611,260	\$ 45,631,896
Investment income:						
Dividends, capital gain distributions and interest	1,837,491	1,766,343	52,216	95,546	594,685	16,048,137
Net increase in the fair value of investments	2,554,125	1,127,543	26,434	22,252	-	60,168,864
Net investment income	4,391,616	2,893,886	78,650	117,798	594,685	76,217,001
Exchanges and transfers in	20,918,629	13,195,211	1,258,352	2,145,235	6,901,117	164,425,681
Total Additions and Net Investment Income	27,883,780	18,448,719	1,468,366	2,643,743	9,107,062	286,274,578
DEDUCTIONS						
Withdrawals	13,929,492	13,399,782	125,365	800,580	5,862,840	57,357,966
Administrative fees	350,312	365,099	9,070	21,095	107,655	3,509,489
Exchanges and transfers out	12,167,790	5,810,885	1,438,497	2,109,091	2,758,289	164,425,681
Total Deductions	26,447,594	19,575,766	1,572,932	2,930,766	8,728,784	225,293,136
NET INCREASE (DECREASE)	1,436,186	(1,127,047)	(104,566)	(287,023)	378,278	60,981,442
NET POSITION HELD IN TRUST FOR ACCOUNT AND BENEFICIARIES, BEGINNING OF YEAR	53,229,463	55,183,623	1,992,573	3,578,441	23,373,424	541,320,238
NET POSITION HELD IN TRUST FOR ACCOUNT AND BENEFICIARIES, END OF YEAR	\$ 54,665,649	\$ 54,056,576	\$ 1,888,007	\$ 3,291,418	\$ 23,751,702	\$ 602,301,680

* Age-based Option portfolio only. Not available for investment as an Individual Portfolio Option.

See Independent Auditor's Report.



**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***

Bank of North Dakota and
Ascensus Broker Dealer Services, LLC (Plan Manager)
College SAVE

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 **College SAVE** (the Plan), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated March 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Plan'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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 basic 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.

Bank of North Dakota and
Ascensus Broker Dealer Services, LLC (Plan Manager)
College SAVE

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan’s basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and agreements, noncompliance with which could have a direct and material effect on the basic 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 Plan’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 Plan’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Little Rock, Arkansas
March 28, 2024



Bank of North Dakota and
Ascensus Broker Dealer Services, LLC (Plan Manager)
College SAVE

We have audited the statement of fiduciary net position, the statement of changes in fiduciary net position and the related notes to the financial statements (collectively, “the basic financial statements”) of **College SAVE** (the Plan) as of and for the year ended December 31, 2023, and have issued our report thereon March 28, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Basic Financial Statement Audit

As communicated to Ascensus College Savings Recordkeeping Services, LLC (ACSR) in our engagement letter dated February 7, 2022, as amended, and to Mr. James Barnhardt, College SAVE Plan Administrator, and the members of the Executive Committee of the Bank of North Dakota (the Bank) in our letter dated January 12, 2024 (a copy of which was provided to Ascensus Broker Dealer Services, LLC (ABD)), our responsibility, as described by professional standards, is to form and express an opinion about whether the basic financial statements that have been prepared by management subject to oversight provided by the Bank are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit of the basic financial statements does not relieve the Bank or ABD of any responsibilities with respect to the Plan.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of basic financial statements includes consideration of the system of internal control over financial reporting as a basis of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to the Bank’s and ABD’s responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to the Bank or ABD.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to ACSR in our engagement letter dated February 7, 2022, as amended, and to Mr. James Barnhardt and members of the Executive Committee of the Bank in our letter dated January 12, 2024, a copy of which was provided to ABD.

Landmark PLC, Certified Public Accountants

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

As part of this engagement, we were requested to perform certain services that are above and beyond those required to perform an audit under professional standards, referred to as “nonattest services.” Specifically, we have assisted management in the clerical aspects of drafting the basic financial statements, management’s discussion and analysis (MD&A) that accompanies the basic financial statements as required supplementary information (RSI) and the schedules of fiduciary net position and changes in fiduciary net position for each investment option that accompany the basic financial statements as other supplementary information (SI). In addition, based on information provided to us by the Plan’s investment manager and ABD, we have provided assistance in adjusting investment and participant balances from settlement date to trade date basis, recording withdrawals payable and eliminating exchange, transfer and cancelled transactions from contributions and withdrawals for purposes of financial reporting. All nonattest services were performed by individuals who are not part of the audit engagement team and were subject to audit and supervisory review by members of the audit engagement team and the engagement partner. ABD has reviewed, approved and accepted responsibility for the accuracy and completeness of the basic financial statements, MD&A, SI and all adjustments.

Significant Risks Identified

We believe that the calculation of asset-based fees and any non-routine transactions, such as underlying fund changes; changes in asset-based fee accruals; and the creation, consolidation or elimination of investment options are significant risks commonly encountered during audits of education savings plans.

Administrative fees are asset-based fees that are accrued and remitted monthly to ABD, the Bank and the Plan’s investment manager. We performed detailed substantive analytical procedures utilizing average net assets and fee accrual rates set forth in the Plan’s disclosure statement to recalculate these administrative fees for each investment option.

There were no significant non-routine transactions that occurred during the audit period.

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Neither the Governmental Accounting Standards Board (GASB) nor the Financial Accounting Standards Board (FASB) has established authoritative guidance specific to accounting and reporting for qualified tuition programs organized under Section 529 of the Internal Revenue Code of 1986, as amended. As the Plan was created by and is operated pursuant to North Dakota Century Code and is included in the financial reporting entity of the state of North Dakota as a fiduciary fund, the Plan’s basic financial statements are prepared following accounting and financial reporting standards set forth in in GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, applicable to fiduciary funds.

Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)

Significant Accounting Policies (Continued)

Management has the responsibility to select and use appropriate accounting policies. The significant accounting policies adopted by the Plan are described in Note 2 to the financial statements. There has been no initial selection of accounting policies, nor have there been any changes in significant accounting policies or their application during the year ended December 31, 2023. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions or the effect of significant accounting policies in controversial and emerging areas for which there is a lack of authoritative guidance or consensus, other than as discussed in the preceding paragraph.

Significant Accounting Estimates

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 basic financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. The most sensitive estimates affecting the Plan's basic financial statements are the fair values of investments. While these fair values are determined based on published market prices, changing economic conditions, such as market fluctuations and changes in interest rates, could significantly impact amounts reported in the Plan's basic financial statements and the balances of account owners participating in the Plan. We evaluated the fair values reported in the Plan's basic financial statements and determined they are reasonable in relation to the basic financial statements taken as a whole.

Basic Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. Note 3 to the financial statements discloses information about the Plan's investments, including required disclosures regarding investment policies, credit risk, interest rate risk and foreign currency risk. Note 4 to the financial statements discloses information about administrative fees paid to the Bank, ABD and the Plan's investment manager.

The disclosures in the basic financial statements are neutral, consistent and clear.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Identified or Suspected Fraud

We have not identified nor have we obtained information that indicates material fraud may have occurred.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period basic financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the basic financial statements currently under audit. In addition, professional standards require us to communicate all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no misstatements identified by us as a result of our audit.

Disagreements with Management

For purposes of this communication, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter, which could be significant to the Plan's basic financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this communication, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. Our auditor's report includes an unmodified opinion on the basic financial statements of the Plan. An emphasis of matter paragraph is included following our opinion, alerting the reader that the Plan is included as a fiduciary fund in the financial reporting entity of the state of North Dakota, that the basic financial statements of the Plan include only balances and transactions attributable to the Plan and that they are not intended to represent the basic financial statements of any other fiduciary funds of the state of North Dakota. Our report also includes paragraphs explaining that we do not express an opinion on the information in MD&A, and that we express an opinion on the information in the supplementary schedules of fiduciary net position and changes in fiduciary net position by investment portfolio in relation to the basic financial statements as a whole.

Representations Requested from Management

We have requested certain representations from ABD, which are included in their management representation letter dated March 28, 2024. A copy of this letter is included in **Attachment A**.

Matters Resulting in Consultation Outside the Engagement Team

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Management's Discussion and Analysis

Pursuant to professional standards, our responsibilities as auditors do not extend to information presented in MD&A. However, in accordance with such standards, we have applied certain limited procedures to the information presented therein. Our procedures consisted of inquiries of management regarding the methods of preparing the information in MD&A and comparing the information therein to the basic financial statements. In addition, we considered the consistency of such information to management's responses to our inquiries 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 presented in MD&A because these limited procedures are not sufficient information on which to express an opinion or provide assurance. We are responsible for communicating any information which we believe is a material misstatement of fact. However, nothing came to our attention that caused us to believe the information in MD&A, or its manner of presentation, is materially inconsistent with the information appearing in the basic financial statements.

Other Supplementary Information

We were engaged to report on the information in the schedule of fiduciary net position by investment option and the schedule of changes in fiduciary net position by investment option. With respect to the information in these schedules, we made certain inquiries of management and evaluated the form, content and methods of preparing the information presented therein to determine that the information complies with U.S. GAAP, the method of preparing the information in these schedules has not changed from the prior period and the information in these schedules is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the information in these schedules to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Plan, we generally discuss a variety of matters with management, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the Plan, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Plan's auditors.

Marketing Commitment

Pursuant to Section 10.4(a) of the College Save Plan Management Agreement, as amended (the Plan Management Agreement), ABD is required on an annual basis to provide a cash marketing commitment for marketing of the Plan; a marketing support commitment for the design, production and distribution of collateral marketing materials, including the Plan's disclosure statement, and to provide phone and email sales and service support; and a cash payment deducted from the marketing support commitment, as

Other Significant Matters, Findings or Issues (Continued)

Marketing Commitment (Continued)

determined by the Bank. Marketing expenses incurred and related cash payments are not reflected in the Plan's basic financial statements and were not subject to our audit procedures. In addition, we have not performed any procedures to audit the ABD's compliance with the requirements of Section 10.4(a).

Underlying Fund Expenses

The mutual funds in which the Plan's assets are invested are subject to underlying fund expenses, which include investment advisory expenses, administrative and other expenses of those funds and are paid to the managers of those funds. These underlying fund expenses are not reported as expenses in the Plan's basic financial statements since they reduce the amount of income distributable by the mutual funds to the Plan in the form of dividends and capital gain distributions and are not paid from Plan assets. We did not perform any audit procedures with respect to the underlying fund expenses, except as necessary to determine that the correct expense rates were utilized in the accrual of administrative expenses.

Distribution and Service Fees

Pursuant to Section 9.1(a) of the Plan Management Agreement, ABD is directly responsible for the payment of the distribution and service fees to financial advisors and broker-dealers out of the administrative fees paid to ABD. We performed procedures to audit the administrative fees attributable to ABD. However, the payment of the distribution and service fees is the responsibility of and an expense of ABD, and we have not performed any audit procedures with respect to the distribution and service fees.

Administration Costs

As disclosed in Note 4(c) to the financial statements, the Bank incurs certain costs associated with marketing and administration of the Plan. These costs are not paid from Plan assets, are not reported as expenses in the Plan's basic financial statements and were not subject to our audit procedures.

Restriction on Use

This information is intended solely for the use of the Bank and ABD and its affiliates and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Little Rock, Arkansas
March 28, 2024



March 28, 2024

Landmark PLC
200 W Capitol Avenue, Suite 1700
Little Rock, Arkansas 72201

Ascensus Broker Dealer Services, LLC (ABD), as Plan Manager for *College SAVE* (the Plan), is providing this representation letter in connection with your audits of the Plan's December 31, 2023 and 2022 financial statements and the related notes to the financial statements (collectively, the "basic financial statements") for the purpose of expressing an opinion as to whether the basic financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements.

To the best of our knowledge and belief, we confirm the following representations, having made reasonable inquiries with respect to the matters therein.

Basic Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 7, 2022, as amended.
- 2) The basic financial statements referred to above are fairly presented in conformity with U.S. GAAP applicable to fiduciary fund types of governmental entities and include all assets, liabilities, contributions, other revenues, withdrawals and other expenses attributable to the Plan.
- 3) We acknowledge our responsibility for the design, implementation and maintenance of our internal controls to the extent they are relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation and maintenance of our internal controls to provide reasonable assurance that fraud is prevented and detected.
- 5) Significant assumptions we used in making accounting estimates are reasonable.

Basic Financial Statements (Continued)

- 6) We have disclosed to you the identities of the Plan's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions, including revenues, expenses and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) No events, circumstances or instances of material noncompliance with laws, regulations, contracts or agreements that are relevant to the Plan have occurred subsequent to December 31, 2023, and through the date of this letter that would require adjustment to or disclosure in the Plan's basic financial statements.
- 8) We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the basic financial statements, and we have not consulted a lawyer concerning litigation, claims or assessments against the Plan or against ABD with respect to its administration of the Plan. There are no guarantees, whether written or oral, under which the Plan is contingently liable.
- 9) We have reviewed the note disclosures regarding the Plan's cash accounts maintained at Bank of New York Mellon, and we believe them to be appropriate and accurate.
- 10) With regard to investments:
 - a) Mutual funds are reported by The Vanguard Group, Inc. (Vanguard) at fair value, based on net asset value per share determined as of the close of the New York Stock Exchange on the reporting date.
 - b) Disclosures related to fair value are complete as provided by Vanguard, accurate and in accordance with U.S. GAAP.
 - c) We are not aware of any litigation pertaining to the mutual funds in which the Plan invests that could have a material impact on balances reported in the financial statements or that would require disclosure under U.S. GAAP.
 - d) We are not aware of any subsequent events that would require adjustment to fair value measurements or disclosures included in the notes to the financial statements.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the basic financial statements, such as records, documentation, audit or relevant monitoring reports, if any, received from regulatory agencies.
 - b) Additional information that you have requested from us for the purpose of the audits.

Information Provided (Continued)

- c) Unrestricted access to employees of ABD or affiliates from whom you determined it necessary to obtain audit evidence.
- 12) We have provided you with a copy of the *Report on Management of Ascensus Government Savings' Description of its System for Processing Transactions Related to 529, ABLER and State-Facilitated Retirement Programs and on the Suitability of the Design and Operating Effectiveness of its Controls* covering the period from January 1, 2023 through December 31, 2023. As of the date of this letter, a new report is not available. We represent that there have been no significant changes in processes, procedures or controls described in this report through the date of this letter.
- 13) All material transactions have been recorded in the accounting records and are reflected in the basic financial statements.
- 14) We have no knowledge of any fraud or suspected fraud affecting the Plan involving—
- a) Management,
 - b) Employees of ABD or affiliates who have significant roles in internal control or
 - c) Others where the fraud could have a material effect on the basic financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan's basic financial statements communicated by employees, former employees, regulators, representatives of the Bank of North Dakota, Vanguard or others. We have assessed the risk that fraud may occur and have a material impact on the Plan's basic financial statements, and we have disclosed to you any material concerns that may have significance to your audits.
- 16) We are not aware of any known instances of noncompliance or suspected noncompliance with provisions of laws, regulations or contracts applicable to the Plan, nor are we aware of any instances of abuse, whose effects should be considered when preparing the basic financial statements.

Other Specific Representations

- 17) We have no knowledge of any communications from the Bank of North Dakota or regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have identified to you any previous audits, compliance examinations, attestation engagements and other studies related to the objectives of this audit engagement that are relevant to the preparation and fair presentation of the basic financial statements, and have provided our views on reported findings, conclusions and recommendations, as well as our planned corrective actions.

Other Specific Representations (Continued)

- 19) We are not aware of any plans or intentions that may materially affect the current structure of the Plan that should be disclosed in the notes to the financial statements. We are not aware of any plans, intentions or changes in laws or regulations that would result in discontinuance of the Plan.
- 20) Together, ABD, Vanguard and the Bank of North Dakota are responsible for compliance with the laws, regulations and provisions of contracts and agreements applicable to the Plan; and we have identified and disclosed to you all laws, regulations and provisions of contracts and agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- 21) We are not aware of any violations or possible violations of laws, regulations or provisions of contracts whose effects should be considered for disclosure in the basic financial statements, or as a basis for recording a loss contingency or for reporting on noncompliance.
- 22) The Plan has complied with all aspects of contractual agreements that would have a material effect on the basic financial statements in the event of noncompliance.
- 23) The Plan is exempt from income taxes under Section 115 of the Internal Revenue Code. The Plan has not engaged in any activities of which we are aware that would be subject to tax on unrelated business income or excise or other tax.
- 24) There have been no Financial Industry Regulatory Authority (FINRA) complaints filed in regard to the Plan during the period from January 1, 2023 through December 31, 2023, and through the date of this letter.
- 25) We have disclosed to you all relevant contracts or other agreements with service organizations, and we have not received any relevant communications from the service organizations relating to control deficiencies or material noncompliance with laws, regulations, contracts or agreements that may impact the basic financial statements of the Plan.

Non-Attest Services

- 26) Although you have assisted us with the preparation of the basic financial statements and supplementary schedules and have provided technical advice regarding the contents of management's discussion and analysis (MD&A), we have designated one or more individual(s) with suitable skill, knowledge or experience to oversee your services and have made any necessary management decisions and performed all requisite management functions. We have reviewed, approved and accepted responsibility for the basic financial statements and supplementary schedules, as well as MD&A.
- 27) We understand that, as part of your audits, you prepared certain adjusting entries necessary to report investments and account owner transactions on a trade-date basis, to report withdrawals payable and to eliminate rounding differences based on information provided by us, the Plan's custodian or the investment manager. We have reviewed and approved those entries and accept responsibility for the accuracy of those entries.

Non-Attest Services (Continued)

- 28) We acknowledge our responsibility for the MD&A, which is required supplementary information (RSI) prescribed by the Governmental Accounting Standards Board (GASB). The RSI is measured and presented within guidelines prescribed by the GASB, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 29) With respect to the supplementary schedules that detail fiduciary net position and changes in fiduciary net position for each investment option:
- a) We acknowledge our responsibility for presenting the information in these schedules, and we believe the information in these schedules, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the information in these schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) We agree that we will not distribute the supplementary schedules separate and apart from the auditor's opinion, financial statements and note disclosures.



Margaret Creonte
President

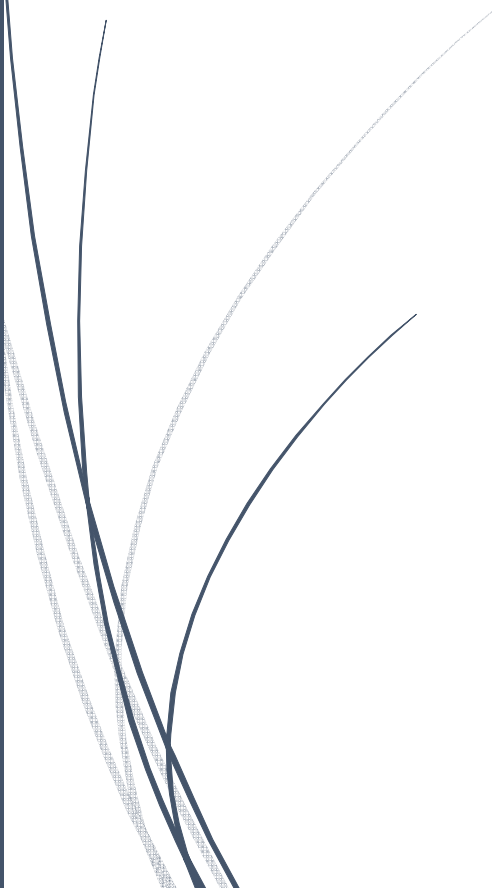
Ascensus Government Savings

September 30, 2024



Bank *of* North Dakota

Performance Highlights



BANK OF NORTH DAKOTA
BALANCE SHEET - COMPARATIVE DATA
SEPTEMBER 30, 2024 - UNAUDITED

	(In Thousands)				
	9/30/2024	Budget	Difference	% Change	9/30/2023
Cash	\$ 139,549	\$ 314,965	\$ (175,416)	-55.69%	\$ 123,079
Due from Banks	258,397	225,000	33,397	14.84%	173,440
Federal funds sold	31,570	55,000	(23,430)	-42.60%	80,620
Securities	4,185,387	3,381,787	803,600	23.76%	3,884,193
Loans					
Commercial	3,970,109	4,062,724	(92,615)	-2.28%	3,452,992
Agriculture	773,571	720,331	53,240	7.39%	728,694
Residential	294,234	286,097	8,137	2.84%	323,997
Student Loans	1,030,613	1,031,072	(459)	-0.04%	1,078,226
	6,068,527	6,100,224	(31,697)	-0.52%	5,583,909
Less allow for credit loss	(106,465)	(100,240)	(6,225)	-6.21%	(99,075)
	5,962,062	5,999,984	(37,922)	-0.63%	5,484,834
Other assets	147,087	161,326	(14,239)	-8.83%	171,905
Total assets	\$ 10,724,052	\$ 10,138,062	\$ 585,990	5.78%	\$ 9,918,071
Deposits -					
Non-interest bearing	\$ 660,219	\$ 475,000	\$ 185,219	38.99%	\$ 632,336
Interest bearing	8,533,070	8,278,348	254,722	3.08%	8,068,605
	9,193,289	8,753,348	439,941	5.03%	8,700,941
Federal funds purchased and repurchase agreements	239,677	217,500	22,177	10.20%	177,095
Short term borrowings	-	-	-	0.00%	50,000
Off Balance Sheet Reserve Allowance	9,896	12,847	(2,951)	-22.97%	13,270
Other Liabilities	14,868	26,814	(11,946)	-44.55%	5,596
Total Liabilities	9,457,730	9,010,509	447,221	4.96%	8,946,902
Equity	1,266,322	1,127,553	138,769	12.31%	971,169
Total Liabilities and Equity	\$ 10,724,052	\$ 10,138,062	\$ 585,990	5.78%	\$ 9,918,071

BND's primary financial objective is to maintain the strength and integrity of the Bank while generating a consistent financial return to the State.

- Third quarter 2024 ended with assets of \$10.7 billion.
- The Securities portfolio is primarily a source of liquidity. 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 nearly \$6.1 billion. The timing of funding in the State Institution loan program did not meet budget expectations in the Commercial Loan category. This was partially offset by increased volumes from budget in Commercial participation and Flex Pace programs. Activity in the Farm and Ranch program led the Ag Portfolio. Residential loan runoff continues to slow in 2024 due to the interest rate environment. 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. As of September 2024, the Bank has transferred \$20.0 million to the Statewide Interoperable Radio Network, \$20.5 million to buydown programs and \$2.8 million to other state programs. During 2023, the Bank transferred \$140 million to the General Fund, \$30.5 million to buydown programs, \$52 million to the infrastructure Revolving Loan fund and \$5.7 million to other state programs.

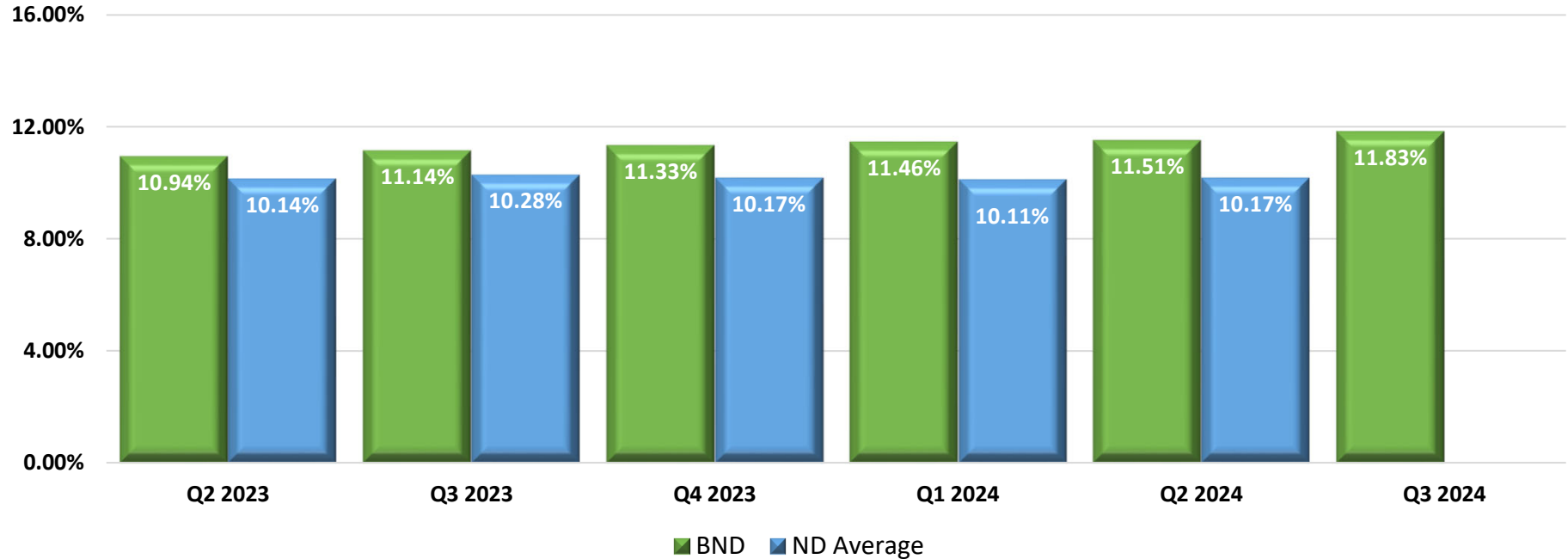
BANK OF NORTH DAKOTA
INCOME STATEMENT - COMPARATIVE DATA
SEPTEMBER 30, 2024 - UNAUDITED

	(In Thousands)				
	9/30/2024	Budget	Difference	% Change	9/30/2023
Interest Income	\$ 330,292	\$ 315,592	\$ 14,700	4.7%	\$ 266,347
Interest Expense	149,698	122,963	26,735	-21.7%	95,224
Net Interest Income	180,594	192,629	(12,035)	-6.2%	171,123
Provision for Credit Losses	8,169	8,400	(231)	2.8%	7,153
Net Interest Income After Provision	172,425	184,229	(11,804)	-6.4%	163,970
Non-Interest Income	6,598	5,179	1,419	27.4%	4,704
Non-Interest Expense					
Salaries and benefits	15,943	16,599	(656)	4.0%	14,301
Occupancy and equipment	613	652	(39)	6.0%	633
IT & System Costs	5,466	7,415	(1,949)	26.3%	5,340
Other Operating Expenses	5,142	6,055	(913)	15.1%	4,686
	27,164	30,721	(3,557)	11.6%	24,960
Net Income	\$ 151,859	\$ 158,687	\$ (6,828)	-4.3%	\$ 143,714

BND's primary financial objective is to maintain the strength and integrity of the Bank while generating a consistent financial return to the State.

- Year-to-Date net income as of September, was \$151.9 million.
- Interest income exceeded budget by \$14.7 million primarily due to higher rates and balances on securities as well as rates and volumes in the commercial participation program offset by lower than budgeted balances at the Federal Reserve.
- Interest expense reported higher than budget by \$26.7 million. Higher average deposit balances, rates and larger Federal funds purchased led to the increase.
- Non-Interest Expense is \$3.6 million under budget. This consists of several operating components largely due to timing of incurrences, specifically with IT projects, loan servicing expenses, legal and other service related expenses and hiring of approved FTEs.

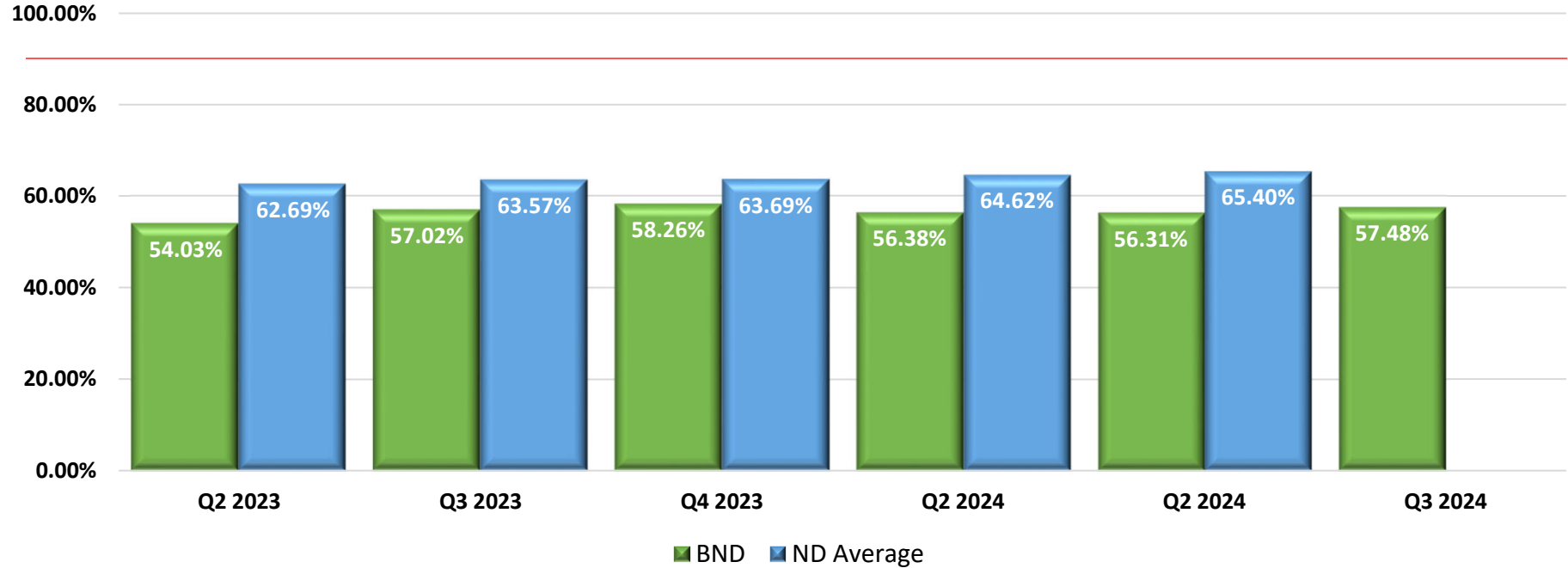
Leverage Ratio



- 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, 2024, average asset size is \$10.6 billion compared to \$10.0 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 three years by providing liquidity to increase the security and loan portfolio. Tier One Capital is \$1.25 billion compared to \$1.1 billion last year. Fluctuating quarterly ratios are the result of the Bank’s quarterly earnings offset by capital transfers, including \$140 million to the General Fund, \$42.0 million to buydown programs, \$52 million to the infrastructure revolving loan fund, \$20 million to statewide interoperable radio network and \$8.1 million to other state programs in the last 6 quarters.
- As of September 30, 2024, the Bank’s leverage ratio increased to 11.83%.
- As of June 30, 2024, the leverage ratio for all insured commercial banks in the state is 10.17%.

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

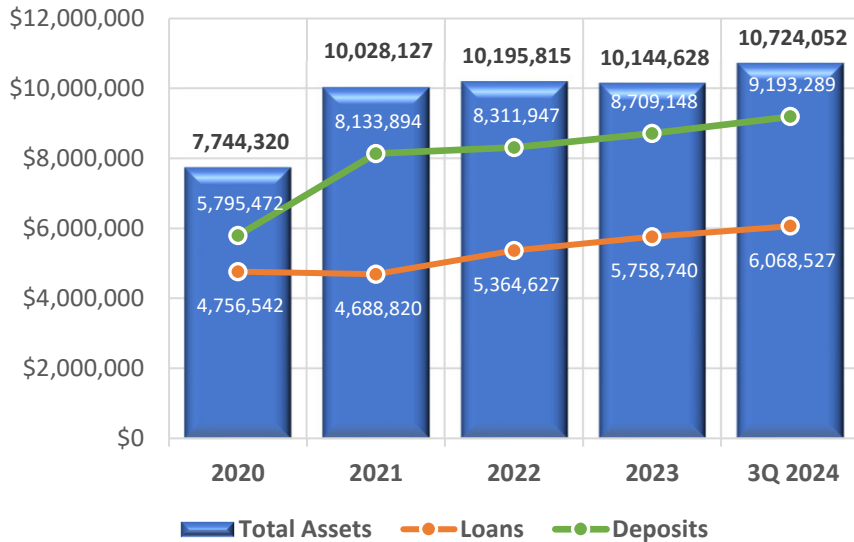


- Net Loans to Earning Assets is a ratio used to measure the liquidity of a financial institution.
- BND has established an internal guideline for the Net Loans to Earning Assets Ratio to be 90% or lower (red line).
- As shown above, BND is well within this limit at 57.48%, an increase from 56.31% as of the previous quarter.
- As of June 30, 2024, the ratio for all insured commercial banks in the state is 65.4%.

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.
- The Bank assets were \$10.7 billion for the third quarter of 2024. 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 28% from \$4.8 billion in 2020 to \$6.1 billion as of September 30, 2024, 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				
As of 06/30/2024	BND	Banker's Bank Peer Composite	ND Bank's Peer Composite	12 Largest ND Banks
NPLs/Loans	0.40	0.43	0.81	0.80
ROAA	1.93	0.90	0.80	0.81
ROAE	18.25	7.60	9.21	9.29
Tier 1 Lev. Capital	11.51	12.62	9.47	9.48
Net Interest Margin	2.37	2.20	2.45	2.69
Ave. Cost of Funds	2.05			2.59

Banker's Bank Peer Group

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

ND Bank's Peer Group

Bell Bank
 First International Bank
 Alerus Financial
 Choice Financial Group

- 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 \$1.0 billion and four North Dakota banks with assets greater than \$3.0 billion.
- The Bank's profits are utilized in 3 ways: appropriated through the State Legislature to fund the General Fund, mission driven programs and retained in BND Capital. BND's ratios will fluctuate as the organization maintains a balance between adequate liquidity and capital while managing the volatility of its deposit base.
- If we assume BND had to compete in the market for deposits, had similar cost of funds and staffing requirements of its competitors, it is estimated the approximate impact to return on assets would be (0.71%) or a (\$71 million) impact to net income on \$10 billion in total assets.

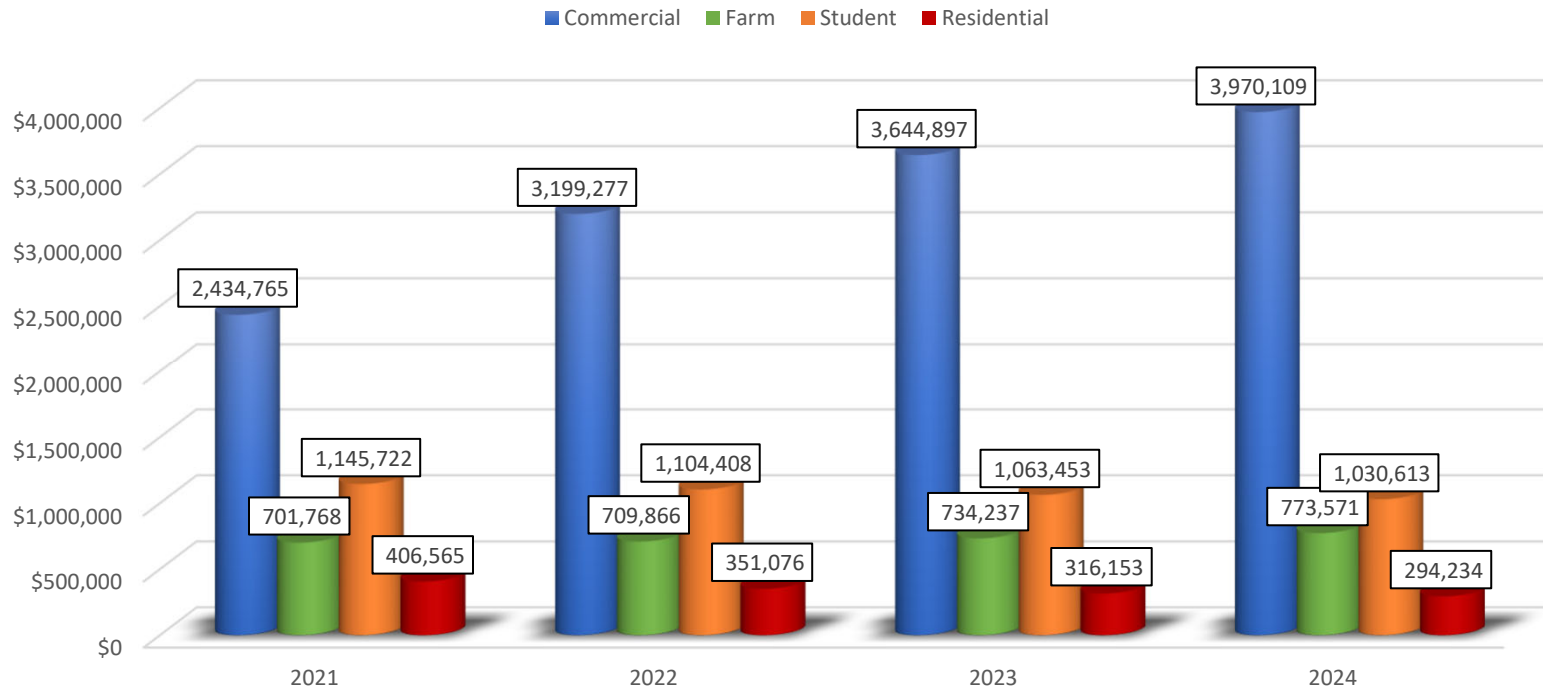
Loan Originations

(includes renewals)
Year to Date

	September 30, 2024		September 30, 2023		Variance	
	###	\$\$\$	###	\$\$\$	###	\$\$\$
Bank Participations - Commercial	200	868,637,440	170	840,779,595	30	27,857,845
State Institution	4	189,432,000	10	639,902,548	(6)	(450,470,548)
Bank Stock	16	149,327,989	38	66,722,674	(22)	82,605,315
Flex PACE	164	62,958,742	146	55,309,414	18	7,649,328
Match	1	60,000,000	0	0	1	60,000,000
PACE	6	34,308,625	6	13,981,710	0	20,326,915
Business Development	45	14,597,410	29	8,792,823	16	5,804,587
PACE w/ADD buydown	2	7,252,270	2	3,551,941	0	3,700,329
Biofuels PACE w/ADD buydown	1	5,765,357	2	3,400,000	(1)	2,365,357
COVID-19 PACE Recovery	2	5,522,933	0	0	2	5,522,933
Flex PACE w/ADD buydown	2	3,825,000	1	409,150	1	3,415,850
Bank Participations - Commercial w/ADD buydown	1	3,000,000	3	3,000,000	(2)	0
Accelerated Growth	2	2,250,000	1	2,997,000	1	(747,000)
Biofuels PACE	4	401,285	5	793,043	(1)	(391,758)
Affordable Housing Flex PACE	1	217,750	4	4,957,611	(3)	(4,739,861)
Small Business Administration	0	0	3	3,122,725	(3)	(3,122,725)
Total Commercial Loans	451	1,407,496,801	420	1,647,720,234	31	(240,223,433)
Farm & Ranch	113	146,147,443	86	106,987,188	27	39,160,255
Established Farmer	21	13,627,782	12	8,568,620	9	5,059,162
Beginning Farmer Real Estate	27	12,241,778	35	13,205,385	(8)	(963,607)
Ag Pace	79	7,465,219	52	4,572,694	27	2,892,525
Beginning Farmer Chattel	73	4,601,103	82	4,714,819	(9)	(113,716)
Farm Service Agency	7	3,155,653	2	1,692,500	5	1,463,153
Farm Operating	12	1,176,000	13	1,690,095	(1)	(514,095)
Family Farm	0	0	1	186,300	(1)	(186,300)
Farm Disaster/Drought Programs	0	0	161	16,005,118	(161)	(16,005,118)
Total Agricultural Loans	332	188,414,978	444	157,622,719	(112)	30,792,259
DEAL Loans	6,645	45,123,507	8,225	53,916,309	(1,580)	(8,792,802)
DEAL One	62	2,322,789	73	4,199,779	(11)	(1,876,990)
DEAL Consolidation	17	722,324	22	1,197,544	(5)	(475,220)
Purchased Student Loans	12	259,914	12	171,353	0	88,561
Total Student Loans	6,736	48,428,534	8,332	59,484,985	(1,596)	(11,056,451)
Total Bank of North Dakota Loans	7,519	1,644,340,313	9,196	1,864,827,938	(1,677)	(220,487,625)
Legislatively Directed Loan Programs						
Infrastructure RLF	14	89,028,000	27	110,089,346	(13)	(21,061,346)
School Construction	3	32,085,000	9	111,720,000	(6)	(79,635,000)
Clean Sustainable Energy	1	17,000,000	1	40,000,000	0	(23,000,000)
Fuel Production Facility/Value Add Guarantee	2	5,800,000	2	12,000,000	0	(6,200,000)
Legacy Investment Technology Loan Fund	11	5,632,600	5	3,000,000	6	2,632,600
Beginning Entrepreneur Loan Guarantee	28	1,947,151	30	2,414,775	(2)	(467,624)
Bulk Propane Storage Tank RLF	1	149,425	2	263,500	(1)	(114,075)
Department of Water Resources RLF	0	0	2	1,700,000	(2)	(1,700,000)
Innovation Loan Fund	0	0	6	5,000,000	(6)	(5,000,000)
Legislatively Directed	60	151,642,176	84	286,187,621	(24)	(134,545,445)

Consolidated Loan Portfolio

(In Thousands)



COMMERCIAL - The commercial loan portfolio increased by \$325 million YTD 2024 with BND funding and renewing \$1.4 billion of loans. The largest area of activity was in commercial participations with BND funding and renewing \$869 million. The commercial portfolio increased by 8.9% primarily due to commercial participations and state institution loans.

AGRICULTURE - The farm loan portfolio increased by \$39 million YTD 2024 with BND funding and renewing \$188 million of loans. Farm and Ranch loans led the way with \$146 million, followed by Established Farmer which funded \$14 million in loans.

STUDENT - The student loan portfolio decreased by \$33 million YTD 2024. BND disbursed \$48 million in DEAL loans in 2024.

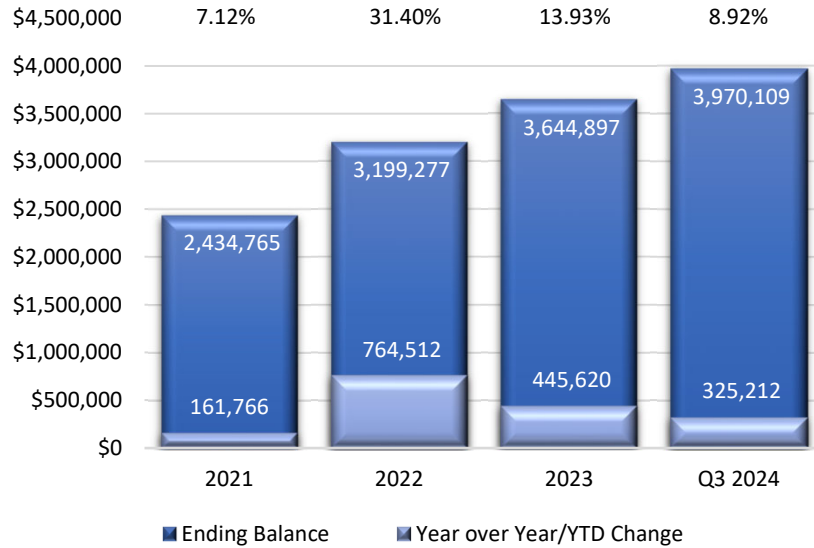
RESIDENTIAL - Transition of all residential originations to Housing Finance Agency occurred on August 1, 2021, and the transition of nearly all residential servicing and collections to Housing Finance Agency occurred on October 1, 2021. As a result, the residential loan portfolio decreased by \$112 million since year end 2021.

Commercial Loan Portfolio

(In Thousands)

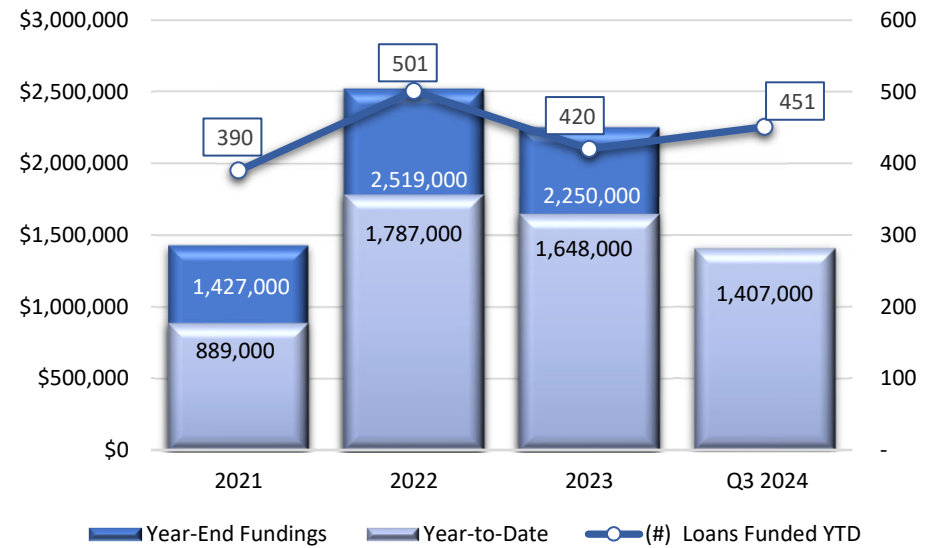
Total Commercial Portfolio

Year over Year/YTD Change



Loans Funded

Year-End & Year-to-Date



Portfolio Composition				
Loan Type	2021	2022	2023	2024
Bank Participation	52%	55%	60%	61%
PACE Loans	15%	13%	14%	14%
Bank Stock	14%	11%	11%	10%
State & Pol. Subs	8%	8%	4%	3%
Other	11%	13%	11%	12%

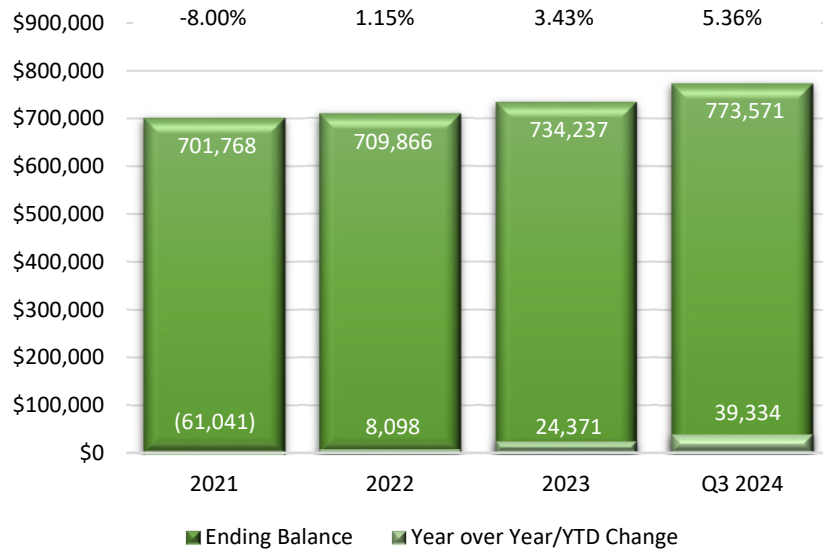
- The commercial loan portfolio increased by \$325 million with BND funding and renewing \$1.4 billion of loans YTD 2024.
- The largest areas of activity were in commercial participations funding and renewing \$869 million in loans and state institutions funding and renewing \$189 million.

Agriculture Loan Portfolio

(In Thousands)

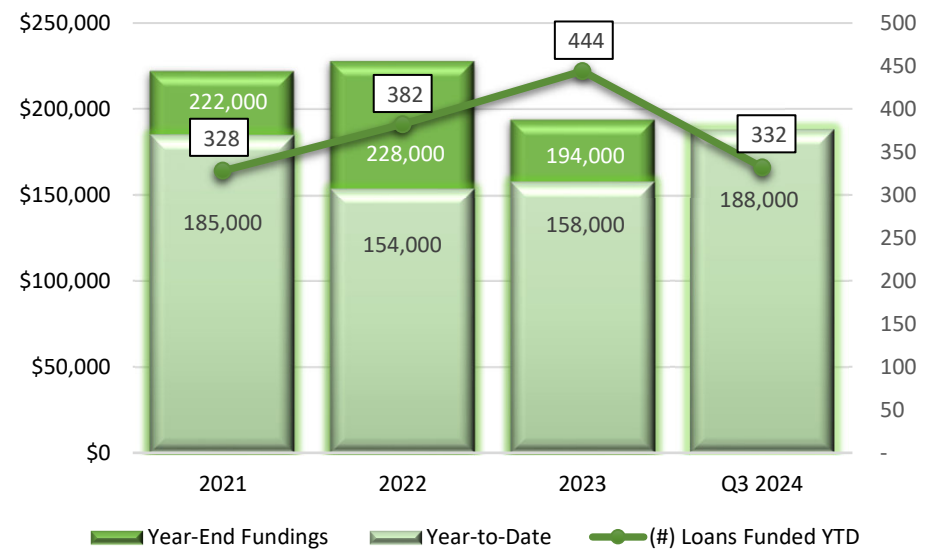
Total Agriculture Portfolio

Year over Year/ YTD Change



Loans Funded

Year-End & Year-to-Date



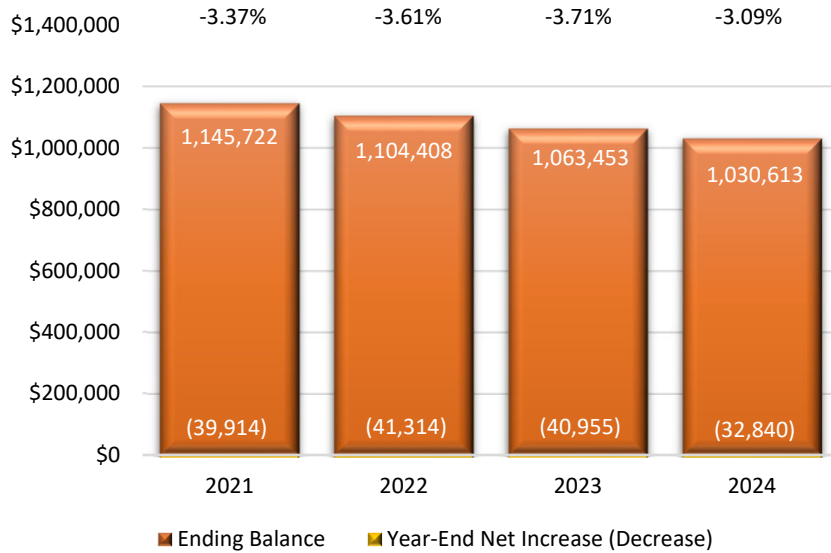
Portfolio Composition				
Loan Type	2021	2022	2023	2024
Farm & Ranch	18%	19%	23%	27%
Beginning Farmer	28%	32%	30%	27%
Established Farmer	28%	26%	25%	25%
Farm Financial Stability/Farm Disaster	19%	19%	13%	12%
Other	7%	4%	9%	9%

- The agriculture portfolio increased by \$39 million with BND funding and renewing \$188 million of loans YTD 2024.
- The largest areas of activity were Farm and Ranch loans with \$146 million and \$14 million in Established Farmer YTD 2024.

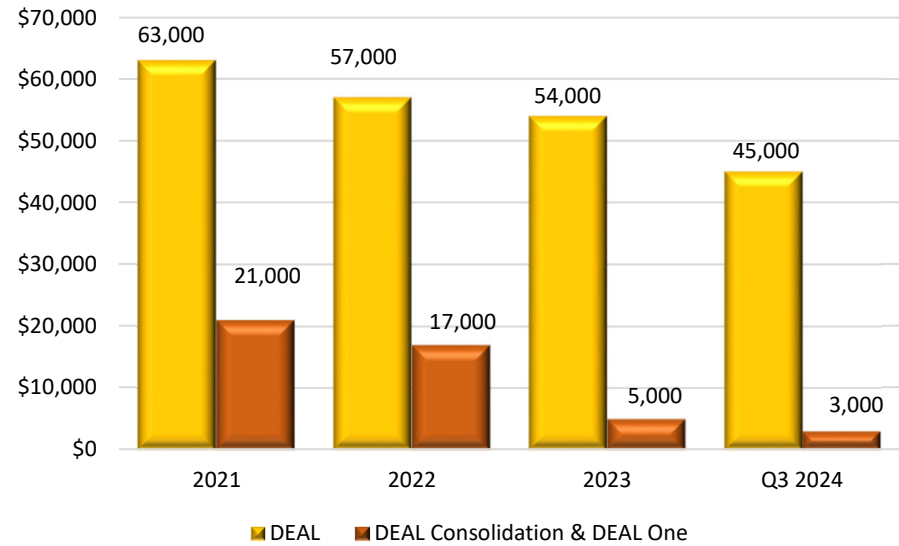
Student Loan Portfolio

(In Thousands)

Total Student Portfolio
Year over Year Increase (Decrease)



DEAL Loans Funded YTD



Portfolio Composition				
Loan Type	2021	2022	2023	2024
DEAL	54%	56%	57%	58%
DEAL One	41%	39%	38%	37%
DEAL Consolidation	5%	5%	5%	5%

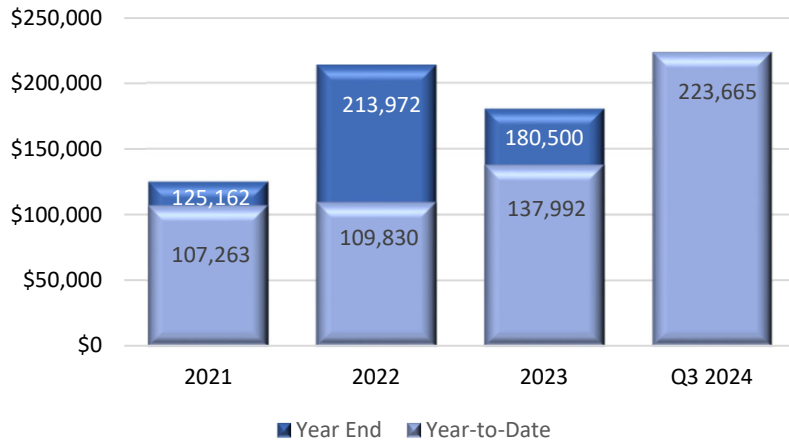
History of DEAL Rates (In-State)				
Interest Rate	2021	2022	2023	2024
Fixed	3.98%	6.46%	6.43%	6.05%
Variable	1.71%	6.24%	6.86%	6.44%

- The student loan portfolio decreased by \$33 million YTD 2024, with BND disbursing \$48 million in DEAL loans.
- BND's fixed rate is currently lower than the federal student loan rate for undergraduate students. The federal rate is set annually in July and the current rate is 6.53%, compared to BND's in-state fixed rate of 6.05% which is set quarterly.

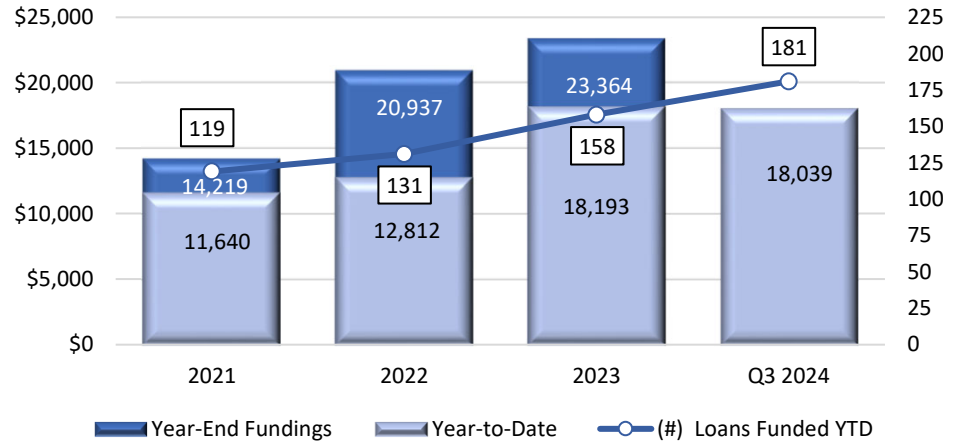
Commercial PACE

(In Thousands)

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



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



Loan Type	2021	2022	2023	2024
Pace	19%	26%	25%	21%
Flex Pace	53%	56%	60%	65%
Affordable Housing	15%	12%	9%	8%
Biofuels	9%	3%	3%	4%
Medical Pace	4%	4%	3%	2%

➤ A total of 166 Flex PACE loans were funded YTD 2024 for a total of \$165 million compared to 138 in 2023. Flex PACE buydown demand continues due to the financing of essential community services and community approved businesses throughout North Dakota.

➤ A total of 8 PACE loans were funded YTD 2024 for a total of \$47 million compared to 7 in 2023. Additional PACE loans funded were 2 Affordable Housing for \$3 million and 5 biofuels for \$9 million.

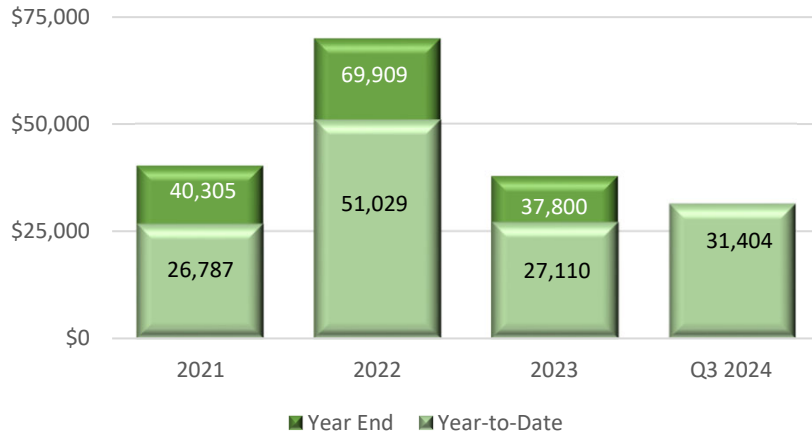
2023-2025 Biennium Buydown Funding (Commercial)					
	Pace	Flex	Housing	Biofuels	Total
Total Available					\$40,000
Funded/Committed	\$4,280	\$22,430	\$0	\$1,186	\$27,896
Remaining Buydown					\$12,104

*Remaining buydown may be transferred between funds as needed.

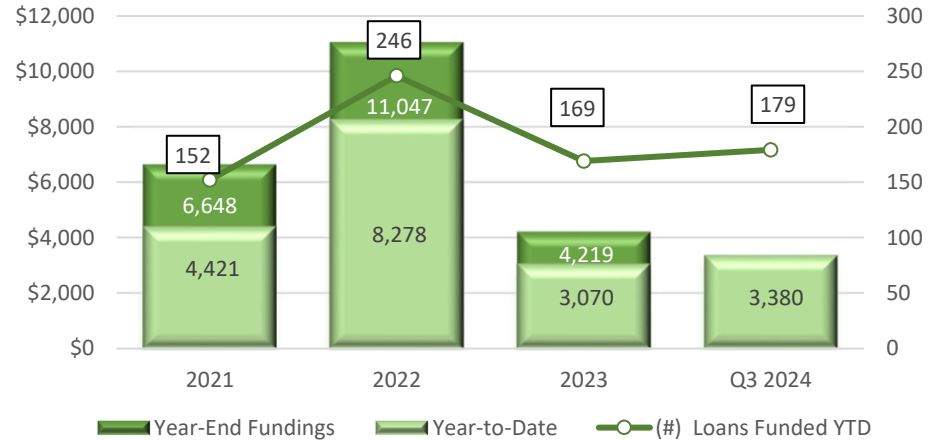
Ag PACE & Beginning Farmer

(In Thousands)

Loan Amounts
Year-End & Year-to-Date



Buydown Funded
Year-End & Year-to-Date

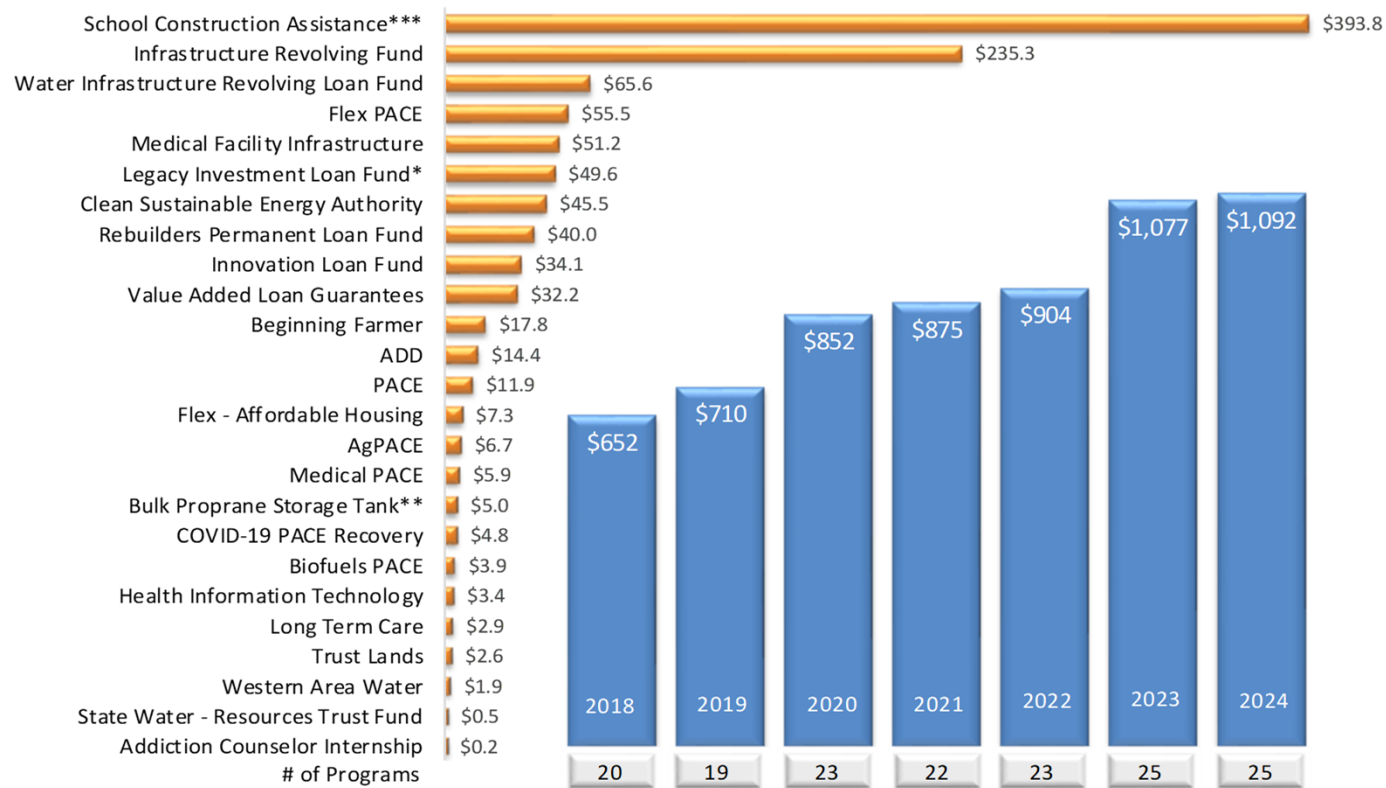


Loan Type	2021	2022	2023	2024
Ag Pace	23%	26%	46%	48%
Beginning Farmer - Real Estate	67%	65%	39%	37%
Beginning Farmer - Chattel	10%	9%	15%	15%

2023-2025 Biennium Buydown Funding (Agriculture)			
	Ag Pace	Beginning Farmer	Total
Total Available			\$20,000
Funded/Committed	\$2,958	\$3,136	\$6,094
Remaining Buydown			\$13,906

- There were 79 Ag PACE loans funded YTD 2024 compared to 52 in 2023. The Production Enhancement Program (PEP) has also created more opportunity for field tiling projects. A total of 80% or 63 of the projects were for field tiling.
- A total of 27 Beginning Farmer Real Estate loans were funded YTD 2024 compared to 35 in 2023. Decreased volume is attributed to higher interest rates.
- A total of 73 Beginning Farmer Chattel loans were funded YTD 2024 compared to 82 in 2023.

Legislatively Directed Loan Programs (Total Assets In Millions)

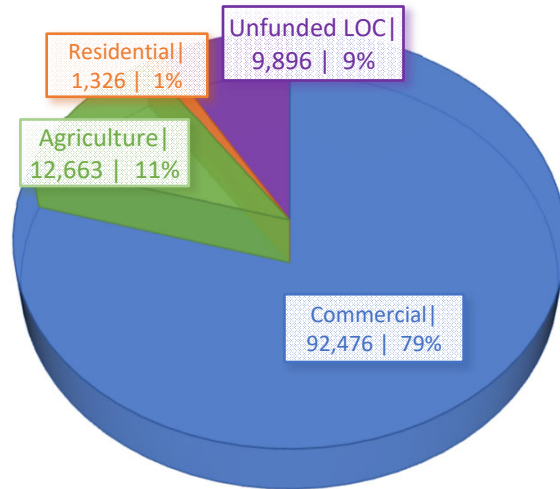


- BND currently administers \$1.1 billion in net assets for legislatively directed loan programs. These programs serve a wide range of purposes, including school construction, water projects, general and medical infrastructure, and disaster recovery.
- *Legacy Investment Loan Fund created in December 2023. Loans purchased from Infrastructure Revolving Loan 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.

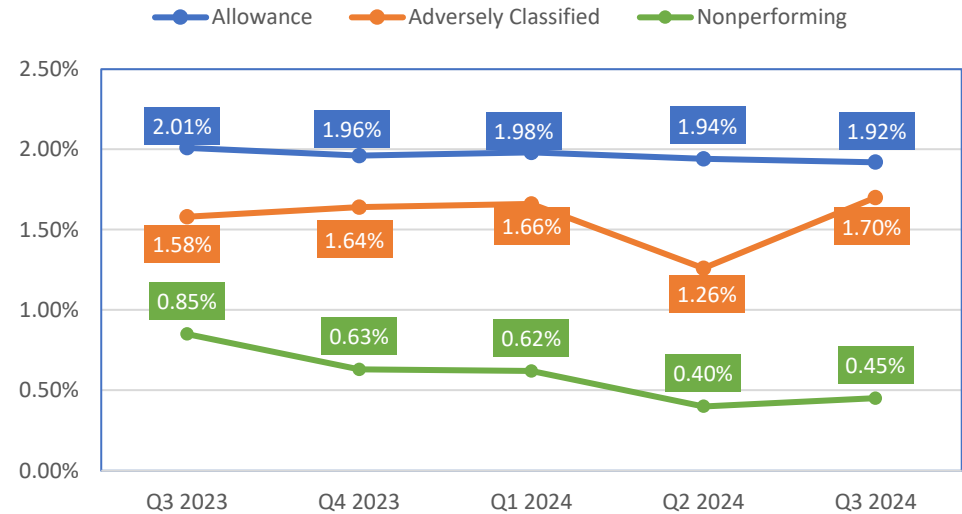
Credit Quality

(In Thousands)

Allowance of \$116,361 on Portfolio of \$6,068,527 or 1.92%



Quarterly Credit Quality Ratios (As a Percentage of Total Loans)



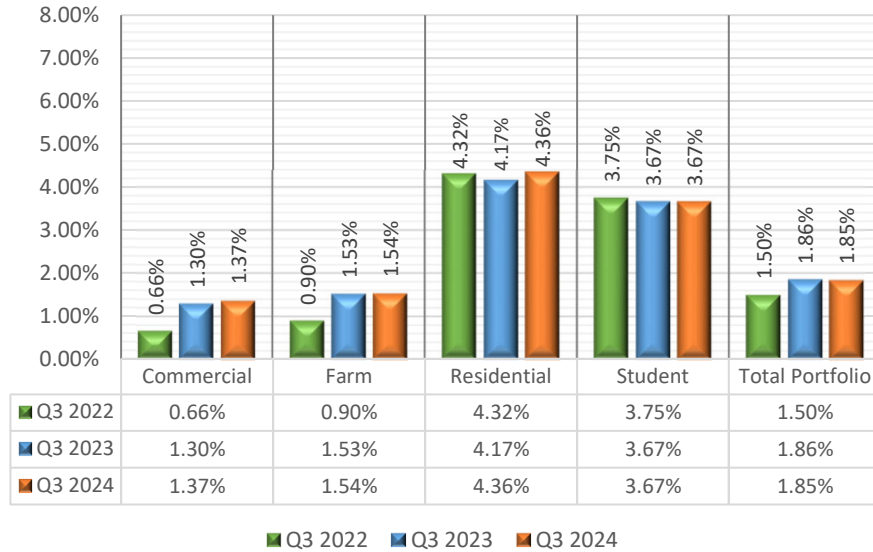
Quarter	Allowance for Credit Losses	Loan Portfolio	Allowance %	North Dakota Average
September 2024	\$116,361	\$6,068,527	1.92%	TBD
June 2024	\$115,892	\$5,970,597	1.94%	1.21%
March 2024	\$115,806	\$5,846,071	1.98%	1.27%
December 2023	\$112,712	\$5,758,740	1.96%	1.24%
September 2023	\$112,345	\$5,583,909	2.01%	1.26%

- BND adopted the CECL Accounting Standard as of January 1, 2023. As of September 30, 2024, BND's total allowance as a percentage of total loans is 1.92%, higher than the most recently posted North Dakota average of 1.21%. 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 2.30%. BND's total allowance as a percentage of all non-guaranteed loans is 2.45%.
- As of September 30, 2024, the percent of non-performing loans is 0.45%, an increase from last quarter, and lower than the most recently posted North Dakota average of 0.88%. Adversely classified loans as a percentage of total loans equaled 1.70%, moderately higher than last quarter but near YE 2023 levels. The most recent North Dakota average of adversely classified loans was 1.38%.

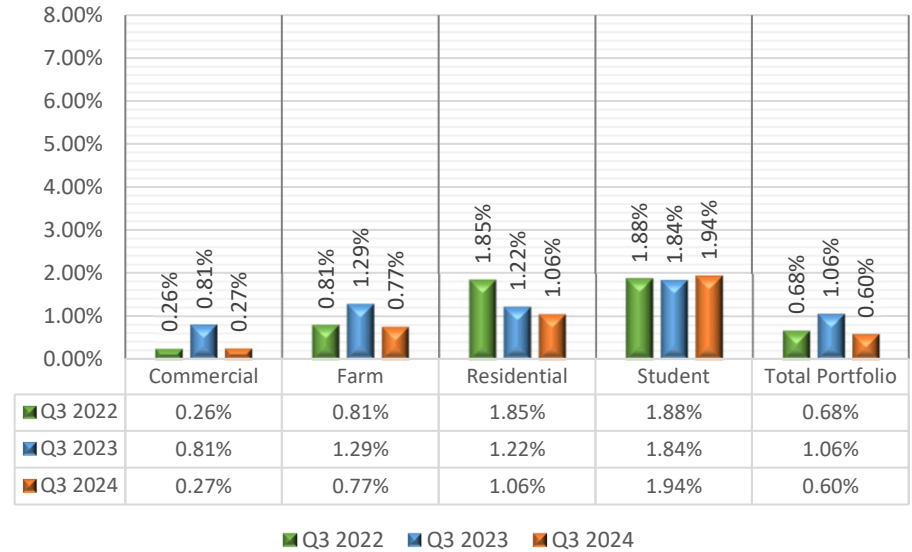
Credit Quality

(Year over Year)

Delinquencies over 30 Days



Delinquencies over 90 Days

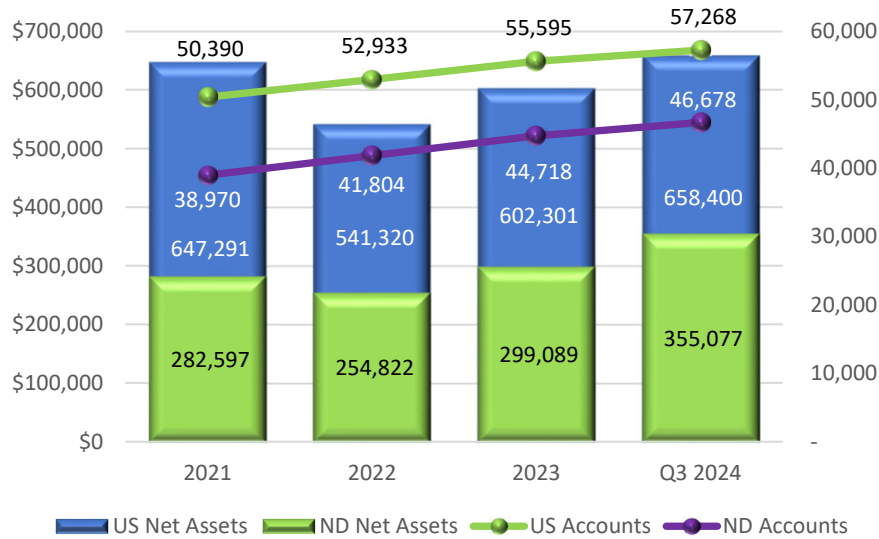


(In \$000's)	Q3 2024	Q3 2023	Q3 2024	Q3 2023
	> 30 days	> 30 days	> 90 days	> 90 days
Commercial	\$54,195	\$44,707	\$10,575	\$27,997
Farm	\$11,888	\$11,176	\$5,961	\$9,389
Residential	\$12,812	\$13,492	\$3,122	\$3,943
Student Loans	\$28,380	\$29,512	\$14,998	\$14,792
Totals	\$107,276	\$98,887	\$34,655	\$56,121

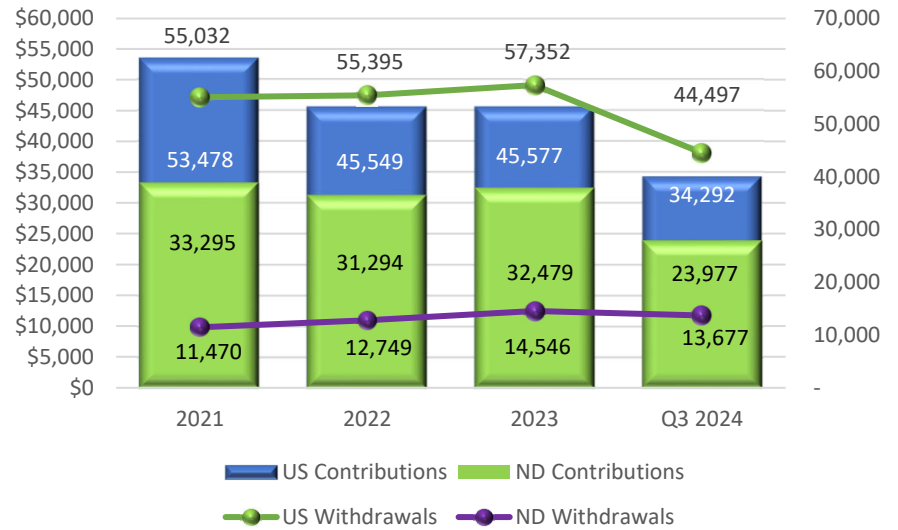
- Commercial delinquencies were 1.37% of which 0.27% were delinquent over 90 days. This is a slight increase to 30 day delinquencies compared to September 30, 2023 of 1.30% and 0.81% over 90 days. Delinquencies were lower than the North Dakota average of 1.40%.
- Farm delinquencies were 1.54% of which 0.77% were delinquent over 90 days. Delinquencies were similar when compared to the prior year and higher than the North Dakota average of 0.76%. Delinquencies over 90 days at September 30, 2024 were lower than compared to the prior two years.
- Residential delinquencies were 4.36% of which 1.06% were delinquent over 90 days. FHA delinquencies of 6.87% are lower than the North Dakota 30-day average of 9.12% and over 90-day delinquencies of 1.74% is lower than the average of 2.67%. Nearly all residential delinquencies represent federally guaranteed loans.
- The overall student loan portfolio has a delinquency rate of 3.67% with 1.94% of the loans being over 90 days. The \$15.0 million delinquent over 90 days is a slight increase from \$14.8 million as of September 30, 2023.

College Save

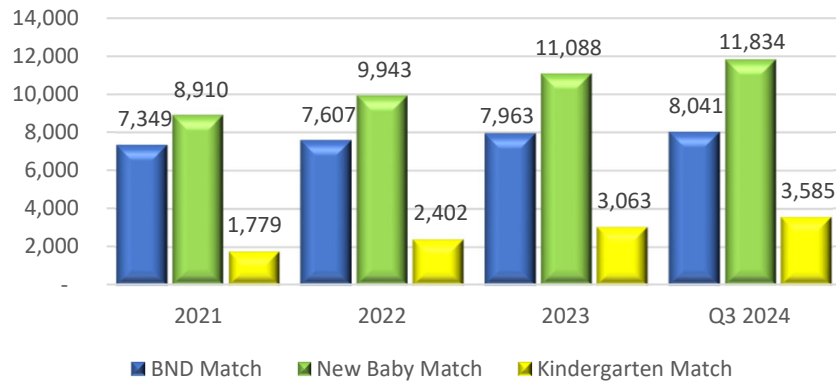
Net Assets (\$000) and Total Accounts (#)



Contributions & Withdrawals (\$000)



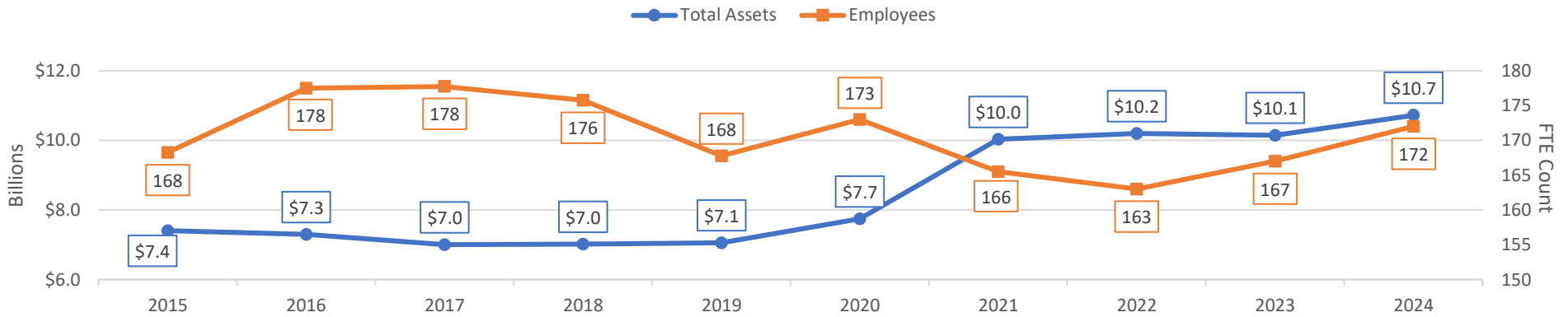
BND, New Baby, Kindergarten Match (# of Accounts)



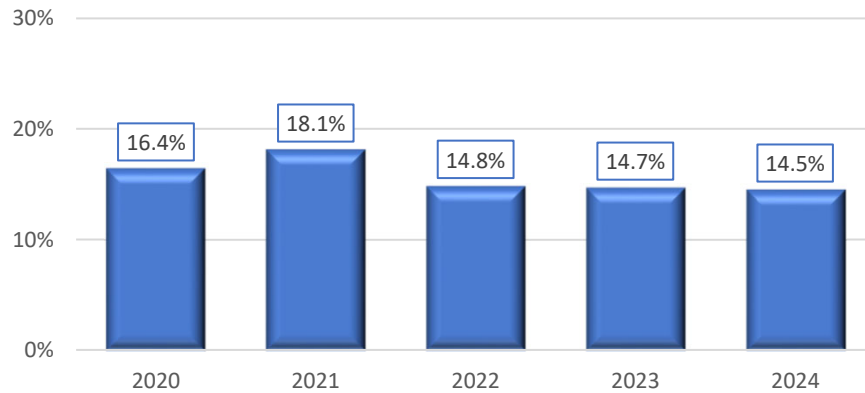
- North Dakota assets have surpassed 54% of total assets, while seeing record distributions
- Net assets set a record at \$658 million
- College SAVE has a record 23,460 match accounts for North Dakota residents

Human Resources

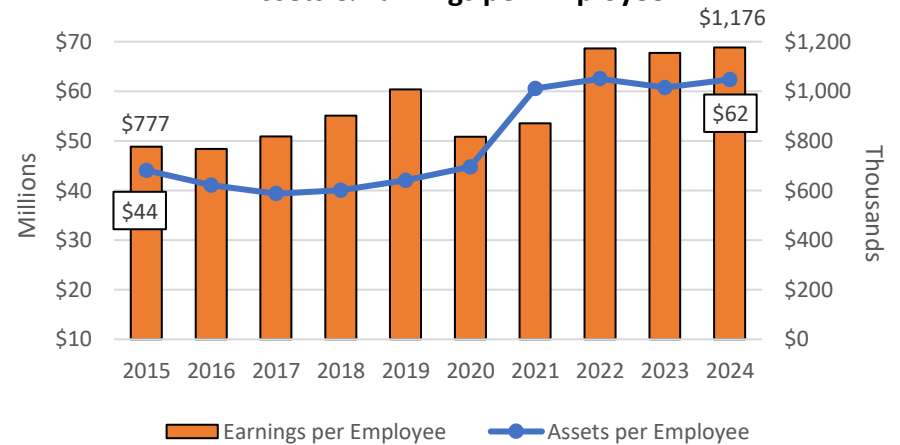
Total Assets & Employees



BND's Trending Efficiency Ratio



Assets & Earnings per Employee



- From 2015 to present, assets have grown 45% to \$10.7 billion, annualized earnings are projected to increase 55% while total employees have only grown 2%. Earnings per employee have increased from \$777 thousand in 2015 to nearly \$1.2 million or 42%.
- The efficiency ratio measures a bank's overhead costs as a percentage of its revenue, the lower the ratio, the better.
- The Bank was authorized an additional 14 FTEs for the 2023-25 Biennium, bringing the total up to 187 authorized FTEs.

RESOLUTION OF THE INDUSTRIAL COMMISSION
OF NORTH DAKOTA DESIGNATING A
DEPOSITORY OF THE BANK OF NORTH DAKOTA

Be it resolved by the Industrial Commission of North Dakota as follows:

1. Federal Home Loan Bank of Des Moines (the "Bank") is hereby designated as a depository of the Bank of North Dakota and any one of the officers or employees of the Bank of North Dakota named below is authorized to open accounts with the Bank and to deposit funds of the Bank of North Dakota in the Bank.
2. Any one (1) of the persons whose names and signatures appear in Section 3 are hereby authorized to open add, modify or close accounts in the name of the Bank of North Dakota. They are also authorized to execute agreements relating to such account(s), issue instructions and transact business on the Bank of North Dakota's behalf.
3. The officers and employees of the Bank of North Dakota who are authorized by this Resolution to act in the name of and on behalf of the Bank of North Dakota and their signatures are as follows:

Don Morgan, President & Chief Executive Officer	_____
Kelvin Hullet, Senior Vice President	_____
Rob Pfennig, Senior Vice President	_____
Craig Hanson, Senior Vice President	_____
Kirby Evanger, Senior Vice President	_____
Alison Anderson, Senior Vice President	_____
Kristopher Ahmann, Treasurer	_____

4. The authorization contained in this Resolution shall continue in full force and effect until revoked or modified by written notice actually received by the Bank setting forth a resolution to that affect stated to have been adopted by the Industrial Commission of North Dakota and certified by the Executive Director of the Industrial Commission. The Bank is authorized and directed to rely on the last resolution of which the Bank has actual written notice as to the authorization contained therein and as to the authorized officers and employees of the Bank of North Dakota.

5. All prior authorization in conflict with this Resolution is revoked except as to acts performed prior to the effective date of this Resolution.

The foregoing Resolution was duly adopted by the Industrial Commission of North Dakota at a regularly held meeting on _____.

INDUSTRIAL COMMISSION OF NORTH DAKOTA

Governor Doug Burgum, Chairman

CERTIFICATION

I, Karen Tyler, Executive Director of the Industrial Commission of North Dakota, hereby certify that the foregoing Resolution has not been revoked or modified and is now in full force and effect.

Dated: _____

INDUSTRIAL COMMISSION OF NORTH DAKOTA

Karen Tyler, Executive Director & Secretary

Employer Identification Number

RESOLUTION OF THE INDUSTRIAL COMMISSION
OF NORTH DAKOTA DESIGNATING A
DEPOSITORY OF THE BANK OF NORTH DAKOTA

Be it resolved by the Industrial Commission of North Dakota as follows:

1. JPMorgan Chase (the "Bank") is hereby designated as a depository of the Bank of North Dakota and any one of the officers or employees of the Bank of North Dakota named below is authorized to open accounts with the Bank and to deposit funds of the Bank of North Dakota in the Bank.
2. Any one (1) of the persons whose names and signatures appear in Section 3 are hereby authorized to open add, modify or close accounts in the name of the Bank of North Dakota. They are also authorized to execute agreements relating to such account(s), issue instructions and transact business on the Bank of North Dakota's behalf.
3. The officers and employees of the Bank of North Dakota who are authorized by this Resolution to act in the name of and on behalf of the Bank of North Dakota and their signatures are as follows:

Don Morgan, President & Chief Executive Officer	_____
Rob Pfennig, Senior Vice President	_____
Kelvin Hullet, Senior Vice President	_____
Kirby Evanger, Senior Vice President	_____
Craig Hanson, Senior Vice President	_____
Alison Anderson, Senior Vice President	_____
Kristopher Ahmann, Treasurer	_____
Laura Kahn Brademeyer, Retail Banking Manager	_____

4. The authorization contained in this Resolution shall continue in full force and effect until revoked or modified by written notice actually received by the Bank setting forth a resolution to that affect stated to have been adopted by the Industrial Commission of North Dakota and certified by the Executive Director of the Industrial Commission. The Bank is authorized and directed to rely on the last resolution of which the Bank has actual written notice as to the authorization contained therein and as to the authorized officers and employees of the Bank of North Dakota.

5. All prior authorization in conflict with this Resolution is revoked except as to acts performed prior to the effective date of this Resolution.

The foregoing Resolution was duly adopted by the Industrial Commission of North Dakota at a regularly held meeting on _____.

INDUSTRIAL COMMISSION OF NORTH DAKOTA

Governor Doug Burgum, Chairman

CERTIFICATION

I, Karen Tyler, Executive Director of the Industrial Commission of North Dakota, hereby certify that the foregoing Resolution has not been revoked or modified and is now in full force and effect.

Dated: _____

INDUSTRIAL COMMISSION OF NORTH DAKOTA

Karen Tyler, Executive Director & Secretary



Appendix A-1: New Account/Change in Authorized Account Signers

Customer information

Customer name: Bank of North Dakota Tax identification number: _____

New account

Change in authorized account signers

Account information

Account name	Account number	Tax identification number
<u>Bank of North Dakota</u>	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Authorized account signers

Add authorized account signer(s)

Name	Title	Email address	Specimen signature
<u>Don Morgan</u>	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Delete authorized account signer(s)

List names only.

Todd Steinwand _____

Existing authorized account signer(s)

Provide the names and email addresses of existing authorized signer(s), other than those new authorized signers listed above.
No specimen signatures are needed.

Authorized signer	Email address	Authorized signer	Email address
<u>Kirby Evanger</u>	_____	<u>Rob Pfennig</u>	_____
<u>Craig Hanson</u>	_____	<u>Marsha Kauk</u>	_____
<u>Kris Ahmann</u>	_____	<u>Kelvin Hullet</u>	_____
<u>Alison Anderson</u>	_____	_____	_____
_____	_____	_____	_____

Appendix A-1: New Account/Change in Authorized Account Signer(s)

The Signer listed below represents and warrants to the Bank that: (i) the signatures listed above are the true and authentic signatures of the additional Authorized Account Signer(s); (ii) that each Customer listed above has taken all action required by its respective organizational documents to appoint the additional Authorized Account Signer(s) and to delete any Existing Authorized Account Signer(s); and (iii) he/she is authorized to complete this Appendix A-1 for each Customer listed above. Customer is responsible for the validity and authenticity of email addresses provided above.

Account Signer may execute this Appendix A-1 to add an account(s) for Customer if the Existing Authorized Signers remain the same. Otherwise, this Appendix A-1 must be executed by a Contract signer. This Appendix A 1 becomes effective only after U.S. Bank receives and has time to modify its records to reflect the changes noted herein.

Signature: _____ Email address: _____
Print name: _____ Date: _____
Print title: _____

For U.S. Bank Internal Use Only

Authorized signer related to Master Service Agreement dated: _____
Review: _____ Validation method: _____ TL review: _____ Imaged: _____



Appendix B-1: Change in Authorized Treasury Management Signer(s)

Customer information

Customer name: Bank of North Dakota Tax ID number: _____

Authorized Treasury Management signer(s)

Add authorized Treasury Management signer(s)

Name	Title	Email address	Specimen signature
<u>Don Morgan</u>	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Delete authorized Treasury Management signer(s)

List names only:

<u>Todd Steinwand</u>	_____	_____
_____	_____	_____
_____	_____	_____

Existing authorized Treasury Management signer(s)

Provide the names and email addresses of existing authorized Treasury Management signer(s). No specimen signatures are needed.

Authorized signer (print)	Email address	Authorized signer (print)	Email address
<u>Rob Pfennig</u>	_____	<u>Kelvin Hullet</u>	_____
<u>Craig Hanson</u>	_____	<u>Marsha Kauk</u>	_____
<u>Kirby Evanger</u>	_____	<u>Kris Ahmann</u>	_____
<u>Alison Anderson</u>	_____	_____	_____
_____	_____	_____	_____

Customer approval

The Contract Signer listed below further represents and warrants to the Bank that the signatures listed above are the true and authentic signatures of the Authorized Treasury Management Signer(s) and that Customer has taken all action required by its organizational documents to appoint the Authorized Treasury Management Signer(s). Customer is responsible for the validity and authenticity of email addresses provided above. This Appendix B-1 becomes effective only after U.S. Bank receives and has time to modify its records to reflect the changes noted herein.

Signature: _____ Email address: _____
 Print name: _____ Date: _____
 Print title: _____

For U.S. Bank Internal Use Only

Authorized signers are related to the Master Services Agreement dated: _____

Review: _____ Validation method: _____ TL review: _____ Imaged: _____

CERTIFIED RESOLUTIONS OF BOARD OF DIRECTORS (CORPORATION)



I, _____, do hereby certify that I am the duly elected and qualified Secretary of _____, a corporation in good standing, not in dissolution, and organized under the laws of the State of _____, that the following is a true copy of certain resolutions duly adopted at a meeting of the Board of Directors on the ____ day of _____, _____, and that such resolutions are now in full force and effect, and not contrary to law, the charter of the bylaws of the corporation.

1. DEPOSITORY. RESOLVED, that First Horizon Bank (“Bank”) is designated as a depository of this corporation, and that an account in the Bank in the name of, for and on behalf of this corporation, be revised or opened in the following:

Account Name:	Account Number:*
---------------	------------------

*For multiple account numbers attach Supplemental List of Accounts. Instead of entering an Account number above type “Attached” to indicate multiple account numbers.

2. AUTHORIZED SIGNERS FOR DEPOSIT ACCOUNT. RESOLVED, that delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and in whatever manner endorsed, shall authorize the Bank to place the same to the credit of the corporation, under terms set forth in the Bank’s Depositor Agreement, and such credits may be withdrawn: (1) by debit card issued to the corporation as set forth in the Cardholder Agreement, or (2) by check, draft, or other order executed for the corporation by any of the following persons, even though the corporation might have an internal requirement requiring more than one signature.

Title	Typed Name	Signer’s SSN	Signature

3. AUTHORIZED FOR INFORMATION ONLY. RESOLVED, that the Bank is authorized to release Account information to the following person(s) upon request or inquiry:

Title	Typed Name	Signer’s SSN	Signature

4. FACSIMILE SIGNATURES. RESOLVED, that Bank is authorized to honor checks, drafts and other instruments on said account which bear or purport to bear the facsimile signature(s) appearing below, and Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature may be affixed if such signature resembles the following facsimile specimen(s) hereby certified to the Bank:

Title	Typed Name	Facsimile Specimen

CERTIFIED RESOLUTIONS OF BOARD OF DIRECTORS (CORPORATION)



5. LOANS. *RESOLVED*, that the following persons,

Title	Typed Name	Signature

(is) (are jointly) authorized on its behalf, at any time and from time to time, until said authority is duly revoked by and written notice thereof received by the Bank: to effect for the company a loan or loans or other credit extensions from the Bank; to execute on behalf of the company any note or notes or other instruments evidencing obligations of the company, including application agreements and other related documentation pertaining to letters of credit and renewals, modifications, or extensions thereof, to pledge, mortgage, hypothecate, or in any other manner create a lien upon any assets of the corporation as collateral and security for any such loans or other obligations owed by the corporation to the Bank, and any extensions, renewals, or any such loans or other obligations owed by the corporation to the Bank, and any extensions, renewals, or modifications thereof; to rediscount with the Bank, bill receivable of the corporation; and to execute any mortgages, deeds of trust, security agreements, assignments, or other security instruments as the Bank may require in order to secure this corporation's indebtedness, liabilities, and obligations to the Bank, whether now existing or hereafter created or arising, due or to become due, absolute or contingent;

6. APPLICATION OF FUNDS. *RESOLVED*, that the Bank shall be under **NO** obligation to inquire as to the application of any funds withdrawn from the above referenced deposit account, even if the withdrawal order is payable to the agent of the corporation executing it or the funds are withdrawn for personal use or credit, not to inquire as to the application of loan proceeds received from the bank by an authorized officer.

7. SERVICES AGREEMENTS. *RESOLVED*, that the following individual(s) is/are authorized to execute agreements under which Bank provides certain services:

Title	Typed Name	Signature

IN WITNESS WHEREOF, I hereunto affix my signature on this _____ day of _____, 20_____

Secretary Signature:

CONFIRMATION: If these resolutions authorized the secretary to withdraw or borrow funds, please confirm below with another corporate officer's signature.

Confirmation Signature:
Confirmation Title:

CERTIFIED RESOLUTIONS OF BOARD OF DIRECTORS (CORPORATION)



I, _____, do hereby certify that I am the duly elected and qualified Secretary of _____, a corporation in good standing, not in dissolution, and organized under the laws of the State of _____, that the following is a true copy of certain resolutions duly adopted at a meeting of the Board of Directors on the ____ day of _____, _____, and that such resolutions are now in full force and effect, and not contrary to law, the charter of the bylaws of the corporation.

1. DEPOSITORY. RESOLVED, that First Horizon Bank (“Bank”) is designated as a depository of this corporation, and that an account in the Bank in the name of, for and on behalf of this corporation, be revised or opened in the following:

Account Name:	Account Number:*
---------------	------------------

*For multiple account numbers attach Supplemental List of Accounts. Instead of entering an Account number above type “Attached” to indicate multiple account numbers.

2. AUTHORIZED SIGNERS FOR DEPOSIT ACCOUNT. RESOLVED, that delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and in whatever manner endorsed, shall authorize the Bank to place the same to the credit of the corporation, under terms set forth in the Bank’s Depositor Agreement, and such credits may be withdrawn: (1) by debit card issued to the corporation as set forth in the Cardholder Agreement, or (2) by check, draft, or other order executed for the corporation by any of the following persons, even though the corporation might have an internal requirement requiring more than one signature.

Title	Typed Name	Signer’s SSN	Signature

3. AUTHORIZED FOR INFORMATION ONLY. RESOLVED, that the Bank is authorized to release Account information to the following person(s) upon request or inquiry:

Title	Typed Name	Signer’s SSN	Signature

4. FACSIMILE SIGNATURES. RESOLVED, that Bank is authorized to honor checks, drafts and other instruments on said account which bear or purport to bear the facsimile signature(s) appearing below, and Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature may be affixed if such signature resembles the following facsimile specimen(s) hereby certified to the Bank:

Title	Typed Name	Facsimile Specimen

CERTIFIED RESOLUTIONS OF BOARD OF DIRECTORS (CORPORATION)



5. LOANS. *RESOLVED*, that the following persons,

Title	Typed Name	Signature

(is) (are jointly) authorized on its behalf, at any time and from time to time, until said authority is duly revoked by and written notice thereof received by the Bank: to effect for the company a loan or loans or other credit extensions from the Bank; to execute on behalf of the company any note or notes or other instruments evidencing obligations of the company, including application agreements and other related documentation pertaining to letters of credit and renewals, modifications, or extensions thereof, to pledge, mortgage, hypothecate, or in any other manner create a lien upon any assets of the corporation as collateral and security for any such loans or other obligations owed by the corporation to the Bank, and any extensions, renewals, or any such loans or other obligations owed by the corporation to the Bank, and any extensions, renewals, or modifications thereof; to rediscount with the Bank, bill receivable of the corporation; and to execute any mortgages, deeds of trust, security agreements, assignments, or other security instruments as the Bank may require in order to secure this corporation's indebtedness, liabilities, and obligations to the Bank, whether now existing or hereafter created or arising, due or to become due, absolute or contingent;

6. APPLICATION OF FUNDS. *RESOLVED*, that the Bank shall be under **NO** obligation to inquire as to the application of any funds withdrawn from the above referenced deposit account, even if the withdrawal order is payable to the agent of the corporation executing it or the funds are withdrawn for personal use or credit, not to inquire as to the application of loan proceeds received from the bank by an authorized officer.

7. SERVICES AGREEMENTS. *RESOLVED*, that the following individual(s) is/are authorized to execute agreements under which Bank provides certain services:

Title	Typed Name	Signature

IN WITNESS WHEREOF, I hereunto affix my signature on this _____ day of _____, 20_____

Secretary Signature:

CONFIRMATION: If these resolutions authorized the secretary to withdraw or borrow funds, please confirm below with another corporate officer's signature.

Confirmation Signature:
Confirmation Title:

CERTIFIED RESOLUTIONS OF BOARD OF DIRECTORS (CORPORATION)



I, _____, do hereby certify that I am the duly elected and qualified Secretary of _____, a corporation in good standing, not in dissolution, and organized under the laws of the State of _____, that the following is a true copy of certain resolutions duly adopted at a meeting of the Board of Directors on the ____ day of _____, _____, and that such resolutions are now in full force and effect, and not contrary to law, the charter of the bylaws of the corporation.

1. DEPOSITORY. RESOLVED, that First Horizon Bank (“Bank”) is designated as a depository of this corporation, and that an account in the Bank in the name of, for and on behalf of this corporation, be revised or opened in the following:

Account Name:	Account Number:*
---------------	------------------

*For multiple account numbers attach Supplemental List of Accounts. Instead of entering an Account number above type “Attached” to indicate multiple account numbers.

2. AUTHORIZED SIGNERS FOR DEPOSIT ACCOUNT. RESOLVED, that delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and in whatever manner endorsed, shall authorize the Bank to place the same to the credit of the corporation, under terms set forth in the Bank’s Depositor Agreement, and such credits may be withdrawn: (1) by debit card issued to the corporation as set forth in the Cardholder Agreement, or (2) by check, draft, or other order executed for the corporation by any of the following persons, even though the corporation might have an internal requirement requiring more than one signature.

Title	Typed Name	Signer’s SSN	Signature

3. AUTHORIZED FOR INFORMATION ONLY. RESOLVED, that the Bank is authorized to release Account information to the following person(s) upon request or inquiry:

Title	Typed Name	Signer’s SSN	Signature

4. FACSIMILE SIGNATURES. RESOLVED, that Bank is authorized to honor checks, drafts and other instruments on said account which bear or purport to bear the facsimile signature(s) appearing below, and Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature may be affixed if such signature resembles the following facsimile specimen(s) hereby certified to the Bank:

Title	Typed Name	Facsimile Specimen

CERTIFIED RESOLUTIONS OF BOARD OF DIRECTORS (CORPORATION)



5. LOANS. *RESOLVED*, that the following persons,

Title	Typed Name	Signature

(is) (are jointly) authorized on its behalf, at any time and from time to time, until said authority is duly revoked by and written notice thereof received by the Bank: to effect for the company a loan or loans or other credit extensions from the Bank; to execute on behalf of the company any note or notes or other instruments evidencing obligations of the company, including application agreements and other related documentation pertaining to letters of credit and renewals, modifications, or extensions thereof, to pledge, mortgage, hypothecate, or in any other manner create a lien upon any assets of the corporation as collateral and security for any such loans or other obligations owed by the corporation to the Bank, and any extensions, renewals, or any such loans or other obligations owed by the corporation to the Bank, and any extensions, renewals, or modifications thereof; to rediscount with the Bank, bill receivable of the corporation; and to execute any mortgages, deeds of trust, security agreements, assignments, or other security instruments as the Bank may require in order to secure this corporation's indebtedness, liabilities, and obligations to the Bank, whether now existing or hereafter created or arising, due or to become due, absolute or contingent;

6. APPLICATION OF FUNDS. *RESOLVED*, that the Bank shall be under **NO** obligation to inquire as to the application of any funds withdrawn from the above referenced deposit account, even if the withdrawal order is payable to the agent of the corporation executing it or the funds are withdrawn for personal use or credit, not to inquire as to the application of loan proceeds received from the bank by an authorized officer.

7. SERVICES AGREEMENTS. *RESOLVED*, that the following individual(s) is/are authorized to execute agreements under which Bank provides certain services:

Title	Typed Name	Signature

IN WITNESS WHEREOF, I hereunto affix my signature on this _____ day of _____, 20_____

Secretary Signature:

CONFIRMATION: If these resolutions authorized the secretary to withdraw or borrow funds, please confirm below with another corporate officer's signature.

Confirmation Signature:
Confirmation Title:

Signature Card



New Existing

Checking Savings CD

Style of Account: BANK OF NORTH DAKOTA		Account Number:	
Address: 1200 MEMORIAL HWY		Date: 10/29/2024	
City: BISMARCK	State: ND	Zip: 58504	
	Funds Owner:	Financial Center Name:	Financial Center #:
Social Security Number/ TIN	Date of Birth:	Officer Code:	Responsible Center:

Should this account be in the names of, payable to, or subject to withdrawal by two or more natural persons, all signers below agree that ownership interests are as shown in the account title above or as checked below.

Joint tenants with right of survivorship Additional authorized signer (Power of Attorney)

All signers below acknowledge receipt of the Depositor Agreement with disclosures for the Account indicated, and agree to be bound by its terms as well as any changes or additions hereafter adopted by bank. **The following taxpayer certification is provided by the person signing in space #1.**

Under penalties of perjury. I certify that (1) the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (defined in W-9 instructions), and (4) the FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification Instructions. You must cross out clause (2) above before signing this card if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. Cross out clause (3) if you are not a U.S. person.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

SIGN HERE (exactly as account is to read and as check or withdrawals are to be signed)

1) Print Name Don Morgan	2) Print Name Rob Pfennig
1)	2)
3) Print Name Kelvin Hullet	4) Print Name Kirby Evanger
3)	4)

Signature Card



New Existing

Checking Savings CD

Style of Account: BANK OF NORTH DAKOTA		Account Number:	
Address: 1200 MEMORIAL HWY		Date: 10/29/2024	
City: BISMARCK	State: ND	Zip: 58504	
	Funds Owner:	Financial Center Name:	Financial Center #:
Social Security Number/ TIN	Date of Birth:	Officer Code:	Responsible Center:

Should this account be in the names of, payable to, or subject to withdrawal by two or more natural persons, all signers below agree that ownership interests are as shown in the account title above or as checked below.

Joint tenants with right of survivorship Additional authorized signer (Power of Attorney)

All signers below acknowledge receipt of the Depositor Agreement with disclosures for the Account indicated, and agree to be bound by its terms as well as any changes or additions hereafter adopted by bank. **The following taxpayer certification is provided by the person signing in space #1.**

Under penalties of perjury. I certify that (1) the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (defined in W-9 instructions), and (4) the FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification Instructions. You must cross out clause (2) above before signing this card if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. Cross out clause (3) if you are not a U.S. person.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

SIGN HERE (exactly as account is to read and as check or withdrawals are to be signed)

1) Print Name Alison Anderson	2) Print Name Craig Hanson
1)	2)
3) Print Name Kristopher Ahmann	4) Print Name
3)	4)



CORRESPONDENT BANKING

Contacts for account with First Horizon Bank

Please provide name, direct phone number, and email address for anyone you list on the Signature card, Resolutions, wire forms, or any other forms with First Horizon Bank.

Date: 10/29/2024

Account Name: Bank of North Dakota

Account Number(s) 185382254

Name:	Direct Phone	Email
Don Morgan	701-328-4631	domorgan@nd.gov
Rob Pfennig	701-328-5752	rpfennig@nd.gov
Kelvin Hullet	701-328-5689	klhullet@nd.gov
Kirby Evanger	701-328-5675	kevanger@nd.gov
Alison Anderson	701-328-5683	aanderson@nd.gov
Craig Hanson	701-328-5670	craighanson@nd.gov
Kristopher Ahmann	701-328-5678	kahmann@nd.gov
Jennifer Huntley	701-328-5728	jmhuntley@nd.gov
Jonas Carlisle	701-328-5608	jcarlisle@nd.gov
Devon Smith	701-328-5732	dpsmith@nd.gov

Authorization Certificate

Depository Accounts and Treasury Management Services

The undersigned hereby certifies that he or she is the duly appointed authorized representative of Bank of North Dakota

(Account holder's complete legal entity/company name), a Bank (description of Account holder's business entity type) ("Customer"), with authority to act on behalf of Customer, and that the following are true and correct resolutions duly adopted by Customer, in accordance with its formation and governing documents, and that these resolutions have not been in any way altered, amended or rescinded, and are now in full force and effect:

The undersigned further certifies that any one of the following named persons:

	Name	Title	Business Phone Number	Business Email Address
#1	<u>Don Morgan</u>	<u>President/CEO</u>	X <u>7013284631</u>	X <u>domorgan@nd.gov</u>
#2	<u>Rob Pfennig</u>	<u>Senior Vice President</u>	X <u>7013285752</u>	X <u>rpfennig@nd.gov</u>
#3	<u>Kelvin Hullet</u>	<u>Senior Vice President</u>	X <u>7013285689</u>	X <u>klhullet@nd.gov</u>
#4	<u>Craig Hanson</u>	<u>Senior Vice President</u>	X <u>7013285670</u>	X <u>craighanson@nd.gov</u>
#5	<u>Alison Anderson</u>	<u>Senior Vice President</u>	X <u>7013285683</u>	X <u>aanderson@nd.gov</u>
#6	<u>Kirby Evanger</u>	<u>Senior Vice President</u>	X <u>7013285675</u>	X <u>kevanger@nd.gov</u>
#7	<u>Kristopher Ahmann</u>	<u>Treasurer</u>	X <u>7013285678</u>	X <u>kahmann@nd.gov</u>
#8	<u>Marsha Kauk</u>	<u>Operations Manager</u>	X <u>7013285639</u>	X <u>mkauk@nd.gov</u>

is individually authorized to, and to designate one or more other Customer officers, agents or employees (each such aforementioned person, officer or designee thereof is referred to herein as an "Authorized Representative") to: (a) open or close one or more deposit and/or securities accounts (the "Accounts") with Wells Fargo Bank, National Association ("Bank"); (b) execute and deliver in Customer's name such agreement(s) regarding the Accounts and the services related thereto as Bank may from time to time require; (c) authorize and execute transactions on the Accounts, including, without limitation, (i) signing checks and other instruments withdrawing funds from the Accounts, including those payable to cash or to persons who sign them, (ii) requesting funds transfers by Bank to and from the Accounts, (iii) entering into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries to and from the Accounts, and (iv) endorsing on behalf of Customer, and otherwise negotiating, checks and other items payable to Customer; (d) incur overdrafts and other obligations in the Accounts at Bank in connection with any of the products, services, or activities authorized by these resolutions; and (e) invest Customer's funds on such terms and conditions as such Authorized Representative deems appropriate.

Customer is authorized to enter into any other arrangements, agreements and documents with respect to any of Bank's deposit and treasury management products and services, in such form and on such terms and conditions as may be agreed to by an Authorized Representative signing such agreements and documents.

Customer shall be bound to Bank by, and Bank may rely upon, any communication or act, including telephone communications, purporting to be done by any partner, employee or agent of Customer provided that Bank believes, in good faith, that the same is done by a person authorized to so act.

The authority hereby conferred is in addition to that conferred by any other certificate heretofore or hereafter delivered to Bank and shall continue in full force and effect until Bank shall have received notice in writing from Customer of the revocation hereof. Any such revocation shall be effective only as to actions which are taken by Customer pursuant to the certifications contained herein, subsequent to Bank's receipt of such notice. The authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the execution of this certificate are hereby approved and ratified.

The undersigned further certify that the activities covered by the foregoing certifications constitute duly authorized activities of Customer; that said certifications are now in full force and effect; and that there is no provision in any document pursuant to which Customer is organized and/or which governs Customer's continued existence limiting the power of the undersigned to make the certifications set forth herein, and that the same are in conformity with the provisions of all such documents.

ACKNOWLEDGED & AGREED TO:

By/Signature: _____

Printed Name: Karen Tyler

(this individual must be a duly appointed representative of the TIN of record)

Title: Executive Director & Secretary

Date: _____

Tax Identification Number of Customer: _____

(TIN of the Account holder as assigned by the IRS)

Public Funds Customers Only: Unless Customer otherwise specifically instructs Bank in writing, Bank will consider each of the Authorized Representatives listed above to be an "Official Custodian" as referenced in 12 C.F.R. 330.15 for the purposes of calculating Customer's deposit insurance coverage.

INTERNAL FR
(Upon receipt by the Federal Reserve Banks)

Certificate of Resolutions Authorizing an Institution to Open and Maintain Accounts and Use Services

*Required Fields

As evidenced by my signature below, I hereby certify that (i) I hold the title stated below for the banking institution identified below (the "Institution") and have the authority to make these certifications, (ii) the Institution is duly organized and existing under the laws of the jurisdiction identified below, with its head office located at the location identified below, (iii) stated below are correct and complete copies of the resolutions duly adopted on the date stated below by the Institution's board of directors in accordance with applicable law and the Institution's organization documents (e.g., certificate of incorporation and bylaws) and chartering or licensing requirements, and (iv) these resolutions have not been modified, remain in effect, and are not in conflict with applicable law or the Institution's organization documents or chartering or licensing requirements.

Institution Name*	Bank of North Dakota
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285
Date of the Resolutions* (MM/DD/YYYY)	10/29/2024

Jurisdiction of the Institution

Chartering State* (list applicable state)	North Dakota
Federally Chartered* (please select)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please provide the Chartering State: North Dakota

Institution Head Office Location

Street Address*	1200 Memorial Hwy
City*	Bismarck
State*	North Dakota
Zip Code*	58504

INTERNAL FR
(Upon receipt by the Federal Reserve Banks)

The following are the correct and complete copies of the adopted resolutions:

1. RESOLVED, that the Institution is authorized to (i) open and maintain, in the Institution's name, a master account at the Federal Reserve Bank of the Federal Reserve District in which the Institution is located, (ii) agree to all the provisions of the Federal Reserve Banks' Operating Circular 1, Account Relationships and other operating circulars or agreements relating to Federal Reserve Bank accounts or services, as each may be amended or superseded from time to time, (iii) obtain services from, incur obligations to, and grant a security interest in the Institution's property (whether now owned or hereafter acquired) to any Federal Reserve Bank, and (iv) perform any and all acts that may be necessary for or incidental to any of the authorizations in these resolutions or that may be designed to carry out the purpose of these resolutions.

2. RESOLVED, that the officers identified below by title or name and title and each of their successors in office are each hereby authorized to perform any or all of the following in the name of and on behalf of the Institution: (i) perform any or all acts that may be necessary or incidental to any of the authorizations in these resolutions or to any transaction authorized by these resolutions or that may be designed to carry out the purpose of these resolutions, (ii) apply for Federal Reserve Bank accounts or services, (iii) execute agreements relating to Federal Reserve Bank accounts or services, (iv) issue instructions to any Federal Reserve Bank, (v) transact business with any Federal Reserve Bank, and (vi) transmit to the Federal Reserve Banks a list of the names, titles and signatures of persons to be recognized as also authorized to perform and to further delegate performance of the acts described in clauses (i) through (vi) of this resolution.

President & CEO, Senior Vice Presidents, Treasurer and Operations Manager

(exact titles of officers, or if Institution chooses to authorize specific individuals, names and titles of such individuals)

3. RESOLVED, that these resolutions and all the powers granted by these resolutions will remain in effect until the Institution has given written notice of the revocation of these resolutions to the Federal Reserve Banks and the Federal Reserve Banks have had reasonable time to act on such notice.

4. RESOLVED, that all prior resolutions regarding the Institution's accounts with the Federal Reserve Banks or the Institution's use of Federal Reserve Bank services (other than resolutions authorizing the Institution to borrow from and grant a security interest to a Federal Reserve Bank in accordance with the Federal Reserve Bank's Operating Circular 10, *Lending*, and resolutions relating to the Institution's daylight overdraft capacity), if any, are hereby revoked.

INTERNAL FR
(Upon receipt by the Federal Reserve Banks)

Certifying Official Signature¹

Signature*				
Date*				
Title*	Executive Director & Secretary			
Name*	<i>First*</i> Karen	<i>MI</i>	<i>Last*</i> Tyler	<i>Suffix</i>
Phone Number*	<i>Country Code</i> 1	<i>Phone*</i> (701) 328-4702		<i>Extension</i>
Email Address*	ktyler@nd.gov			

Last updated: 11/2022
Version 1.0

¹ The certifying official must be the secretary or assistant secretary of the Institution or another officer of similar or higher rank. The official also must have the authority to certify the statements in this document and may not be a person authorized by the second resolution.



Federal Reserve Bank Official Authorization List Account and Non-Account Holders

*Required Fields

This supersedes our previous Official Authorization List?* <i>(If neither is selected, previous list will also remain in effect)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Institution Name*	Bank of North Dakota
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285
Effective Date^{1*} <i>(MM/DD/YYYY)</i>	10/29/2024
Street Address*	1200 Memorial Hwy
Telephone*	(701) 328-5600
City*	Bismarck
State*	North Dakota
Zip Code*	58504

Authorizing Officer* (Must be identified by title only or by name and title in paragraph 2 of your institution's authorizing resolutions):

Signature*				
Title*	President & CEO			
Name*	<i>First</i> Don	<i>MI</i>	<i>Last</i> Morgan	<i>Suffix</i>
Phone*	<i>Country Code</i> 1	<i>Phone</i> (701) 328-4631		<i>Extension</i>
Email Address*	domorgan@nd.gov			

¹ The form is effective no earlier than the business day following the business day that the appropriate Federal Reserve Bank processes the request. If the requested Effective Date cannot be met, the company will be notified.

Notary Public Authentication of Authorizing Officer* (Notary public cannot appear on this form as a certifying official, authorizing officer, or authorized individual)

State of*	North Dakota
County² of*	Burleigh
Subscribed and sworn to before me on* (MM/DD/YYYY)	
Notary Public Signature*	
Notary Stamp w/expiration date*	

Certifying Official (The section must be completed if paragraph 2 of your institution's authorizing resolutions identifies authorized officers by title only. The certifying official must be the secretary or assistant secretary of the institution or another officer of similar or higher rank. The official must also have the authority to certify the statements in this document.)

I, <u>Karen Tyler, Executive Director & Secretary,</u> (Certifying Official's Printed Name and Title) of the above institution, do hereby certify that <u>Don Morgan</u> is a (Authorizing Officer's Printed Name) <u>President & CEO</u> of such institution (Title of Authorizing Officer)	
Certifying Official's Signature	

Notary Public Authentication of Certifying Official (Notary Public cannot appear on form as a certifying official, authorizing officer, or authorized individual)

State of:	North Dakota
County² of	Burleigh
Subscribed and sworn to before me on: (MM/DD/YYYY)	
Notary Public Signature	
Notary Stamp w/expiration date	

² Or other applicable subdivision such as borough or parish.

INTERNAL FR
(Upon receipt by the Federal Reserve Banks)

To the Federal Reserve Banks: below are the names, titles, and signatures of the individuals authorized to take the actions specified in paragraph 2 of the institution's authorizing resolutions, including to execute agreements, transact business, and issue instructions on behalf of the institution identified on page 1 of this document. Such actions may include successive sub-delegations of authority (for example, via an Authorized individual below granting authority to an End User Authorization Contact who may select services and take all other actions, including granting access to services to a Subscriber).

Name	First Don	MI	Last Morgan	Suffix
Work Phone	Country Code 1	Phone (701) 328-4631	Extension	
Mobile	Country Code	Phone		
Title	President & CEO			
Email Address	domorgan@nd.gov			
Signature				
Limitations to Authority (leave blank if none)				

Name	First Kelvin	MI	Last Hullet	Suffix
Work Phone	Country Code 1	Phone (701) 328-5689	Extension	
Mobile	Country Code	Phone		
Title	SVP/Chief Business Development Officer			
Email Address	klhullet@nd.gov			
Signature				
Limitations to Authority (leave blank if none)				

Authorizing Officer*

Institution*	Bank of North Dakota			
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285			
Signature*				
Title*	President & CEO			
Name*	First Don	MI	Last Morgan	Suffix

You may add additional signers by completing this page multiple times and submitting it with your request. Please indicate the total number of pages, including the first/notary page, appropriately at the top left-hand corner of this document.



Federal Reserve Bank Official Authorization List Account and Non-Account Holders

*Required Fields

This supersedes our previous Official Authorization List?* <i>(If neither is selected, previous list will also remain in effect)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Institution Name*	Bank of North Dakota
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285
Effective Date^{1*} <i>(MM/DD/YYYY)</i>	10/29/2024
Street Address*	1200 Memorial Hwy
Telephone*	(701) 328-5600
City*	Bismarck
State*	North Dakota
Zip Code*	58504

Authorizing Officer* (Must be identified by title only or by name and title in paragraph 2 of your institution's authorizing resolutions):

Signature*				
Title*	President & CEO			
Name*	<i>First</i> Don	<i>MI</i>	<i>Last</i> Morgan	<i>Suffix</i>
Phone*	<i>Country Code</i> 1	<i>Phone</i> (701) 328-4631		<i>Extension</i>
Email Address*	domorgan@nd.gov			

¹ The form is effective no earlier than the business day following the business day that the appropriate Federal Reserve Bank processes the request. If the requested Effective Date cannot be met, the company will be notified.

Notary Public Authentication of Authorizing Officer* (Notary public cannot appear on this form as a certifying official, authorizing officer, or authorized individual)

State of*	North Dakota
County² of*	Burleigh
Subscribed and sworn to before me on* (MM/DD/YYYY)	
Notary Public Signature*	
Notary Stamp w/expiration date*	

Certifying Official (The section must be completed **if** paragraph 2 of your institution’s authorizing resolutions identifies authorized officers by title only. The certifying official must be the secretary or assistant secretary of the institution or another officer of similar or higher rank. The official must also have the authority to certify the statements in this document.)

<p><u>I, Karen Tyler, Executive Director & Secretary,</u> (Certifying Official’s Printed Name and Title) of the above institution, do hereby certify that <u>Don Morgan</u> is a (Authorizing Officer’s Printed Name) <u>President & CEO</u> of such institution (Title of Authorizing Officer)</p>	
Certifying Official’s Signature	

Notary Public Authentication of Certifying Official (Notary Public cannot appear on form as a certifying official, authorizing officer, or authorized individual)

State of:	North Dakota
County² of	Burleigh
Subscribed and sworn to before me on: (MM/DD/YYYY)	
Notary Public Signature	
Notary Stamp w/expiration date	

² Or other applicable subdivision such as borough or parish.

INTERNAL FR
(Upon receipt by the Federal Reserve Banks)

To the Federal Reserve Banks: below are the names, titles, and signatures of the individuals authorized to take the actions specified in paragraph 2 of the institution's authorizing resolutions, including to execute agreements, transact business, and issue instructions on behalf of the institution identified on page 1 of this document. Such actions may include successive sub-delegations of authority (for example, via an Authorized individual below granting authority to an End User Authorization Contact who may select services and take all other actions, including granting access to services to a Subscriber).

Name	<i>First</i> Rob	<i>MI</i>	<i>Last</i> Pfennig	<i>Suffix</i>
Work Phone	<i>Country Code</i> 1	<i>Phone</i> (701) 328-5752		<i>Extension</i>
Mobile	<i>Country Code</i>	<i>Phone</i>		
Title	SVP/Chief Financial Officer			
Email Address	rpfennig@nd.gov			
Signature				
Limitations to Authority <i>(leave blank if none)</i>				

Name	<i>First</i> Kirby	<i>MI</i>	<i>Last</i> Evanger	<i>Suffix</i>
Work Phone	<i>Country Code</i> 1	<i>Phone</i> (701) 328-5675		<i>Extension</i>
Mobile	<i>Country Code</i>	<i>Phone</i>		
Title	SVP/Chief Credit Officer			
Email Address	kevanger@nd.gov			
Signature				
Limitations to Authority <i>(leave blank if none)</i>				

Authorizing Officer*

Institution*	Bank of North Dakota			
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285			
Signature*				
Title*	President & CEO			
Name*	<i>First</i> Don	<i>MI</i>	<i>Last</i> Morgan	<i>Suffix</i>

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Federal Reserve Bank Official Authorization List Account and Non-Account Holders

*Required Fields

This supersedes our previous Official Authorization List?* <i>(If neither is selected, previous list will also remain in effect)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Institution Name*	Bank of North Dakota
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285
Effective Date^{1*} <i>(MM/DD/YYYY)</i>	10/29/2024
Street Address*	1200 Memorial Hwy
Telephone*	(701) 328-5600
City*	Bismarck
State*	North Dakota
Zip Code*	58504

Authorizing Officer* (Must be identified by title only or by name and title in paragraph 2 of your institution's authorizing resolutions):

Signature*				
Title*	President & CEO			
Name*	<i>First</i> Don	<i>MI</i>	<i>Last</i> Morgan	<i>Suffix</i>
Phone*	<i>Country Code</i> 1	<i>Phone</i> (701) 328-4631		<i>Extension</i>
Email Address*	domorgan@nd.gov			

¹ The form is effective no earlier than the business day following the business day that the appropriate Federal Reserve Bank processes the request. If the requested Effective Date cannot be met, the company will be notified.

Notary Public Authentication of Authorizing Officer* (Notary public cannot appear on this form as a certifying official, authorizing officer, or authorized individual)

State of*	North Dakota
County² of*	Burleigh
Subscribed and sworn to before me on* (MM/DD/YYYY)	
Notary Public Signature*	
Notary Stamp w/expiration date*	

Certifying Official (The section must be completed **if** paragraph 2 of your institution's authorizing resolutions identifies authorized officers by title only. The certifying official must be the secretary or assistant secretary of the institution or another officer of similar or higher rank. The official must also have the authority to certify the statements in this document.)

<u>I, Karen Tyler, Executive Director & Secretary,</u> (Certifying Official's Printed Name and Title) of the above institution, do hereby certify that <u>Don Morgan</u> is a (Authorizing Officer's Printed Name) <u>President & CEO</u> of such institution (Title of Authorizing Officer)	
Certifying Official's Signature	

Notary Public Authentication of Certifying Official (Notary Public cannot appear on form as a certifying official, authorizing officer, or authorized individual)

State of:	North Dakota
County² of	Burleigh
Subscribed and sworn to before me on: (MM/DD/YYYY)	
Notary Public Signature	
Notary Stamp w/expiration date	

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INTERNAL FR
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Name	<i>First</i> Craig	<i>MI</i>	<i>Last</i> Hanson	<i>Suffix</i>
Work Phone	<i>Country Code</i> 1	<i>Phone</i> (701) 328-5670		<i>Extension</i>
Mobile	<i>Country Code</i>	<i>Phone</i>		
Title	SVP/Chief Lending Officer			
Email Address	craighanson@nd.gov			
Signature				
Limitations to Authority <i>(leave blank if none)</i>				

Name	<i>First</i> Alison	<i>MI</i>	<i>Last</i> Anderson	<i>Suffix</i>
Work Phone	<i>Country Code</i> 1	<i>Phone</i> (701) 328-5683		<i>Extension</i>
Mobile	<i>Country Code</i>	<i>Phone</i>		
Title	SVP/Chief Banking and Innovation Officer			
Email Address	aanderson@nd.gov			
Signature				
Limitations to Authority <i>(leave blank if none)</i>				

Authorizing Officer*

Institution*	Bank of North Dakota			
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285			
Signature*				
Title*	President & CEO			
Name*	<i>First</i> Don	<i>MI</i>	<i>Last</i> Morgan	<i>Suffix</i>

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Federal Reserve Bank Official Authorization List Account and Non-Account Holders

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Institution Name*	Bank of North Dakota
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285
Effective Date^{1*} <i>(MM/DD/YYYY)</i>	10/29/2024
Street Address*	1200 Memorial Hwy
Telephone*	(701) 328-5600
City*	Bismarck
State*	North Dakota
Zip Code*	58504

Authorizing Officer* (Must be identified by title only or by name and title in paragraph 2 of your institution's authorizing resolutions):

Signature*				
Title*	President & CEO			
Name*	<i>First</i> Don	<i>MI</i>	<i>Last</i> Morgan	<i>Suffix</i>
Phone*	<i>Country Code</i> 1	<i>Phone</i> (701) 328-4631		<i>Extension</i>
Email Address*	domorgan@nd.gov			

¹ The form is effective no earlier than the business day following the business day that the appropriate Federal Reserve Bank processes the request. If the requested Effective Date cannot be met, the company will be notified.

Notary Public Authentication of Authorizing Officer* (Notary public cannot appear on this form as a certifying official, authorizing officer, or authorized individual)

State of*	North Dakota
County² of*	Burleigh
Subscribed and sworn to before me on* (MM/DD/YYYY)	
Notary Public Signature*	
Notary Stamp w/expiration date*	

Certifying Official (The section must be completed **if** paragraph 2 of your institution’s authorizing resolutions identifies authorized officers by title only. The certifying official must be the secretary or assistant secretary of the institution or another officer of similar or higher rank. The official must also have the authority to certify the statements in this document.)

<p><u>I, Karen Tyler, Executive Director & Secretary,</u> (Certifying Official’s Printed Name and Title) of the above institution, do hereby certify that <u>Don Morgan</u> is a (Authorizing Officer’s Printed Name) <u>President & CEO</u> of such institution (Title of Authorizing Officer)</p>	
Certifying Official’s Signature	

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State of:	North Dakota
County² of	Burleigh
Subscribed and sworn to before me on: (MM/DD/YYYY)	
Notary Public Signature	
Notary Stamp w/expiration date	

² Or other applicable subdivision such as borough or parish.

INTERNAL FR
(Upon receipt by the Federal Reserve Banks)

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Name	<i>First</i> Kristopher	<i>MI</i>	<i>Last</i> Ahmann	<i>Suffix</i>
Work Phone	<i>Country Code</i> 1	<i>Phone</i> (701) 328-5678		<i>Extension</i>
Mobile	<i>Country Code</i>	<i>Phone</i>		
Title	Treasurer			
Email Address	kahmann@nd.gov			
Signature				
Limitations to Authority <i>(leave blank if none)</i>				

Name	<i>First</i> Marsha	<i>MI</i>	<i>Last</i> Kauk	<i>Suffix</i>
Work Phone	<i>Country Code</i> 1	<i>Phone</i> (701) 328-5639		<i>Extension</i>
Mobile	<i>Country Code</i>	<i>Phone</i>		
Title	Operations Manager			
Email Address	mkauk@nd.gov			
Signature				
Limitations to Authority <i>(leave blank if none)</i>				

Authorizing Officer*

Institution*	Bank of North Dakota			
Routing Transit Number (RTN) or Customer Identification Number (CIN)*	091300285			
Signature*				
Title*	President & CEO			
Name*	<i>First</i> Don	<i>MI</i>	<i>Last</i> Morgan	<i>Suffix</i>

You may add additional signers by completing this page multiple times and submitting it with your request. Please indicate the total number of pages, including the first/notary page, appropriately at the top left-hand corner of this document.

FORM OF AUTHORIZING RESOLUTIONS FOR BORROWERS

As evidenced by my signature below, I certify that the following are correct and complete copies of the resolutions duly adopted on October 29, 2024 at a meeting¹ of the Industrial Commission of the Bank of North Dakota (“Borrower”), a state agency duly established and operating under the laws of State of North Dakota, with its head office located at 1200 Memorial Hwy, Bismarck, ND 58504 in accordance with applicable law and the Borrower's chartering documents. I also certify that the resolutions have not been modified, remain in effect, are not in conflict with any provisions of the Borrower’s certificate of incorporation, bylaws, or chartering and/or licensing statutes or requirements, and are reflected in the minutes of the meeting at which these resolutions were approved:

1. RESOLVED, that the Borrower is authorized to request advance(s) from, incur indebtedness, including overdrafts, to and pledge and grant a security interest in the Borrower’s property, whether now owned or hereafter acquired, to a Federal Reserve Bank.
2. RESOLVED, that the persons with the following titles:

President/CEO
Senior Vice President
Treasurer

and each of their successors in office, any one of whom is authorized to

(1) take each of the actions listed in paragraphs (a)-(e) immediately below and (2) send the names, titles, and signatures of individuals authorized to take such actions in the name and on behalf of the Borrower:²

- (a) to borrow money from a Federal Reserve Bank on the terms and security that such Federal Reserve Bank requires;
 - (b) to discount, rediscount, or sell (with or without the Borrower’s agreement to repurchase) and, for any of those purposes, to endorse and assign notes, drafts, bills of exchange, acceptances, other bills receivable, evidences of indebtedness, and securities, now or hereafter acquired by the Borrower;
 - (c) to make, execute, and deliver any application, note, agreement, certificate, power of attorney, and any other document that any Federal Reserve Bank requires in connection with any transaction authorized by this resolution;
 - (d) to grant, assign, pledge, and transfer to any Federal Reserve Bank security interests in any or all property of the Borrower, whether now owned or hereafter acquired, and to endorse, assign, deliver, deposit, and/or pledge any of such property to any Federal Reserve Bank as collateral to secure payment or performance of any obligation of the Borrower to a Federal Reserve Bank; and
 - (e) to do any and all other acts and things that may be necessary or incidental to any transaction authorized by the relevant resolution, or that may be designed or intended to carry out the purpose of such resolution.
3. RESOLVED, that a Federal Reserve Bank making an extension of credit to the Borrower is appointed as the Borrower’s attorney-in-fact for it and in its place and stead, to endorse, assign, transfer and sell, set over and deliver collateral pledged to such Federal Reserve Bank, and to take any other action deemed necessary or advisable by the Federal Reserve Bank to exercise its rights with respect to any advance or indebtedness owed by the Borrower, in its capacity as secured party, including but not limited to accepting and endorsing payments on loans, preparing and/or filing of any documents necessary to perfect, protect, preserve, or release the interest of the Federal Reserve Bank or the Borrower in such collateral, or compromising disputes or handling insurance issues related to such collateral. The power of attorney is coupled with an interest and as such is irrevocable, and full power of substitution is granted to the

¹ The language of this certification should be modified if the resolutions were adopted by written consent or otherwise.

² If certain persons are authorized to undertake only some of these activities, e.g., to borrow, but not to pledge on behalf of the Borrower, this resolution should be split to so specifically identify who is authorized to undertake which activit(y)(ies).

assignee or holder. The Borrower ratifies any and all action authorized herein and taken by any such Federal Reserve Bank as the Borrower's attorney-in-fact. The rights, powers, and authority of the attorney-in-fact to perform any and all act(s) whatsoever necessary remains in full force and effect and binds the Borrower, its legal representatives, successors, and assigns until all indebtedness of the Borrower to any such Federal Reserve Bank has been fully satisfied and discharged.

4. RESOLVED, that we approve and consent to be bound by the provisions of the Federal Reserve Bank of _____'s Operating Circular No 10, effective October 15, 2006, as amended and supplemented from time to time thereafter ("OC-10").
5. RESOLVED, that the Borrower is authorized and approved to use any record (as such term is used in OC-10) to endorse or pledge to a Reserve Bank the notes and other obligations offered as collateral to secure payment or performance of any obligations of the Borrower to a Reserve Bank. The record will have the full force and effect of a manual endorsement.
6. RESOLVED, that these resolutions and the powers and authorizations granted or confirmed by them continue in effect until written notice of revocation is received by each Reserve Bank that has relied or is relying on such resolutions and the Borrower shall continue to be bound with respect to any outstanding obligations and pledges to any Reserve Bank at the time the notice of revocation is received by such Reserve Bank.
7. RESOLVED, that a duly certified copy of these resolutions be furnished to each Reserve Bank to which the Borrower applies for an advance or has an account.

IN WITNESS WHEREOF, I have hereunto subscribed my name.

Signature of certifying official³

Karen Tyler, Executive Director & Secretary
Name and Title

Date

³ The certifying official must be the secretary of the Borrower or another person authorized to certify the statements in this document and, in any case, may not be a person authorized in Paragraph 2.

OFFICIAL OC-10 AUTHORIZATION LIST

Routing (ABA) No. 091300285
Page 1 of 1

This supersedes our previous Official OC-10 Authorization List:
(circle: **YES** or **NO**)
If neither is circled, previous list will also remain in effect.

Name of Borrower: Bank of North Dakota	Date: October 29, 2024
Street Address: 1200 Memorial Hwy, Bismarck, ND 58504	Telephone: 701-328-5671

To the Federal Reserve Banks: Below are the names, titles and signatures of the individuals authorized to pledge collateral to/ request to borrow money from the Federal Reserve Banks on behalf of the Borrower identified above.

Name and Title (printed):	Telephone No. and E-Mail Address:	Signature:	Borrow ¹	Pledge ¹
Don Morgan President and CEO	701-328-4631 domorgan@nd.gov		X	X
Rob Pfennig Senior Vice President	701-328-5752 rpfennig@nd.gov		X	X
Kelvin Hullet Senior Vice President	701-328-5689 klhullet@nd.gov		X	X
Kirby Evanger Senior Vice President	701-328-5675 kevanger@nd.gov		X	X
Craig Hanson Senior Vice President	701-328-5670 craighanson@nd.gov		X	X
Alison Anderson Senior Vice President	701-328-5683 aanderson@nd.gov		X	X
Kristopher Ahmann Treasurer	701-328-5678 kahmann@nd.gov		X	X

Authorizing Officer (must be identified by title in Borrower's Authorizing Resolutions):

Signature: _____ <u>Don Morgan, President/CEO</u> (Printed Name and Title) <u>701-328-4631</u> (Telephone) <u>domorgan@nd.gov</u> (E-Mail Address)	State of _____) County of _____) Subscribed and sworn to before me on _____, 20___, by _____. _____ Notary Public (Notary Seal)
--	---

Secretary's Certification:

I, <u>Karen Tyler</u> , Secretary (or Assistant Secretary) of the above Borrower do hereby certify that <u>Don Morgan is a President/CEO</u> of such Borrower. Signature: _____ _____ (Printed Name and Title)	State of _____) County of _____) Subscribed and sworn to before me on _____, 20___, by _____. _____ Notary Public (Notary Seal)
---	---

¹ Check as appropriate. For instance, check both if authorized to pledge and to make borrowing requests on behalf of the borrower.

FORM OF LETTER OF AGREEMENT

Date: October 29, 2024

Federal Reserve Bank of Minneapolis
PO Box 291
Minneapolis, MN 55480-0291

Attention:

In consideration of being able to request Advances from and incur Indebtedness to you and in consideration of your making Advances to us we agree to the provisions of your Operating Circular No. 10, effective October 15, 2006, as amended and supplemented from time to time thereafter (“Circular;” capitalized terms used but not defined herein shall have the meaning specified in the Circular).

[Enclosed are (1) certified copies of the Certificate, (2) certified copies of the resolutions that you requested and (3) documents(s) containing the name, title, and signature of those persons authorized to request Advances from and to pledge our assets to you.]¹

Any notices required under the Lending Agreement may be directed to the following department(s): [list department(s) and address(es)].

BND Treasury Services
Attn: Kristopher Ahmann
PO Box 5509
Bismarck ND 58506

Email address: kahmann@nd.gov

Bank of North Dakota
Full Legal Name of Borrower

By: _____²
Authorized signature(s)

Don Morgan
Name(s)

President/CEO
Title(s)

¹ Each Borrower should contact the Bank for instructions as to whether this paragraph and the referenced documents, forms of which are provided as part of this Appendix 3, must be submitted.

² The signatory or signatories should be authorized to sign documents on behalf of the Borrower as provided in the Authorizing Resolutions for Borrowers required by OC-10.

**BANK OF NORTH DAKOTA
FINANCE AND CREDIT COMMITTEE TELECONFERENCE
NONCONFIDENTIAL MINUTES
Wednesday, July 17, 2024 – 11:00 a.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
Tyson Zeltinger, BND
Gus Staahl, BND
Jared Mosbrucker, BND

Chairman Foster called the meeting to order at 11:00 a.m.

Chairman Foster adjourned the nonconfidential portion of the meeting at 11:00 a.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 06-09-35 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

The Executive Session began at 11:00 a.m. and was attended by Brenda Foster, Christie Obenauer, Bill Price, Sara Schumacher, Rob Pfennig, Kirby Evanger, Kelvin Hullet, Craig Hanson, Tyson Zeltinger, Gus Staahl, Jared Mosbrucker

The following items were considered during Executive Session:

- Recommendations of Loan Applications to the Advisory Board Committee
- Problem Loans – Adversely Classified Quarterly Recap/Detail
- Second Quarter 2024 CECL Review
- Non-Accrual Loans Quarterly Recap/Detail
- Loan Charge-Offs and Recoveries Y.T.D. 06/30/2024
- Off-Balance Sheet Risk Quarterly Recap/Detail

The Executive Session adjourned at 11:30 a.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 consent agenda as presented.

Rob Pfennig presented the following items for review and discussion:

- Net income Projections

Service Area Managers presented the Second Quarter 2024 Performance Highlights.

NONCONFIDENTIAL FINANCE AND CREDIT COMMITTEE MEETING MINUTES

Wednesday, July 17, 2024

Consent Agenda

- Second Quarter 2024 Swap Analysis
- Performance Management Dashboard

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, August 14, 2024.

Being no further Bank of North Dakota business, Chairman Foster adjourned the nonconfidential portion of the meeting at 12:10 p.m.

Sara Schumacher, Executive Assistant

**BANK OF NORTH DAKOTA
FINANCE AND CREDIT COMMITTEE TELECONFERENCE
NONCONFIDENTIAL MINUTES
Wednesday, August 14, 2024 – 2:30 p.m. CT**

MEMEBRS PRESENT

VIA PHONE: Christie Obenauer
Bill Price

MEMBERS PRESENT: Brenda Foster, Chairman

ALSO PRESENT: Don Morgan, BND
Sara Schumacher, BND
Rob Pfennig, BND
Kirby Evanger, BND

MEMEBRS PRESENT

VIA PHONE: Craig Hanson, BND

Chairman Foster called the meeting to order at 2:30 p.m.

Chairman Foster adjourned the nonconfidential portion of the meeting at 2:30 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 2:30 p.m. and was attended by Brenda Foster, Christie Obenauer, Bill Price, Don Morgan, Sara Schumacher, Rob Pfennig, Kirby Evanger, Craig Hanson, Gus Staahl

The following items were considered during Executive Session:

- Problem Loans as of 07/31/2024
- Concentrations of Credit as of 06/30/2024

The Executive Session adjourned at 3:20 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 guideline expectation as presented.

Kirby Evanger presented the following items for review and discussion:

- Key Balance DEAL Fund 06/30/2024

Rob Pfennig presented the following items for review and discussion:

- July 2024 Monthly Financial Summary

Consent Agenda

- Loan Portfolio Dashboard Report 06/30/2024

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 Tuesday, September 17, 2024.

NONCONFIDENTIAL FINANCE AND CREDIT COMMITTEE MEETING MINUTES

Wednesday, August 14, 2024

Being no further Bank of North Dakota business, Chairman Foster adjourned the nonconfidential portion of the meeting at 3:30 p.m.

Sara Schumacher, Executive Assistant

**BANK OF NORTH DAKOTA
AUDIT AND RISK MANAGEMENT TELECONFERENCE
NONCONFIDENTIAL MINUTES
Thursday, July 18, 2024 – 10:00 a.m. CT**

MEMBERS PRESENT: Pat Clement, Chairman
Dennis Johnson
Jean Voorhees

ALSO PRESENT: Sara Schumacher, BND
Christy Steffenhagen, BND
Charlie Tweet, BND
Halsey Thompson, BND
Nick Leintz, BND
Jenni Lang, BND
Tyler Giffey, BND

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

Chairman Clement 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 & 44-04-27 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 Pat Clement, Dennis Johnson, Jean Voorhees, Sara Schumacher, Christy Steffenhagen, Charlie Tweet, Halsey Thompson, Nick Leintz, Jenni Lang, Tyler Giffey

The following items were considered during Executive Session:

- Single Sign-On (SSO) Consulting Engagement
- Second Quarter 2024 Outstanding Internal/External Audit Items

The Executive Session adjourned at 10:50 a.m.

Chairman Clement reconvened the Nonconfidential portion of the meeting.

Nick Leintz presented the following item for review and discussion:

- Second Quarter 2024 Outstanding Internal/External Audit Items

Jenni Lang presented the following items for review and discussion:

- Second Quarter 2024 Outstanding Internal/External Compliance Items
- Second Quarter 2024 Credit Review Report

Audit Committee Consent Agenda:

- Unposted Transactions, Overdrafts and NSF Audit
- 2024 Federal Funds Program and Letters of Credit Pledged for Public Deposits Audit
- 2023 Loan Administrations Audit – Nick Leintz
- Second Quarter 2024 Internal Audit Status Report
- Payroll Audit

A recommendation will be made to the Advisory Board Committee to approve the Audit Committee Consent Agenda as presented.

A Risk Management, Quality Assurance Providers – Credit Review discussion was held.

NONCONFIDENTIAL AUDIT AND RISK MANAGEMENT MINUTES
Thursday, July 18, 2024

The next Advisory Board Audit and Risk Management meeting will be held Thursday, October 17, 2024.

Being no further Bank of North Dakota business, Chairman Clement adjourned the nonconfidential portion of the meeting at 11:45 a.m.

Sara Schumacher, Administrative Assistant

**BANK OF NORTH DAKOTA
ADVISORY BOARD MEETING
NONCONFIDENTIAL MINUTES
Thursday, July 18, 2024 – 1:00 p.m. CT**

MEMBERS PRESENT: Karl Bollingberg, Chairman
Dennis Johnson
Pat Clement
Christie Obenauer
Jean Voorhees

PRESENT VIA PHONE: Brenda Foster
Bill Price

ALSO PRESENT: Sara Schumacher, BND
Rob Pfennig, BND
Charlie Tweet, BND
Kirby Evanger, BND
Lori Leingang, BND
Christy Steffenhagen, BND
Kelvin Hullet, BND
Craig Hanson, BND
Kris Ahmann, BND

**ALSO PRESENT
VIA PHONE:** Don Morgan, Starion Bank
Karen Tyler, Industrial Commission

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

Chairman Bollingberg 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 & 44-04-27 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 Karl Bollingberg, Dennis Johnson, Pat Clement, Jean Voorhees, Christie Obenauer, Bill Price, Brenda Foster, Sara Schumacher, Rob Pfennig, Charlie Tweet, Kirby Evanger, Lori Leingang, Christy Steffenhagen, Kelvin Hullet, Craig Hanson, Jenni Lang, Nick Leintz, Gus Staahl, Don Morgan, Lise Kruse, Ryan Spah, Karen Tyler

The following items were considered during Executive Session:

- Department of Financial Institutions (DFI) Report of Examination
- Second Quarter 2024 Suspicious Activity Report
- Legal Item Update
- Loan Applications to the Bank of North Dakota
- Consent Agenda (see Finance and Credit Committee agenda)
- Finance and Credit Committee Reports Recap
- Single Sign-On (SSO) Consulting Engagement
- Audit and Risk Management Committee Reports Recap
- Confidential Finance and Credit Committee Minutes (June 18, 2024)
- Confidential Advisory Board Minutes (June 20, 2024)
- Confidential Investment Committee Minutes (June 05, 12, 19, 26, 2024)

The Executive Session adjourned at 3:25 p.m.

Thursday, July 18, 2024

Chairman Bollingberg reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

- A motion was made by Mr. Johnson to approve the application 1 as discussed. Seconded by Ms. Clement. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.
- A motion was made by Ms. Foster to approve the Finance and Credit Committee items as presented. Seconded by Ms. Obenauer. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.
- A motion was made by Ms. Clement to approve the Audit and Risk Committee items as presented. Seconded by Ms. Voorhees. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.
- A motion was made by Ms. Clement to approve the consent agenda as presented. Seconded by Ms. Obenauer. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, 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. Foster to approve the items as presented. Seconded by Ms. Clement. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.

Brenda Foster provided a Finance and Credit Committee Reports Recap.

Audit and Risk Management Committee made a recommendation to approve the following:

- Consent Agenda (see Finance and Credit Committee agenda)

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

Pat Clement provided an Audit and Risk Management Committee Reports Recap.

Kris Ahmann provided an Economic Forecasting Update.

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

BND Executive Members had no Service Area Updates.

Consent Agenda:

- Nonconfidential Finance and Credit Committee Minutes (June 18, 2024)
- Nonconfidential Advisory Board Minutes (June 20, 2024)
- Nonconfidential Investment Committee Minutes (June 05, 12, 19, 26, 2024)

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

BSA/AML training with Advisory Board Committee members was deferred to the October Advisory Board Meeting.

The next Advisory Board meetings will be held:

- Finance and Credit Committee Meeting – Wednesday, August 14, 2024, 1:00 p.m., Teleconference
- Leadership Development and Compensation Committee Meeting – Thursday, August 15, 2024, 8:30 a.m., Teleconference

NONCONFIDENTIAL ADVISORY BOARD MEETING MINUTES

Thursday, July 18, 2024

- Group Advisory Meeting – Thursday, August 15, 2024, 10:00 a.m., Teleconference

Being no further Bank of North Dakota business, Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 4:30 p.m.

Sara Schumacher, Executive Assistant

**BANK OF NORTH DAKOTA
ADVISORY BOARD TELECONFERENCE
NON-CONFIDENTIAL MINUTES
Thursday, August 15, 2024 – 10:00 a.m. CT**

MEMBERS PRESENT

VIA PHONE: Karl Bollingberg, Chairman
Pat Clement
Jean Voorhees
Bill Price
Brenda Foster

ALSO PRESENT: Christie Obenauer

MEMBERS ABSENT: Dennis Johnson

ALSO PRESENT: Sara Schumacher, BND
Rob Pfennig, BND
Alison Anderson, BND
Kirby Evanger, BND
Christy Steffenhagen, BND
Kelvin Hullet, BND
Craig Hanson, BND

ALSO PRESENT

VIA PHONE: Don Morgan, BND
Lori Leingang, BND
Karen Tyler, Industrial Commission

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, Don Morgan, Sara Schumacher, Rob Pfennig, Alison Anderson, Kirby Evanger, Lori Leingang, Christy Steffenhagen, Kelvin Hullet, Craig Hanson, Karen Tyler

The following items were considered during Executive Session:

- Finance and Credit Committee Reports Recap
- Confidential Finance and Credit Committee Minutes (July 17, 2024)
- Confidential Audit and Risk Management Committee Minutes (July 18, 2024)
- Confidential Advisory Board Minutes (July 18, 2024)
- Confidential Investment Committee Minutes (July 03, 10 ,17, 24, 31, 2024)

The Executive Session adjourned at 11:00 a.m.

Chairman Bollingberg reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

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

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

Brenda Foster provided a Finance and Credit Committee Reports Recap.

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

BND Executive Team provided services area updates.

- Lori Leingang gave a brief update that the Leadership Development and Compensation meeting materials will be deferred to November's meeting.

Consent Agenda:

- Nonconfidential Finance and Credit Committee Minutes (July 17, 2024)
- Nonconfidential Audit and Risk Management Committee Minutes (July 18, 2024)
- Nonconfidential Advisory Board Minutes (July 18, 2024)
- Nonconfidential Investment Committee Minutes (July 03, 10, 17, 24, 31, 2024)

A motion was made by Ms. Obenauer to approve the consent agenda as presented. Seconded by Ms. Clement. 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 – Tuesday, September 17, 2024, 2:30 p.m., Teleconference
- Group Advisory Board Meeting – Wednesday, September 18, 2024, 10:00 a.m., Minot, 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

Pipeline Authority NDIC Update

Justin J. Kringstad
Geological Engineer
Director
North Dakota Pipeline Authority

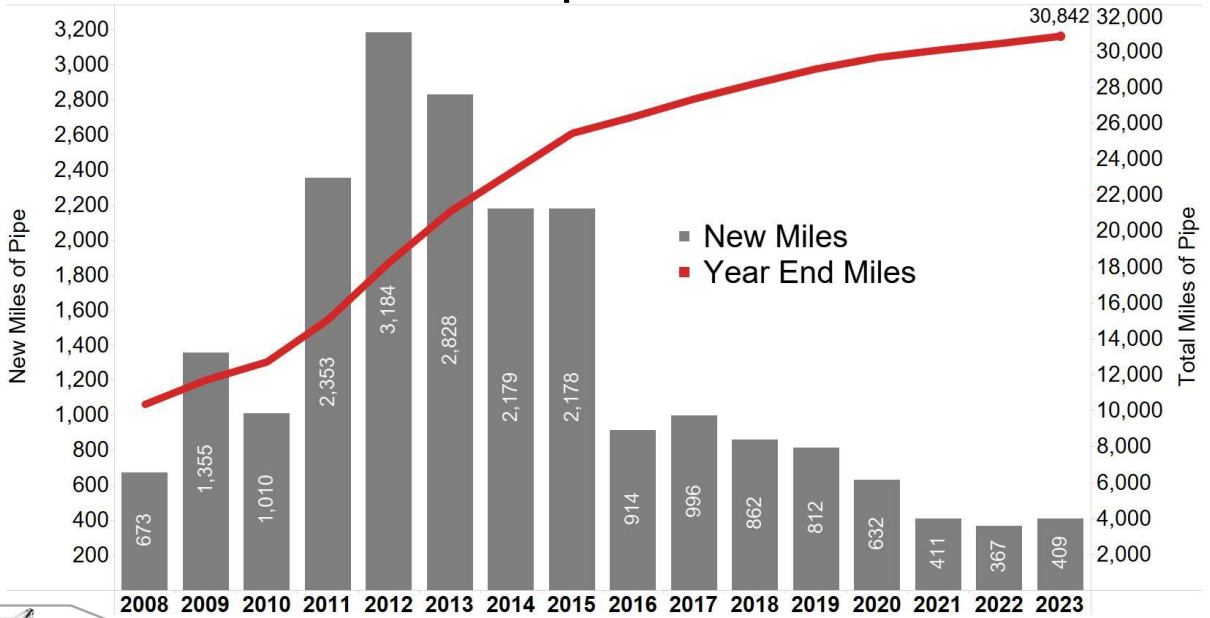
October 29, 2024



Pipeline Construction Update



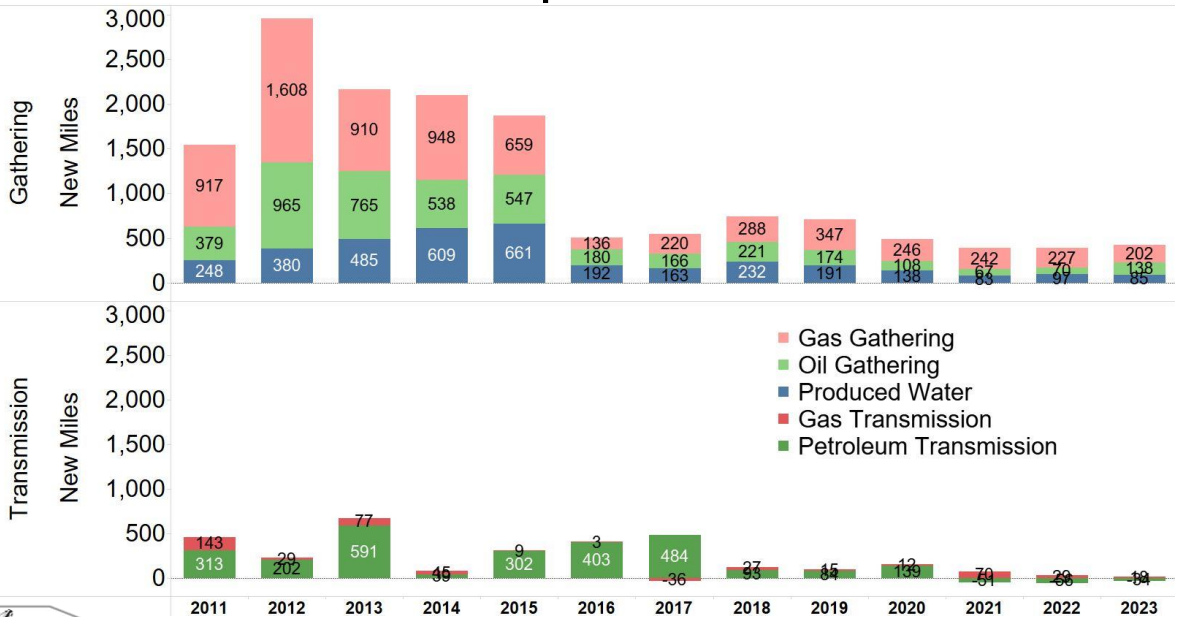
North Dakota Pipeline Construction



JJ Kringstad - North Dakota Pipeline Authority

Sources: NDIC & PHMSA

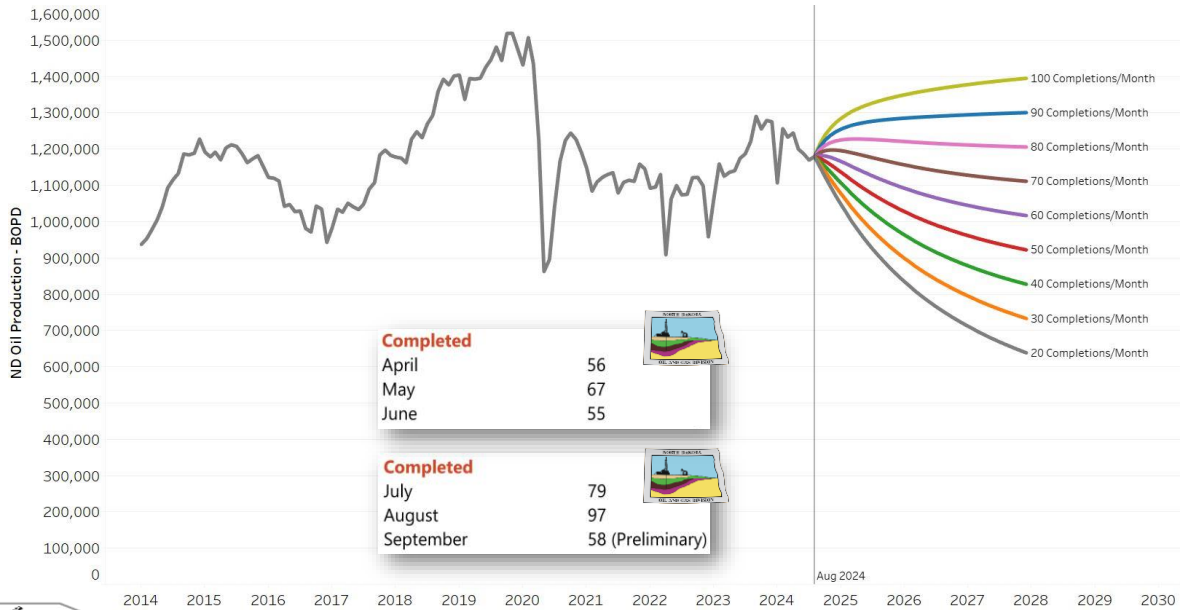
North Dakota Pipeline Construction



JJ Kringstad - North Dakota Pipeline Authority

Sources: NDIC & PHMSA

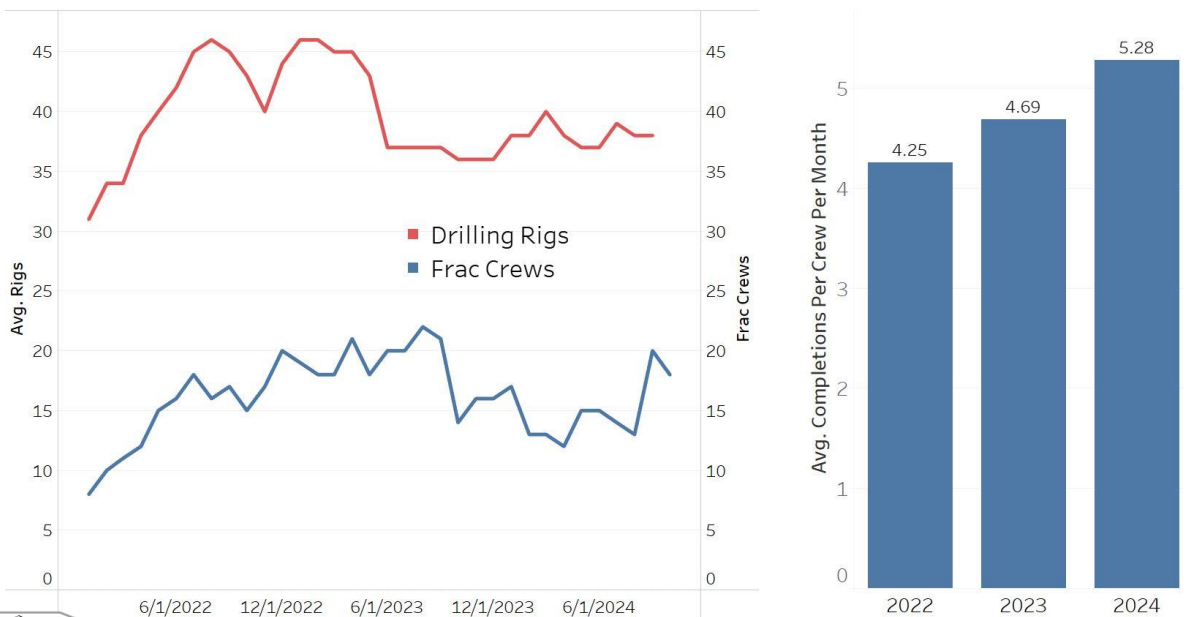
Monthly Completion* Scenarios - Oil



JJ Kringstad - North Dakota Pipeline Authority

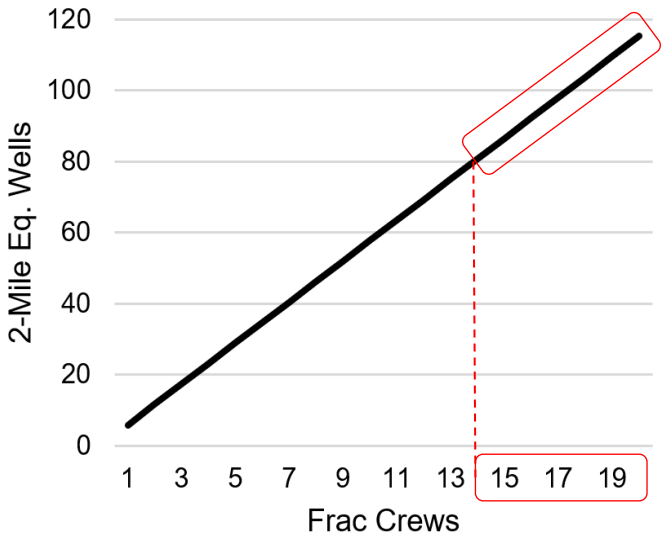
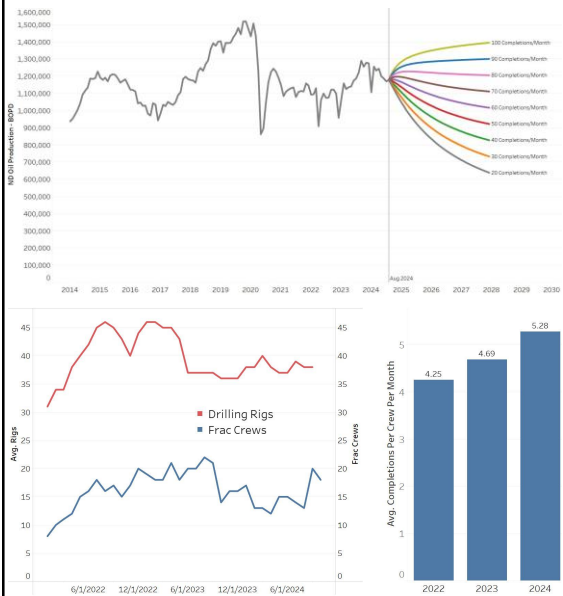
*1,280 Acre Equivalent Spacing

North Dakota Frac Crew Efficiency

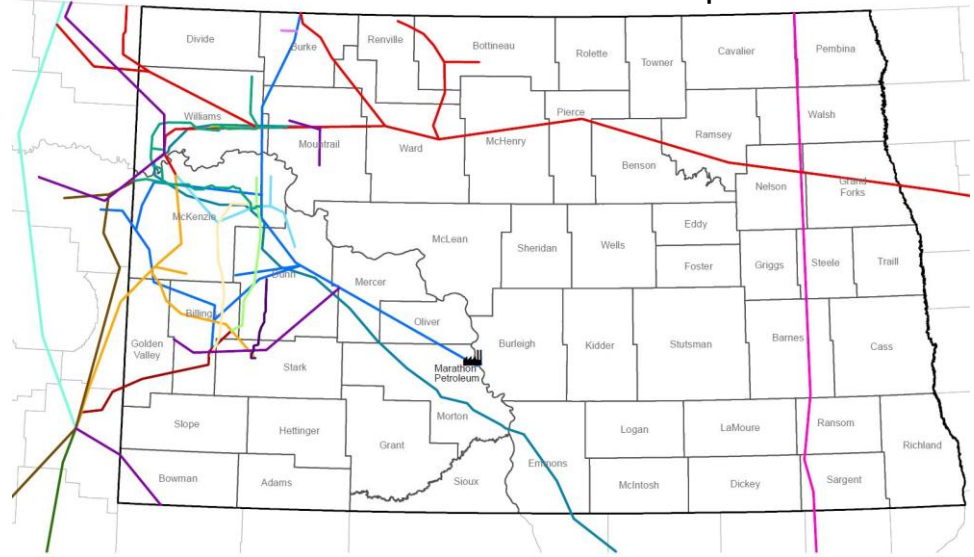


JJ Kringstad - North Dakota Pipeline Authority

What is the Optimal Frac Crew Count? (Assuming 25% 3-Mile Laterals)



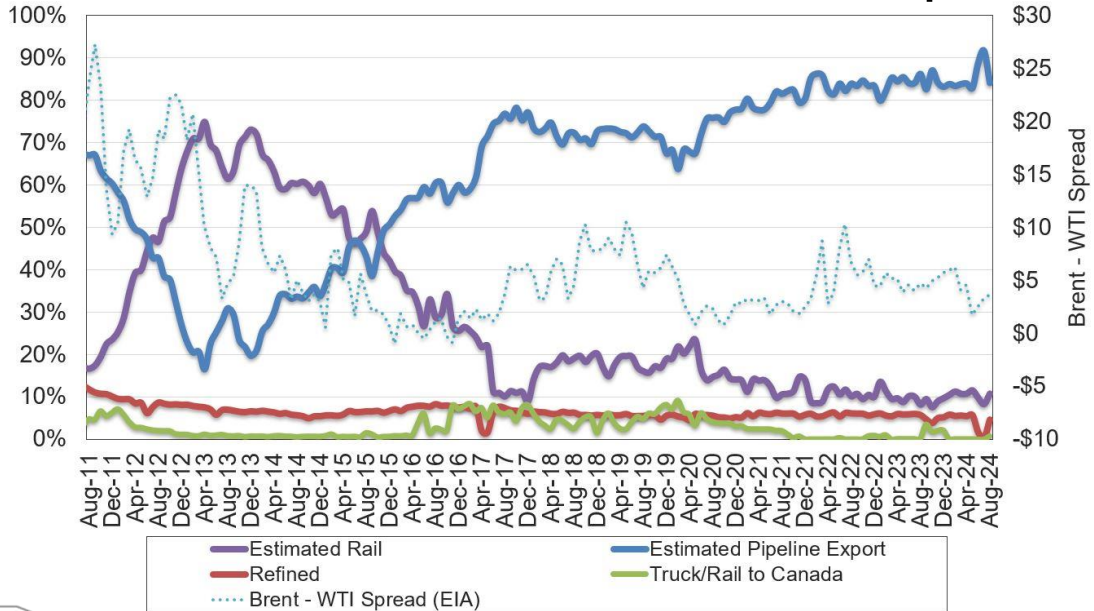
North Dakota Oil Transmission Pipelines



- Refinery
- Basin Transload
- Butte
- Double H
- Hiland
- Bridger
- Bakken Oil Express
- Belle Fourche
- Crestwood
- Enbridge
- Keystone Pipeline
- Targa
- BakkenLink
- Bridger
- Dakota Access
- Four Bears
- Little Missouri
- Marathon

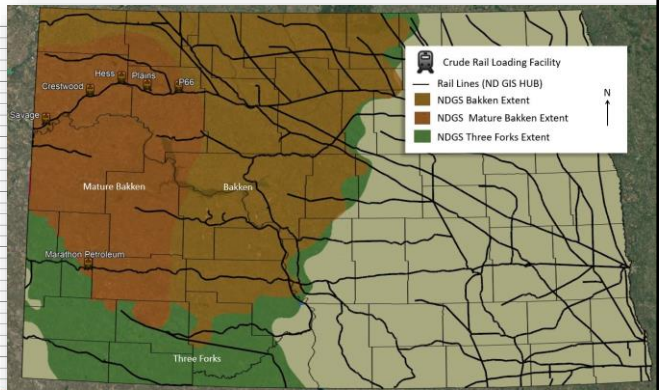
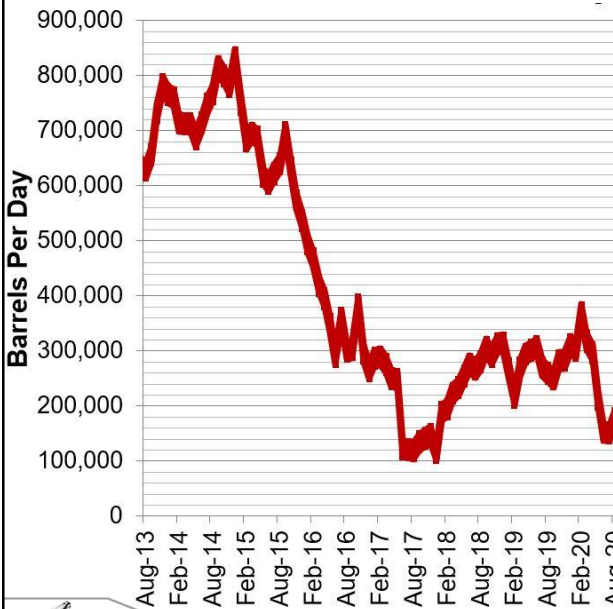


Estimated Williston Basin Oil Transportation



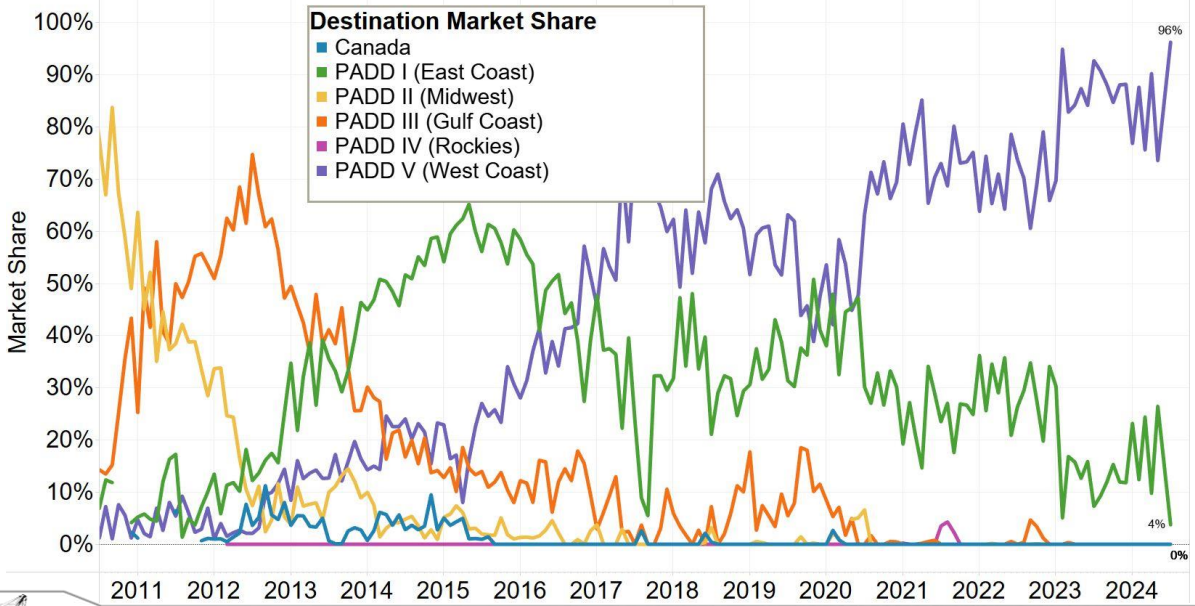
JJ Kringstad - North Dakota Pipeline Authority

Estimated ND Rail Export Volumes



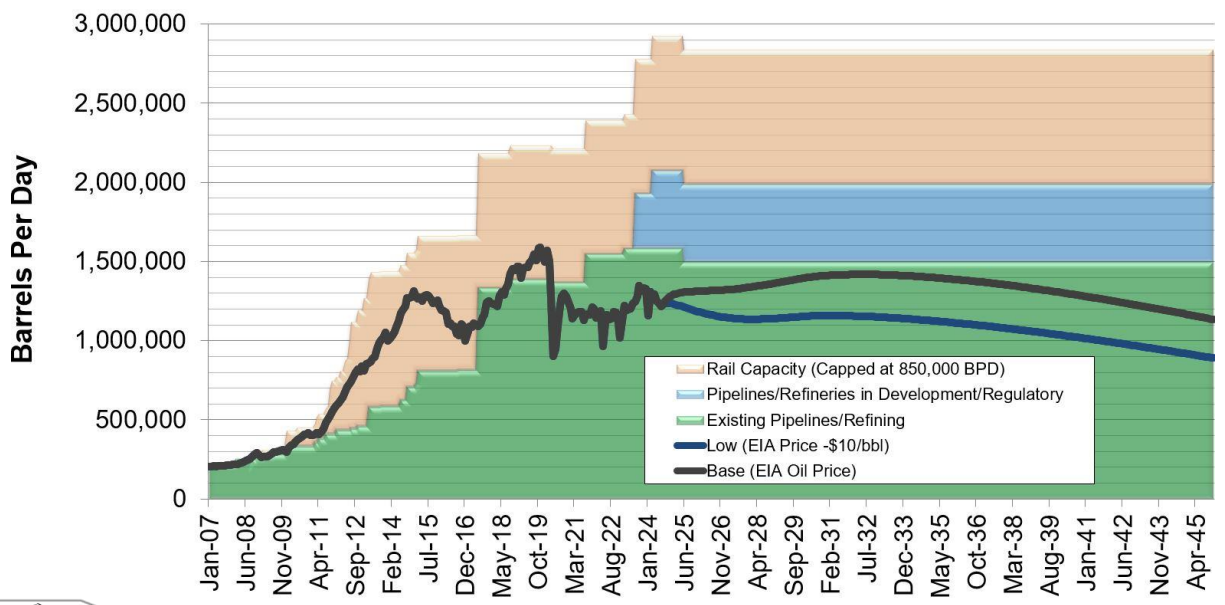
JJ Kringstad - North Dakota Pipeline Authority

Rail Destinations Market Share (July 2024)



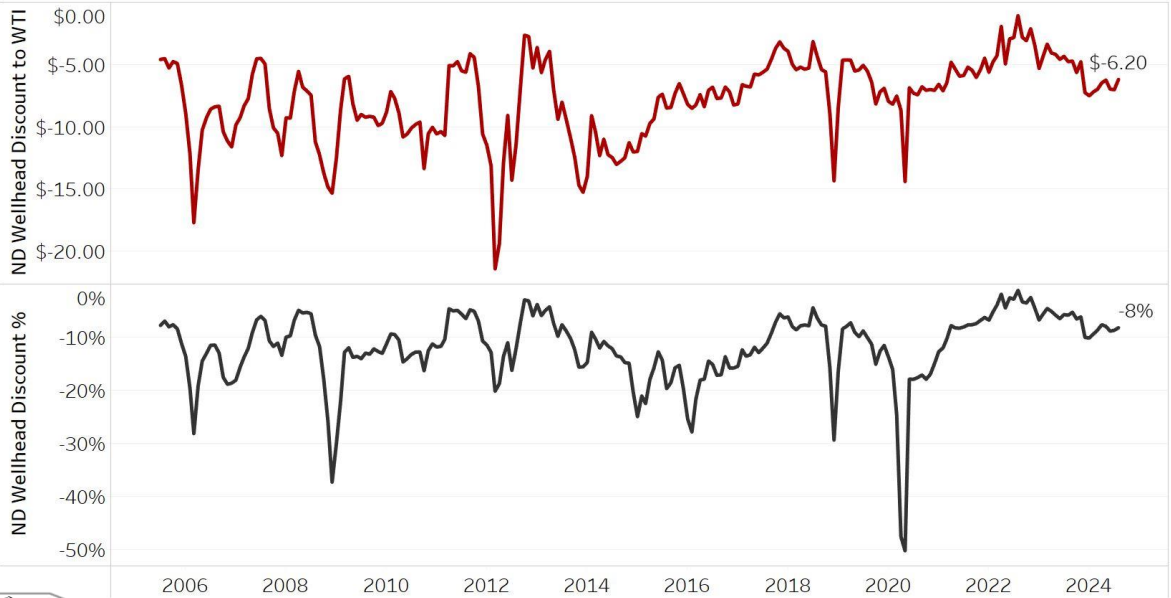
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Williston Basin Oil Production & Export Capacity, BOPD

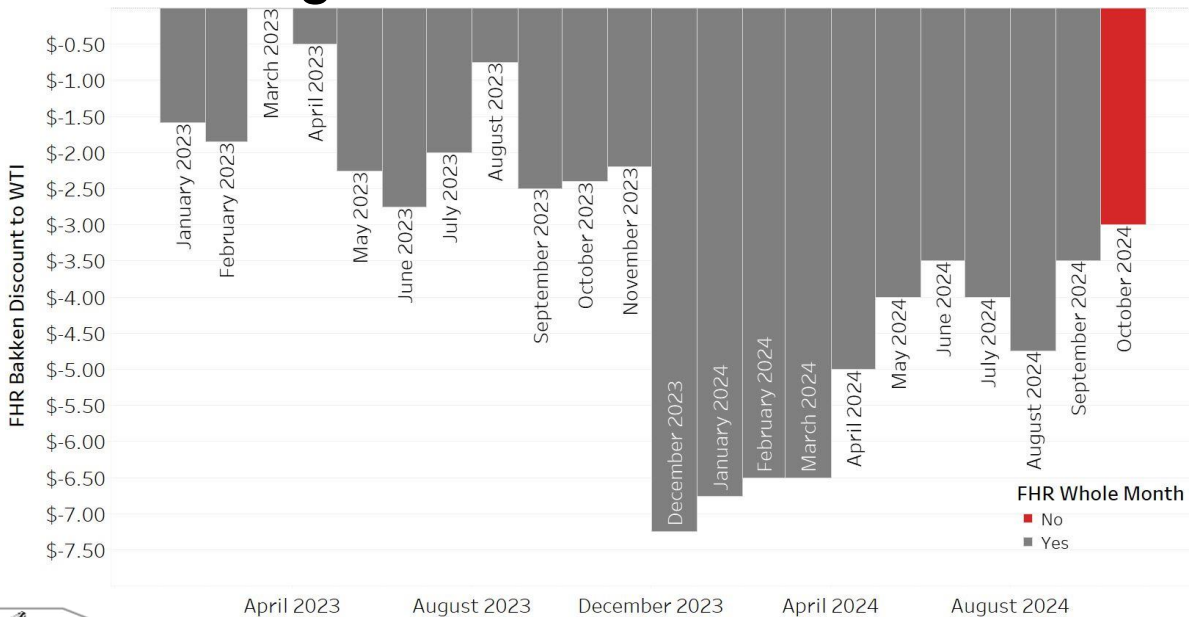


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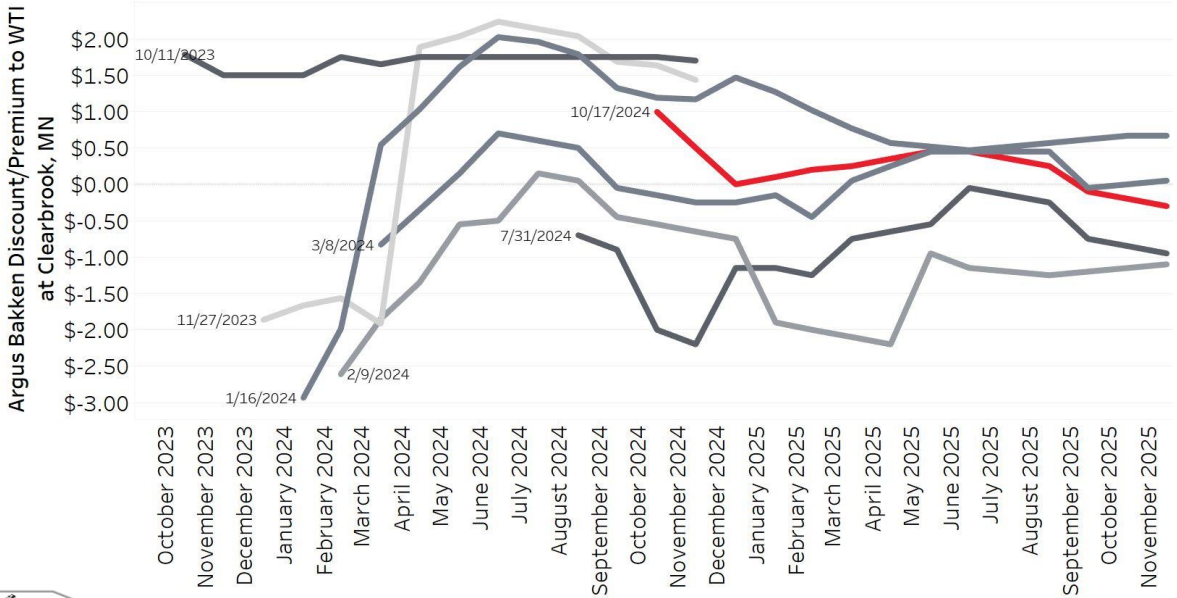
Average North Dakota Oil "Discount" to WTI



FHR ND Light Sweet Discount to FHR WTI



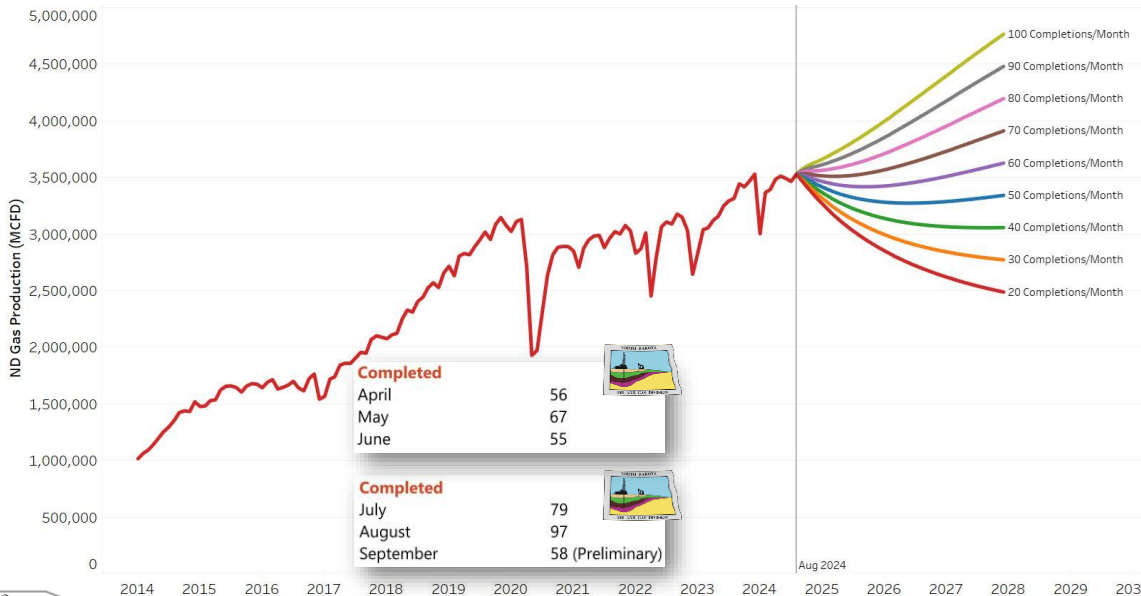
Clearbrook, MN Bakken Futures*



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*Referenced to WTI – Source ICE

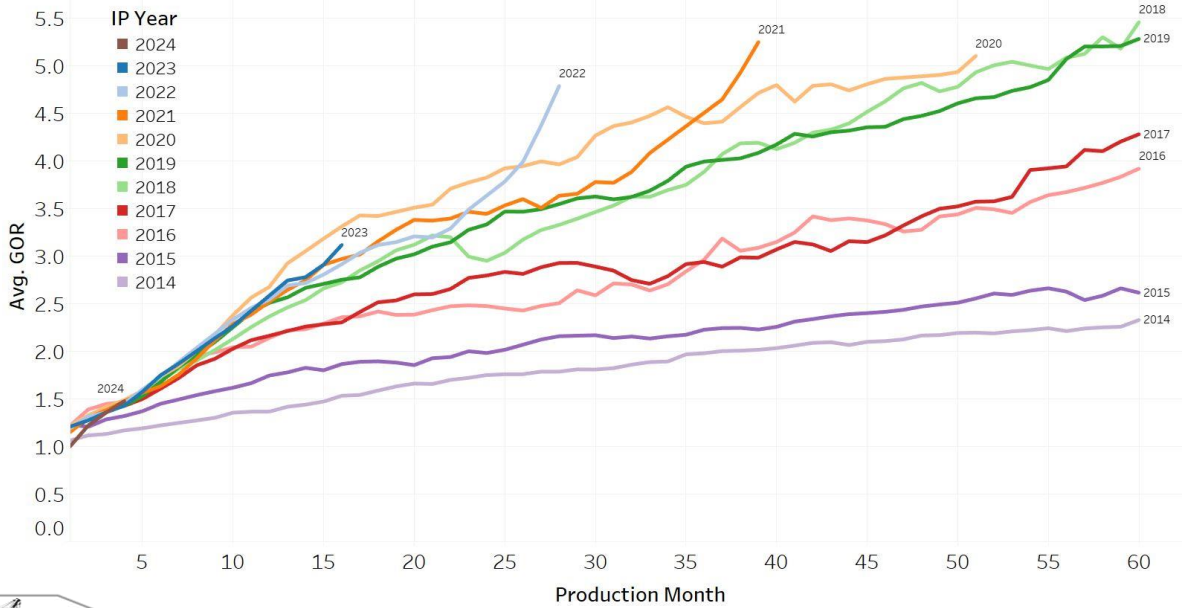
Monthly Completion* Scenarios - Gas



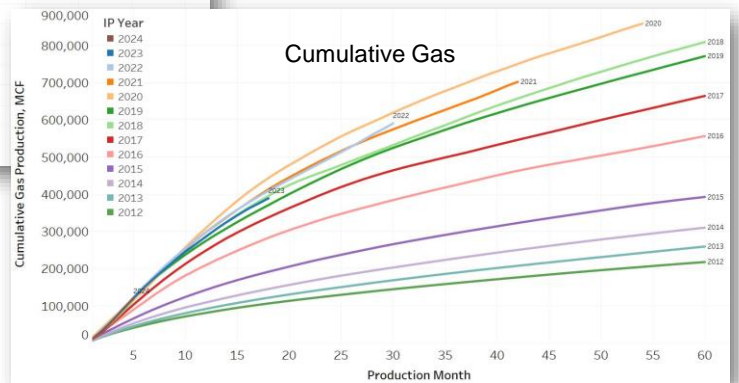
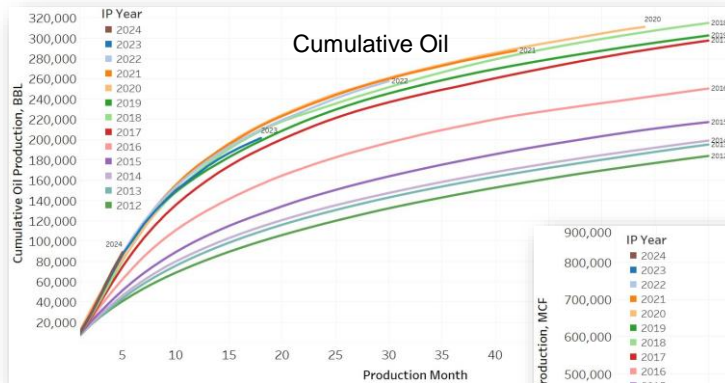
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*1,280 Acre Equivalent Spacing

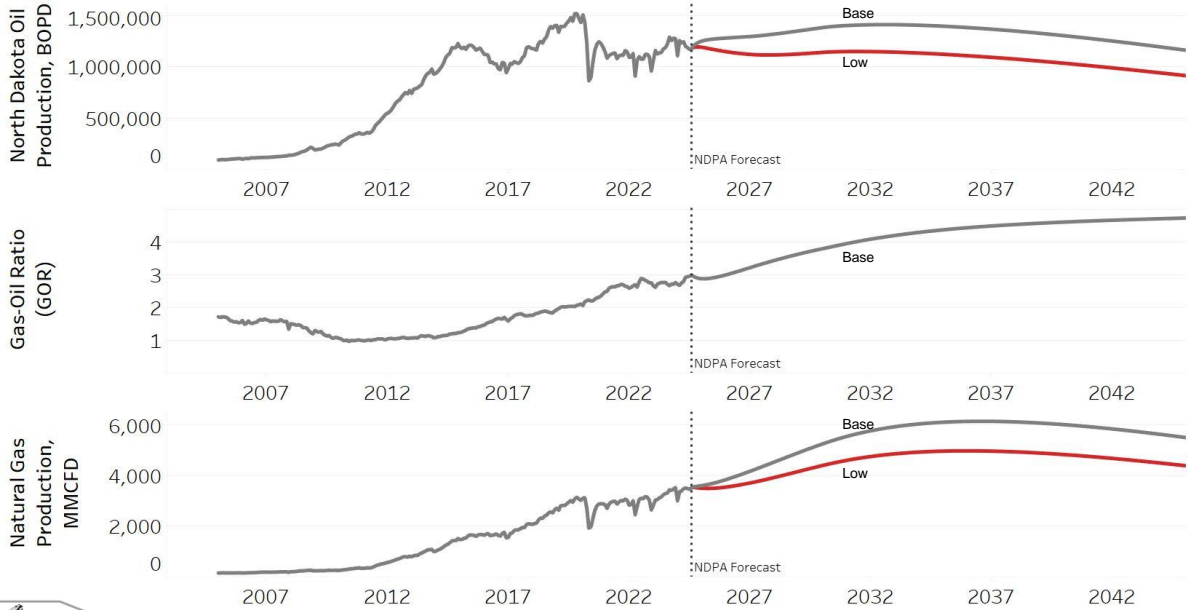
Statewide Bakken Gas/Oil Ratios



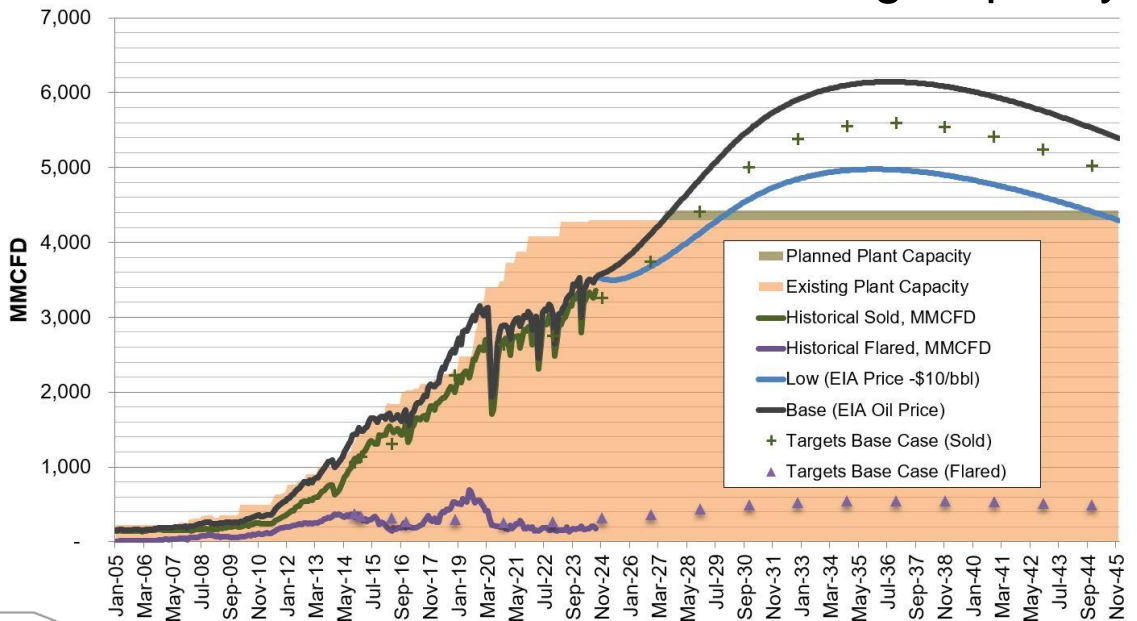
Statewide Bakken Production



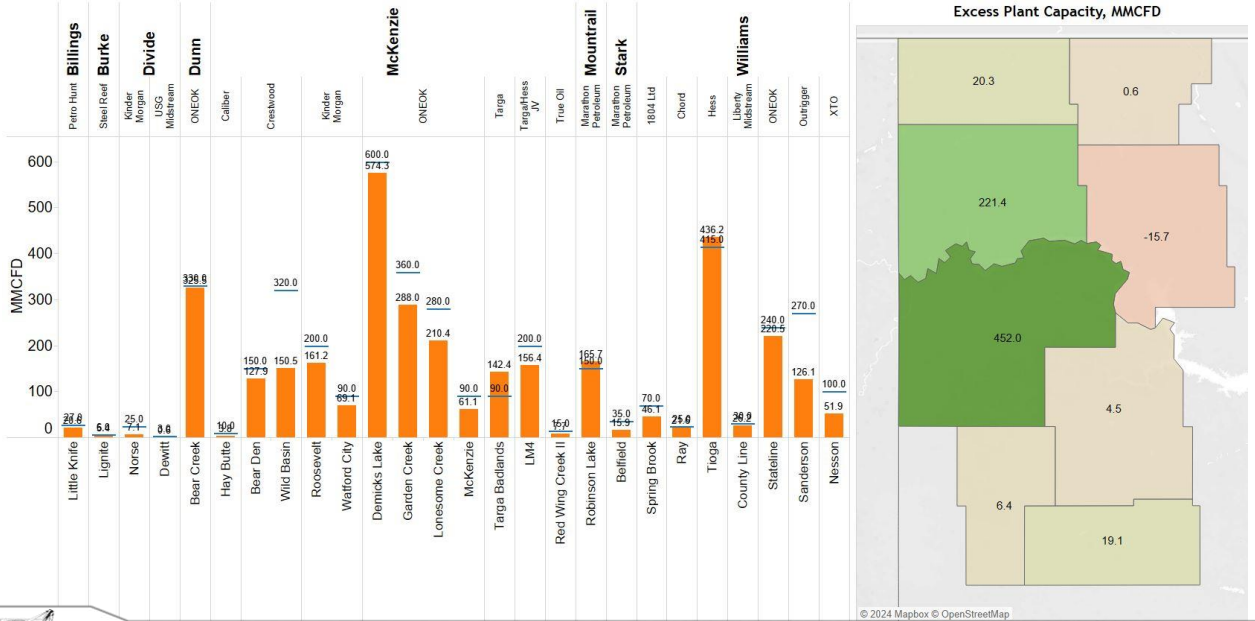
ND Production Forecast: EIA Price Deck



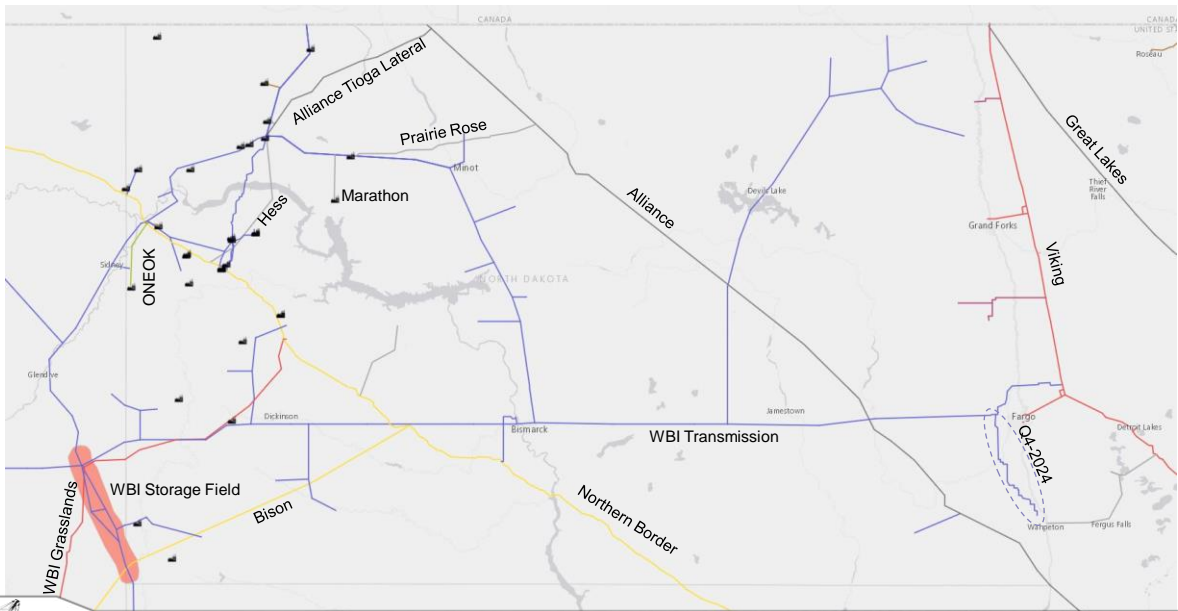
North Dakota Natural Gas Processing Capacity



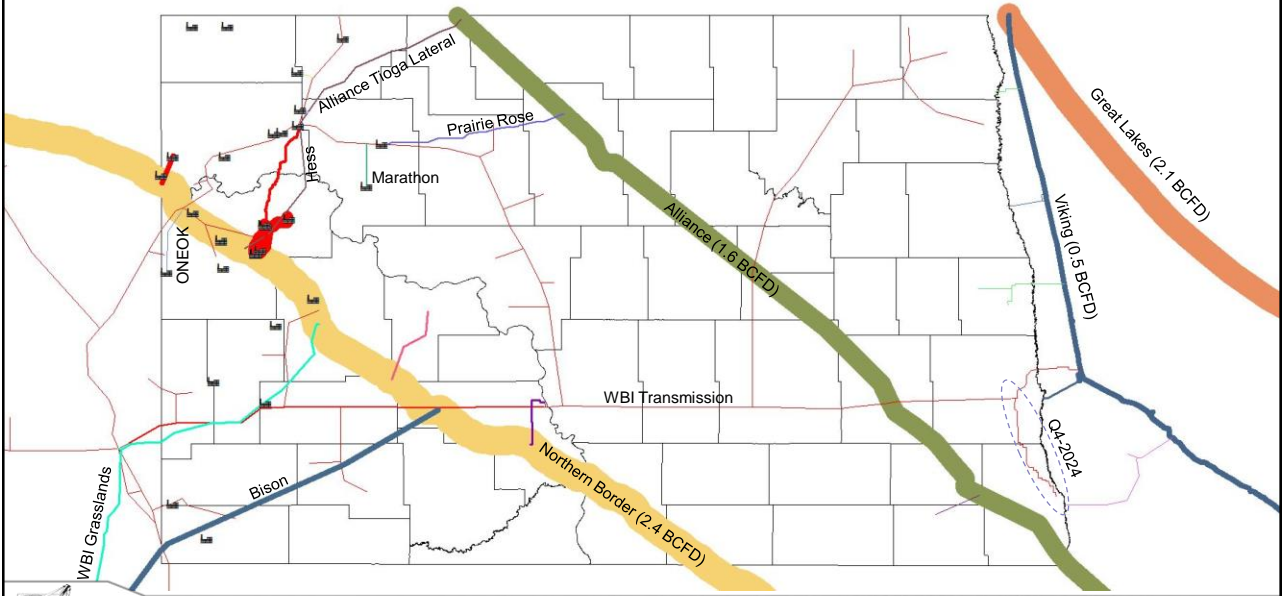
Gas Plant Intake Volumes & Capacity*



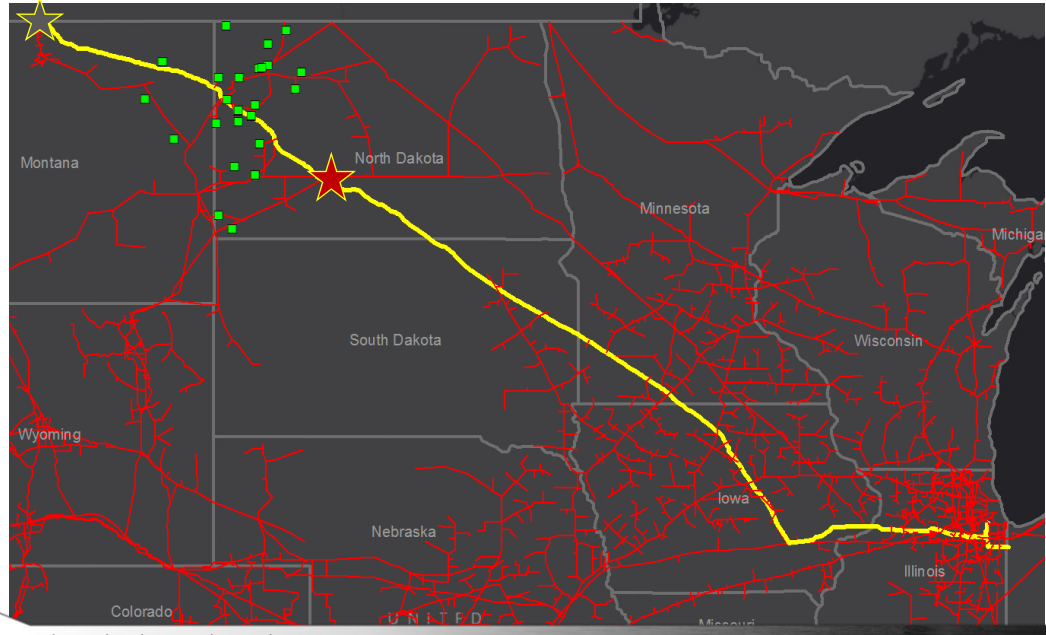
Major Residue Gas Pipeline Infrastructure



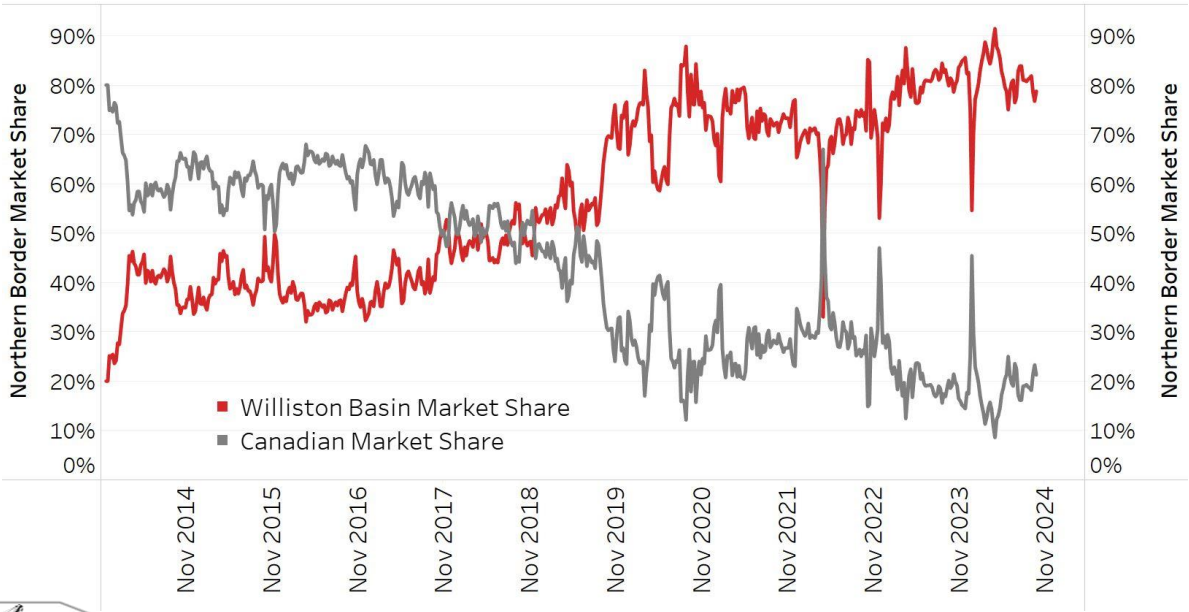
Residue Gas Pipeline Capacity Visualization



Northern Border Pipeline

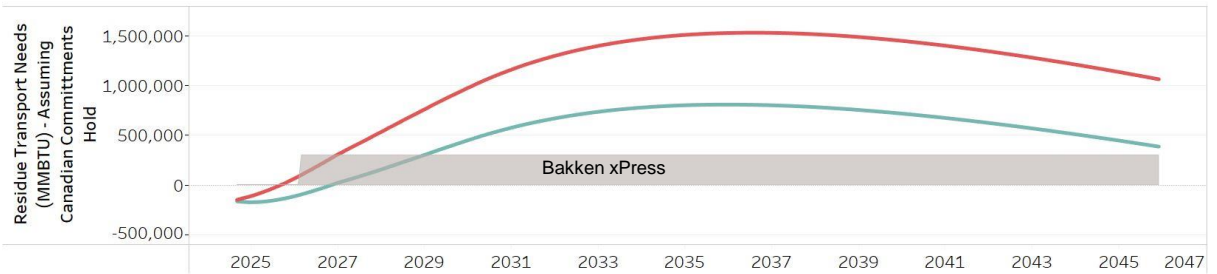


Northern Border Pipeline Market Share

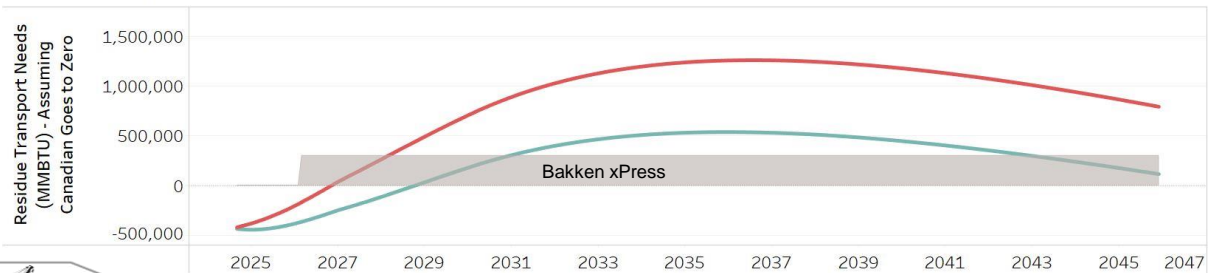


Residue Capacity Needs : Glen Ullin 1,100 BTU

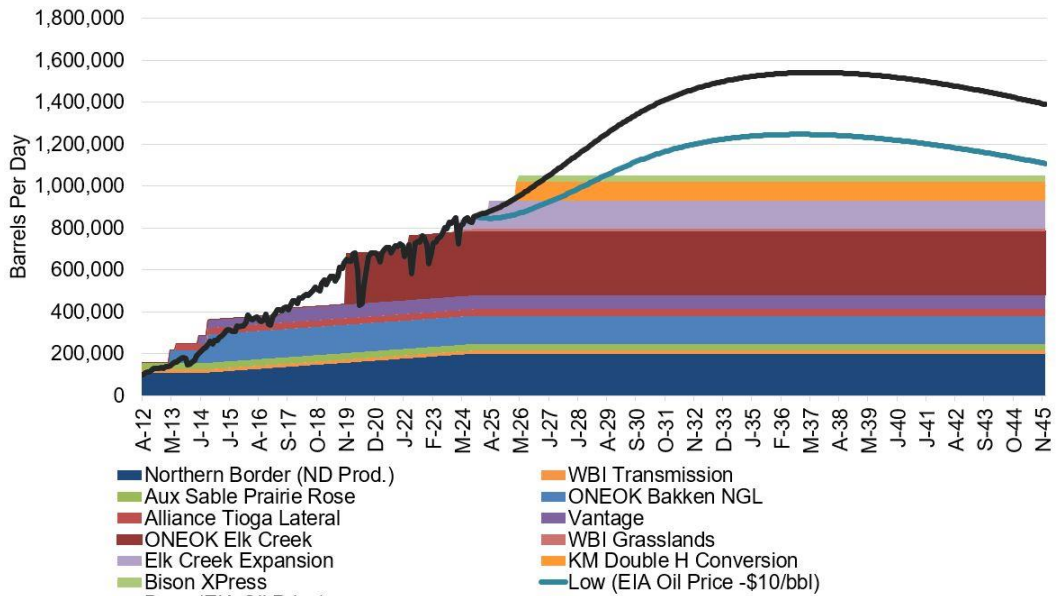
Residue Capacity Need: Port of Morgan at Contract Level: Glen Ullin BTU 1,100



Residue Capacity Need: Port of Morgan Goes to Zero: Glen Ullin BTU 1,100



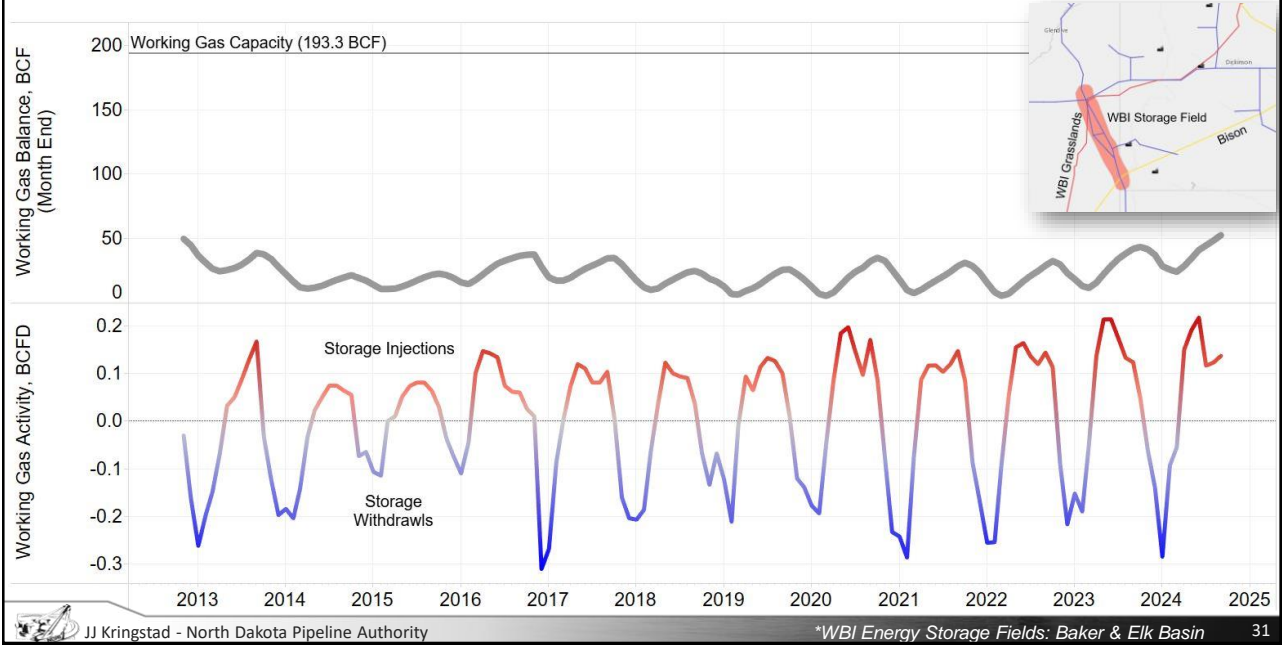
NGL Transport Needs* – With New Cheyenne Pipes



Regional Natural Gas Storage



Residue Gas Storage – WBI Energy*



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North Dakota Pipeline Authority



Annual Report

July 1, 2023 – June 30, 2024

Industrial Commission of North Dakota

Governor Doug Burgum, Chairman

Attorney General Drew H. Wrigley

Agriculture Commissioner Doug Goehring

North Dakota Pipeline Authority
Annual Report
July 1, 2023 – June 30, 2024

Overview

At the request of the North Dakota Industrial Commission, the Sixtieth Legislature passed House Bill 1128 authorizing the North Dakota Pipeline Authority. It was signed into law on April 11, 2007. The statutory mission of the Pipeline Authority is “to diversify and expand the North Dakota economy by facilitating development of pipeline facilities to support the production, transportation, and utilization of North Dakota energy-related commodities, thereby increasing employment, stimulating economic activity, augmenting sources of tax revenue, fostering economic stability and improving the State’s economy”. As established by the Legislature, the Pipeline Authority is a builder of last resort, meaning private business would have the first opportunity to invest in and/or build additional needed pipeline infrastructure.

By law, the Pipeline Authority membership is comprised of the members of the North Dakota Industrial Commission. Funding for Pipeline Authority operations and studies comes at the recommendation of the Oil and Gas Research Council and is authorized by the Industrial Commission. On August 1, 2008 the Industrial Commission named Justin J. Kringstad, an engineering consultant, to serve as Director of the North Dakota Pipeline Authority. The North Dakota Pipeline Authority Director works closely with the Department of Mineral Resources Director, North Dakota Petroleum Council President, and leadership of the Industrial Commission. The Pipeline Authority has no other staff and receives no direct General Fund appropriation. The Pipeline Authority Director reports to the Industrial Commission members and the Oil and Gas Research Council on a regular basis.

Statutory Authority

The statutory authority for the Pipeline Authority is outlined in Chapter 54-17.7 of the North Dakota Century Code (N.D.C.C.). Section 54-17.7-04 of the N.D.C.C. delineates the powers of the Pipeline Authority, including but not limited to: 1) making grants, loans, or borrowing money; 2) issuing up to \$800 million in revenue bonds; 3) entering into lease-sale contracts; 4) owning, purchasing, leasing, renting, and disposing of pipeline facilities or the right to capacity in any pipeline system, whether within or outside the state of North Dakota; and 5) entering into contracts to construct, maintain, and operate pipeline facilities.

Before the Pipeline Authority can exercise its power to construct pipeline facilities, it must follow a statutory process designed to ensure public participation and comment. Specifically, the Pipeline Authority must publish a notice describing the need for the pipeline project. Entities interested in constructing the facilities or providing services to meet the identified needs have 180 days to respond by

filing a notice of intent. If the Pipeline Authority receives a notice of intent from an interested entity, it cannot proceed with construction unless it determines that doing so is in the public interest. In making this determination, the Pipeline Authority must consider factors such as the economic impact on the state, economic feasibility, technical performance, reliability, past performance, and the likelihood of successful completion and ongoing operation.

North Dakota Pipeline Regulatory Programs

The Pipeline Authority does not serve in any capacity as a regulatory agency for the pipeline industry. North Dakota's pipeline industry is regulated by several state and federal agencies. Roles of each regulatory entity are complex and the Pipeline Authority urges all interested parties to please contact the agencies below for more information on their jurisdiction of the pipeline industry.

- North Dakota Department of Emergency Services
- North Dakota Department of Environmental Quality
- North Dakota Public Service Commission
- North Dakota Industrial Commission-Department of Mineral Resources-Oil and Gas Division
- Environmental Protection Agency
- Federal Energy Regulatory Commission
- U.S. Department of Transportation-Pipeline and Hazardous Materials Safety Administration-Office of Pipeline Safety
- Homeland Security's Infrastructure Security Division

Summary of Activities

North Dakota's petroleum industry began the 2023-2024 fiscal year with West Texas Intermediate (WTI) oil prices in the mid-\$70s per barrel. Despite these economically attractive prices, only 37 drilling rigs were active in July 2023, as the industry settled into a post-COVID development pace, with roughly one drilling rig operating for every \$2 of WTI oil price. The oil market remained stable throughout the fiscal year, with WTI averaging \$80 per barrel. With this price stability, North Dakota's active drilling rig count remained relatively consistent, fluctuating between the upper 30s and low 40s.

Throughout the 2023-2024 fiscal year, the industry expanded the practice of drilling three-mile laterals to enhance capital efficiency in the development of the Bakken and Three Forks formations. It is estimated that approximately 15% of all wells drilled in the second half of 2023 were three-mile laterals, increasing to 25% in the first half of 2024. These three-mile development patterns significantly boost productive lateral footage while maintaining a relatively modest drilling fleet in the region. Additionally, the industry is working to perfect four-mile laterals to further improve rig efficiencies. Figure 1 illustrates the generalized efficiency gains achieved by utilizing longer lateral lengths in a scenario with forty active drilling rigs.

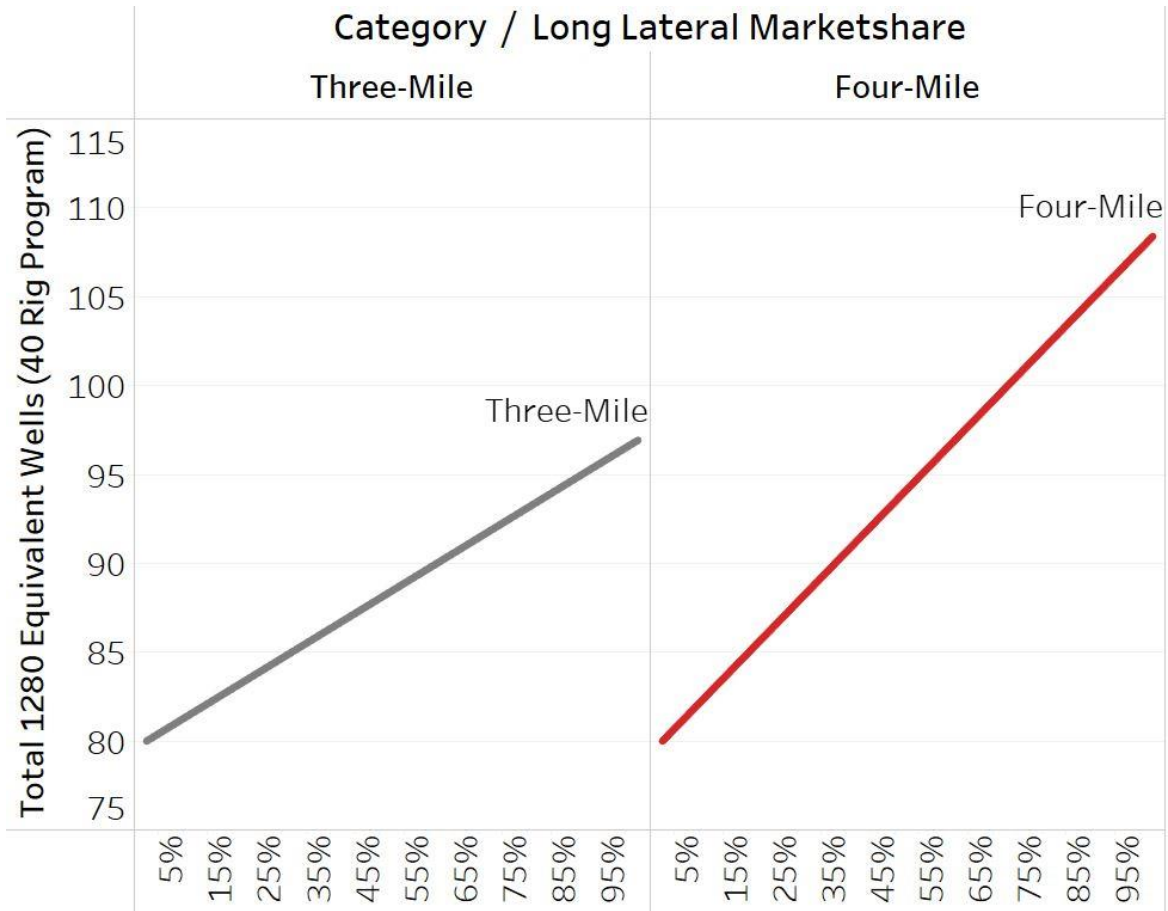


Figure 1. Equivalent two-mile wells (i.e. 1,280) for various market shares of three and four-mile laterals in a forty well program.

Average oil production throughout the fiscal year remained relatively strong at just over 1.2 million barrels per day, though this represents a significant decline from the record high of 1.5 million barrels per day set in late 2019.

Despite the production decline during the final months of the 2023-2024 fiscal year, the long-term outlook for North Dakota’s petroleum industry remains strong. The state's midstream sector continues to adapt to current production levels while planning for future expansion. Over the past year, the Pipeline Authority has been actively engaged in efforts to translate production and development data into oil and natural gas transportation solutions. Collaborating with industry to generate crude oil and natural gas production forecasts to quantify future pipeline needs and timelines remains one of the Pipeline Authority's key responsibilities. Given that pipeline companies tend to be conservative, these forecasting efforts play a critical role in providing the confidence necessary for expansion project planning.

During the fiscal year the Pipeline Authority contacted, met with, and shared information with numerous interested parties including, but not limited to, the following:

Enbridge Pipeline
TC Energy
MDU/WBI Energy
ONEOK
Viking Pipeline
Alliance Pipeline
Northern Border Pipeline
Moody's Analytics
Bakken Midstream/Energy
JPMorgan Chase
Chord Energy
PetroNerds
Steel Reef Infrastructure
Dakota Natural Gas
Border States Electric
Wells Fargo
Catalyst Midstream
Triple Oak Power
East Daley Analytics
Continental Resources
Cerilon GTL
Xcel Energy
Yildirim Group
Northern Plains Nitrogen
Berkeley Research Group
SOGC Inc
Jefferies LLC
Montrail-Williams Electric
Bitzero
AIC
Concord Energy
Radermacher & Associates
FTI Consulting
Schneider Capital Group

Hess Corporation
Marathon Petroleum
True Companies
Fintech/ComboCurve
Crestwood
BNSF Railway
Basin Electric
Sequent Energy
Pembina Pipeline
AgriBank
Marathon Oil
Outrigger Energy
Harvestone Group
Summit Agriculture
Great River Energy
Claire Lasers
Dakota Energy
Energy Transfer Partners
ConocoPhillips
RBN Energy
American Aerospace Technologies
Crusoe Energy
Mann Energy Services
S&P Global Platts
United Energy Trading/Rainbow Gas
Ottetail Power
O'Leary Ventures
Bushel Ag
Bank of America
Western EcoSystems Tech. Inc.
Wood MacKenzie
ElectroGrow/FuelForge
Incho
Berkeley Research Group

In addition, the Pipeline Authority worked with a number of state and federal agencies to gather information and provide expertise on pipeline issues. Those agencies and entities included:

North Dakota Public Service Commission
North Dakota Transmission Authority
North Dakota Oil and Gas Division

North Dakota Department of Commerce
Energy and Environmental Research Center
North Dakota Department of Transportation

North Dakota Governor's Office
North Dakota Tax Department
EmPower North Dakota Commission
North Dakota Oil & Gas Research Program
North Dakota OMB
North Dakota Department of Trust Lands
Texas State Energy Marketing Program

Department of Environmental Quality
Bank of North Dakota
US Energy Department of Energy
Upper Great Plains Transportation Institute
North Dakota State University
North Dakota Department of Water Resources
University Alaska-Fairbanks

The Director of the Pipeline Authority also worked with the following trade associations/groups:

North Dakota Petroleum Council
Grand Forks Region Economic Development Corporation
Western Dakota Energy Association
Vision West
Jamestown/Stutsman Development Corporation
Valley Prosperity Partnership
Minot Chamber EDC
North Dakota Society of Professional Engineers

As noted above, the Pipeline Authority has been facilitating discussions between governmental agencies and companies interested in expanding North Dakota's midstream infrastructure.

In addition, the Director of the Pipeline Authority provided information to citizens and news media on issues related to pipelines.

Pipeline Capacity Acquisition and Funding

During the 2023 legislative session, action was taken on HB 1014 to update the Pipeline Authority statute, enhancing the agency's ability to acquire and manage capacity positions on new or expanding pipeline systems.

In addition to providing clarification and intent language, the primary legislative change came through an amendment to subsection 4 of section 54-17.7-04, which included the following funding provisions:

- a. The authority may borrow up to sixty million dollars through a line of credit from the Bank. The interest rate on the line of credit must be the prevailing interest rate charged to North Dakota governmental entities.*
- b. The line of credit must be guaranteed by reserves under section 6 - 09.7 - 05.*
- c. The line of credit may be used to support activities under subsection 3.*
- d. The authority shall repay the line of credit from amounts available. If the amounts available on June 30, 2027, are not sufficient to repay the line of credit, the authority shall notify the director*

of the office of management and budget, and the director of the office of management and budget shall transfer funds from the strategic investment and improvements fund to the Bank for the repayment pursuant to section 6 - 09.7 - 05 based on the amount certified by the Bank.

Before the actions specified in HB 1014, the Pipeline Authority had the legal authority to acquire and retain capacity positions on pipeline systems; however, the financial mechanisms were insufficient to provide practical support for such projects. With the newly expanded funding now available, the Pipeline Authority is actively exploring its use as a tool to assist in the expansion of new natural gas transmission systems.

Crude Oil and Natural Gas Production Forecasting

The Pipeline Authority continued to develop and maintain crude oil and natural gas production forecasts for North Dakota and the U.S. portion of the Williston Basin. These forecasts are widely utilized by both public and private organizations. Two assumption scenarios are modeled to communicate the production impacts of varying price and activity levels. The "Base" case reflects expected production, based on the Federal Energy Information Administration's (EIA) West Texas Intermediate (WTI) oil price forecasts. The "Low" case represents a more conservative production outlook, assuming lower-than-expected activity and/or oil prices. Figure 2 presents a long-term oil production forecast for North Dakota, while Figure 3 illustrates a long-term natural gas production forecast based on the same two activity scenarios for North Dakota.



Figure 2. Long term crude oil production forecast for North Dakota starting in Aug. 2024

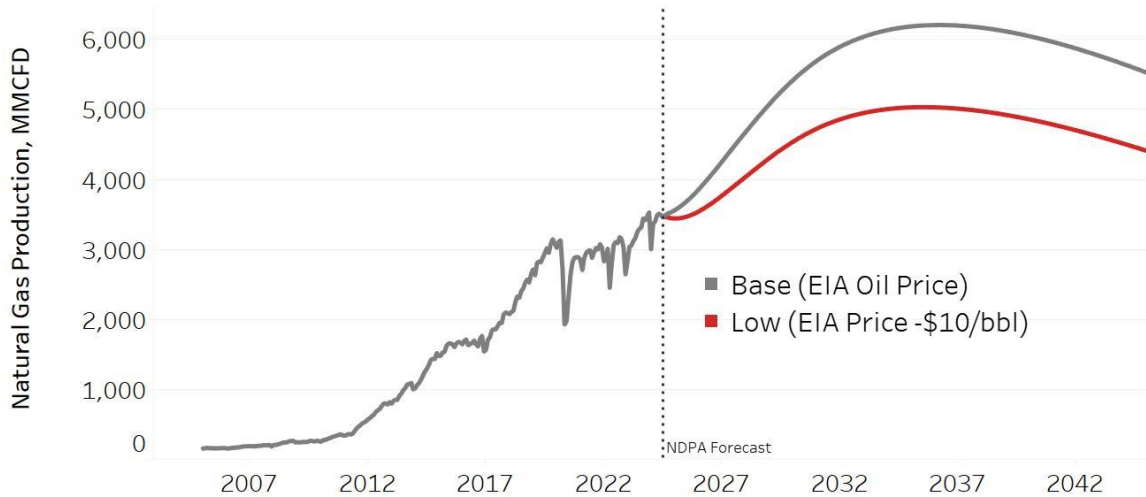


Figure 3. North Dakota natural gas production forecast starting in Aug. 2024

Given the ongoing market uncertainty surrounding the global economic outlook, multiple military conflicts, and Russian energy sanctions, the Pipeline Authority has developed a series of production forecasts based on different well completion scenarios in North Dakota. Figures 4 and 5 depict the near-term estimated oil and natural gas production levels based on the specified number of new well completions per month. These scenario calculations have been highly beneficial for transportation planning, budgeting, and policy development. Additional information on this topic is available on the Pipeline Authority’s website.



Figure 4. North Dakota oil production under various completion scenarios

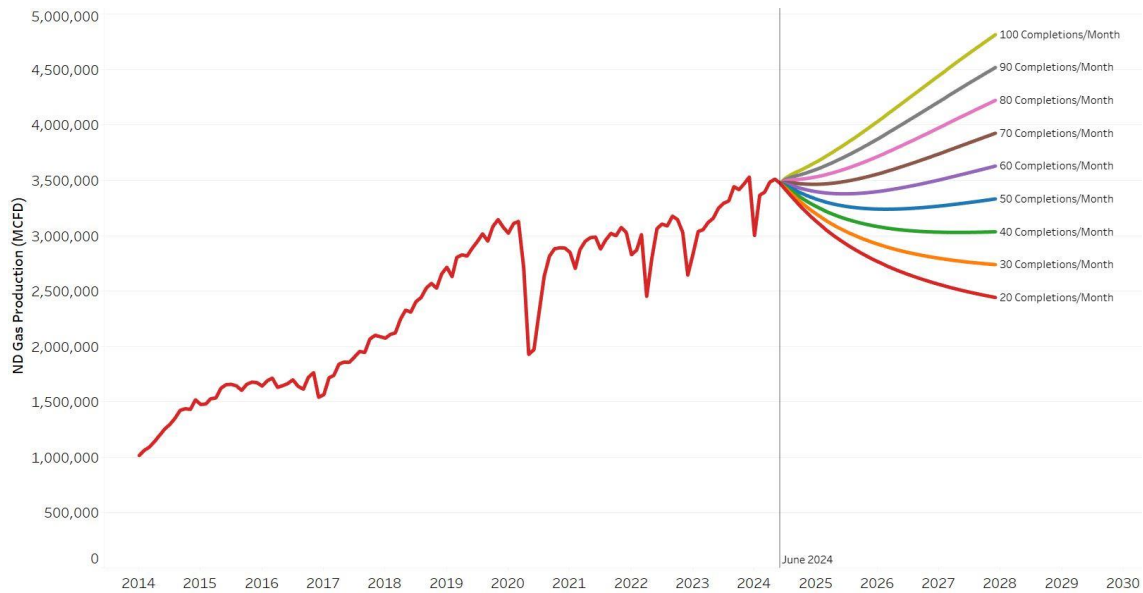


Figure 5. North Dakota natural gas production under various completion scenarios

Natural Gas Liquids

During the 2023-2024 fiscal year, the Pipeline Authority continued to dedicate significant attention to the topic of natural gas liquids (NGLs). Natural gas produced from the Bakken and Three Forks Formations is particularly rich in NGLs such as ethane, propane, and butane. The Pipeline Authority continually updated its forecast models to better understand the production potential of these NGLs and the transportation infrastructure needed to support future growth.

The forecast in Figure 6 presents two potential production scenarios based on different activity level assumptions. North Dakota experienced a significant shortfall in gross pipeline capacity until ONEOK's Elk Creek Pipeline became operational in late 2019. It is anticipated that NGL production will again surpass pipeline capacity by 2027, unless additional system expansions occur or a new market solution is developed. The complexity of NGL transportation is further compounded by the fact that not all NGL pipelines are designed to handle the same types of NGL products. Additionally, natural gas plants in the region produce either purity products or unfractionated products, commonly referred to as Y-grade.

There are several options available to address the growing volume of NGLs in North Dakota. One option is to build, expand, or repurpose existing pipeline systems. A second option is the development of value-added industries that would use NGL products as feedstock. Another potential use for NGLs is in enhanced oil recovery (EOR) within the Williston Basin, as fields continue to mature. The use of NGLs as a working fluid for EOR is still in the research phase, but early lab results have shown promising potential.

To advance the potential of using North Dakota's NGL products as feedstock for value-added industries, funding was allocated to the Energy and Environmental Research Center to study the feasibility of salt cavern storage in the Williston Basin. In late 2020, a research paper was released, indicating that storage

opportunities may be commercially viable in North Dakota. Additional funding was provided during the 2021 and 2023 legislative sessions to develop pilot projects aimed at confirming the study's findings. The Pipeline Authority remains actively engaged in this initiative, as it could significantly impact the transportation and utilization of North Dakota's NGL products.

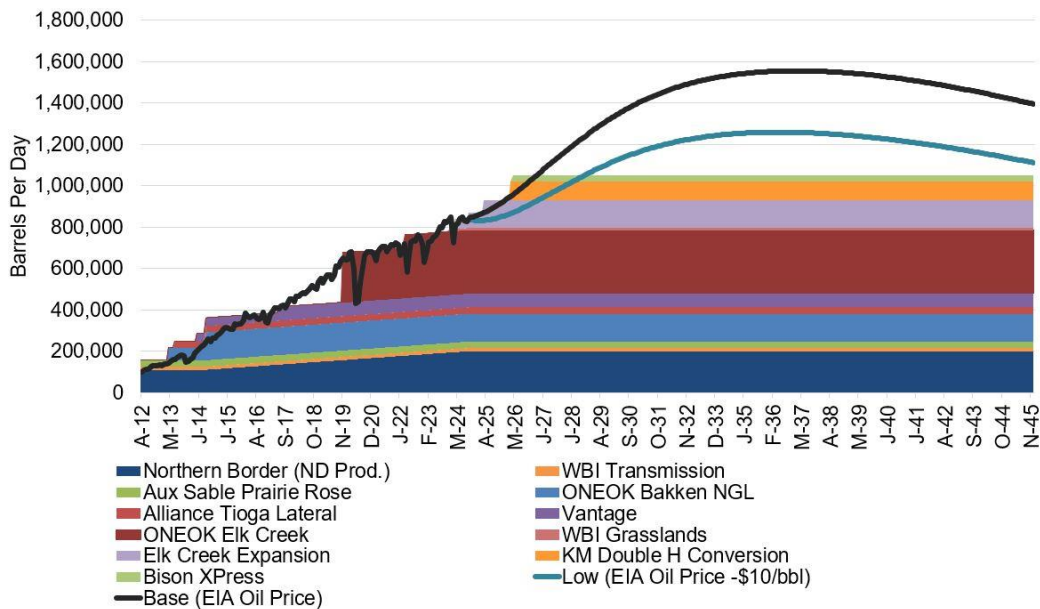


Figure 6. Forecasted North Dakota NGL production and transportation options.

Natural Gas Capture

Although not a regulatory agency, the Pipeline Authority plays an active support role in helping the state maximize natural gas capture. The Pipeline Authority continuously monitors and reports gas capture statistics and provides analysis on current and future developments to industry participants, regulators, policymakers, and the public.

Several significant actions taken by the North Dakota Industrial Commission in recent years have positively impacted natural gas capture efforts. The first was the requirement for operating companies to submit a natural gas capture plan to the Oil & Gas Division, outlining how produced natural gas would be sold or utilized on-site. The second key action was an Industrial Commission order on July 1, 2014, which established gas capture targets through 2020 and provided a means of enforcement by the Oil & Gas Division through production and permitting restrictions.

In November 2018, the Industrial Commission updated the natural gas capture regulations for Bakken and Three Forks production. Additional details on the November update are available on the Oil & Gas Division website.

The current North Dakota gas capture target rates are as follows:

- 74% Capture – Q4 2014
- 77% Capture – Q1 2015
- 80% Capture – Q2 2016
- 85% Capture – Q4 2016
- 88% Capture – Q4 2018
- 91% Capture – Q4 2020

In July 2024, North Dakota’s petroleum industry produced 3.46 billion cubic feet per day (BCFD) of natural gas, achieving a gross capture rate of 94%. Industry estimates suggest that over \$20 billion has been invested in pipeline and processing infrastructure to help meet the state's gas capture targets. To achieve future gas capture goals, the industry will require significant additional investments in gas gathering, processing, and transmission systems.

Natural Gas Processing

For reference, a North Dakota Gas Processing and Transportation map can be found on the Pipeline Authority website and a table of all gas processing plants can be found in Appendix C

New or Expanding Natural Gas Plants

Due to the vast footprint of the Bakken resource, natural gas gathering and processing operators in North Dakota have historically faced significant challenges in keeping pace with the increasingly rapid and efficient drilling and completion techniques. Despite these challenges, the industry is stepping up to capitalize on the substantial economic opportunities presented by the rich natural gas produced in the Bakken.

North Dakota currently has thirty-four natural gas processing and conditioning plants in operation, with a combined processing capacity of approximately 4.3 billion cubic feet per day (BCFD) (Figure 7). The Pipeline Authority anticipates that natural gas processing capacity will need to increase by over 1 BCFD in the coming years to keep pace with production growth. A detailed breakdown of existing and proposed facilities can be found in Appendix C and on the Pipeline Authority website.

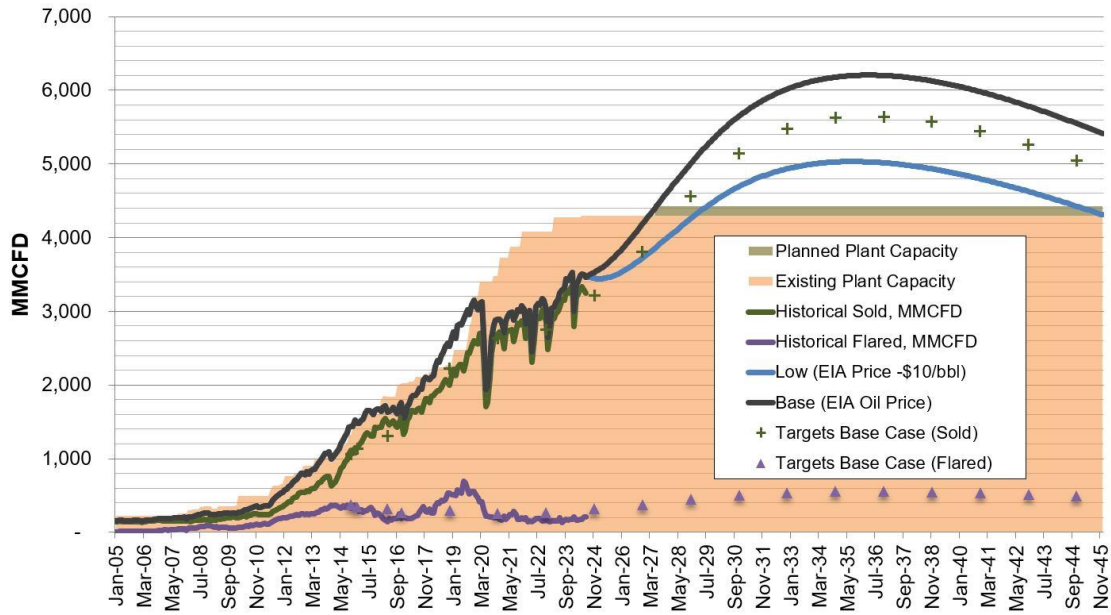


Figure 7. North Dakota natural gas processing plant intake capacity, gas production, gas forecast, and NDIC capture targets. (Forecast starts in Aug. 2024)

Williston Basin Gas Storage

One primary use of residue natural gas is heating residential and commercial buildings. Without the use of underground natural gas storage, the supply chain would struggle to handle significant seasonal demand fluctuations. During the warm summer months, excess natural gas is stored in underground reservoirs and then withdrawn during colder periods when demand is higher (Figure 8). The reservoirs used for natural gas storage are typically depleted gas-producing fields that have been converted to serve a storage function.

The nearest residue gas storage field is located near Baker, Montana, and is operated by WBI Energy. Primarily situated in southeastern Montana within the Cedar Creek Anticline, the Baker field is the largest natural gas storage field in the United States. It has a working gas capacity of over 193 billion cubic feet (BCF) but has been operating with a balance of less than 50 BCF over the past year (Figure 8). Regional interstate residue gas pipelines provide transportation services to and from the Baker storage field.

In September 2024, WBI Energy initiated public discussions to explore expanding system capacity and pipeline connectivity to the Baker storage field. The Pipeline Authority remains actively engaged in these discussions to support production growth and economic development opportunities in the region.

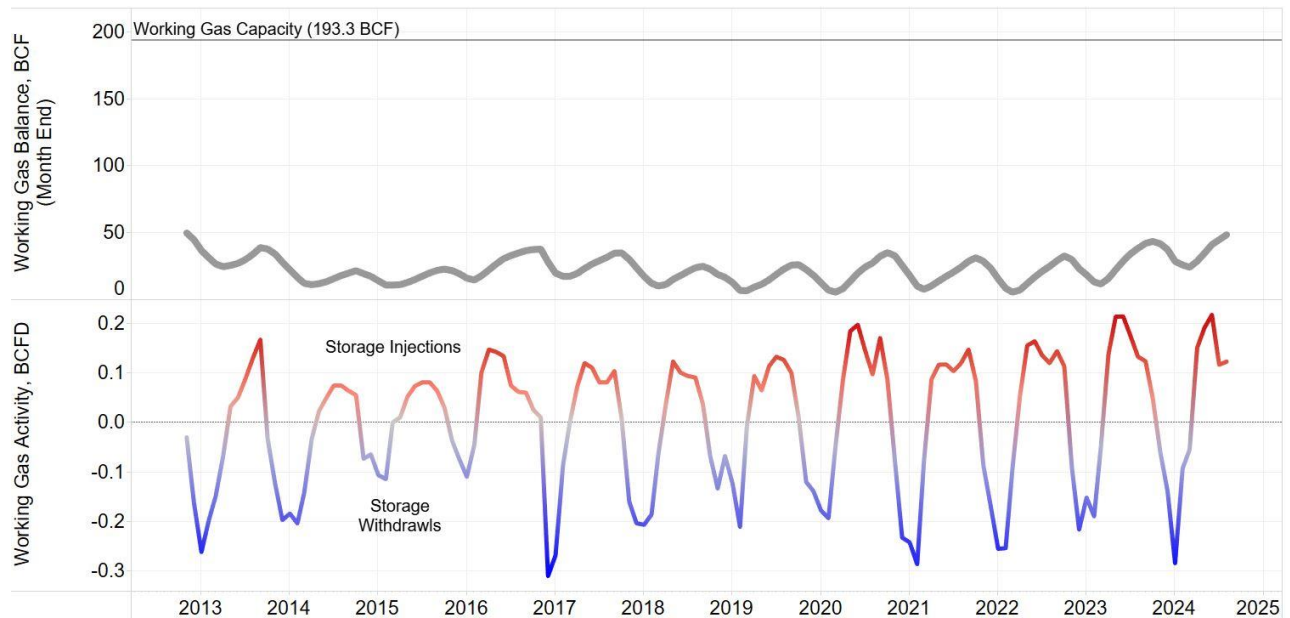


Figure 8. WBI Energy gas storage field activity

North Dakota Freight Advisory Committee

In the fall of 2018, the Pipeline Authority Director, along with several other private and public entities, partnered with the North Dakota Department of Transportation to establish the North Dakota Freight Advisory Committee. The primary objective of the committee is to improve collaboration between transportation providers, industry sectors, and government entities to efficiently expand North Dakota’s economy.

In June 2022, a draft of the combined State Freight and Rail Plan was published on the North Dakota Department of Transportation’s website. Public outreach and comment periods began in Q3 2022, with the final plan being published in January 2023.

The Committee continues to focus on strategies to enhance the state’s freight transportation system by improving efficiency, safety, and connectivity. Its goal is to support economic growth by identifying infrastructure needs, fostering collaboration among stakeholders, and ensuring sustainable freight movement across all modes of transport. Future updates to the State Freight and Rail Plan will be published in the coming years.

Along with the Pipeline Authority, member entities include:

- BNSF Railroad
- Dakota, Missouri Valley, & Western Railroad
- Federal Rail Administration
- Magnum Trucking
- Federal Highway Administration
- North Dakota Department of Commerce

- Teamsters Local 638
- Enger Grain & Livestock
- North Dakota Aeronautics Commission
- United Sugars Corporation
- North Dakota Motor Carriers Association
- North Dakota Mill and Elevator
- North Dakota League of Cities
- North Dakota Trade Office
- North Dakota Department of Transportation
- North Dakota Public Service Commission
- North Dakota Metropolitan Planning Organization
- Mountrail County
- Impact ND

Industry and Public Communications Activities

Pipeline Authority Websites

In an effort to provide industry and public users with the most timely and comprehensive information, the Pipeline Authority continues to update its websites as new data becomes available. The websites enable the Pipeline Authority to share current Williston Basin oil production data, maps, news, publications, basic pipeline information, pipeline safety details, and links to pipeline mapping systems.

Monthly Updates

During the 2023-2024 fiscal year, the Pipeline Authority produced monthly transportation and production reports, providing interested parties with a quick overview of crude oil and natural gas production levels, as well as details on how each commodity was transported and/or processed. This information is presented during monthly media events held in collaboration with the North Dakota Oil & Gas Division. The reports are also posted on the Pipeline Authority's website, and an email distribution list has been established to circulate updates to those interested.

North Dakota Drilling Economics

To assist the midstream industry in understanding current and future petroleum activity levels, the Pipeline Authority regularly publishes analyses exploring the economics of drilling in North Dakota's Bakken and Three Forks formations. This research examines historical drilling success in North Dakota and predicts where drilling may be concentrated during periods of fluctuating oil prices.

As part of this research, Figure 9 compares the expected after-tax rate of return for wells drilled with two- and three-mile lateral lengths. North Dakota operators have increasingly adopted three-mile laterals, observing a 40%-45% increase in well productivity over two-mile laterals while only experiencing a ~25% rise in overall costs. Based on an assumed \$65/bbl at the wellhead, it was found that two-mile wells could consistently achieve a 10%-20% rate of return or higher if they produced at least an average of 200 barrels

of oil per lateral mile per day during the peak production month. Due to efficiency gains, three-mile wells could achieve a similar rate of return while producing only an average of 150 barrels of oil per lateral mile per day during the peak production month. Maps are also maintained to indicate the general locations of the wells analyzed in Figure 9.

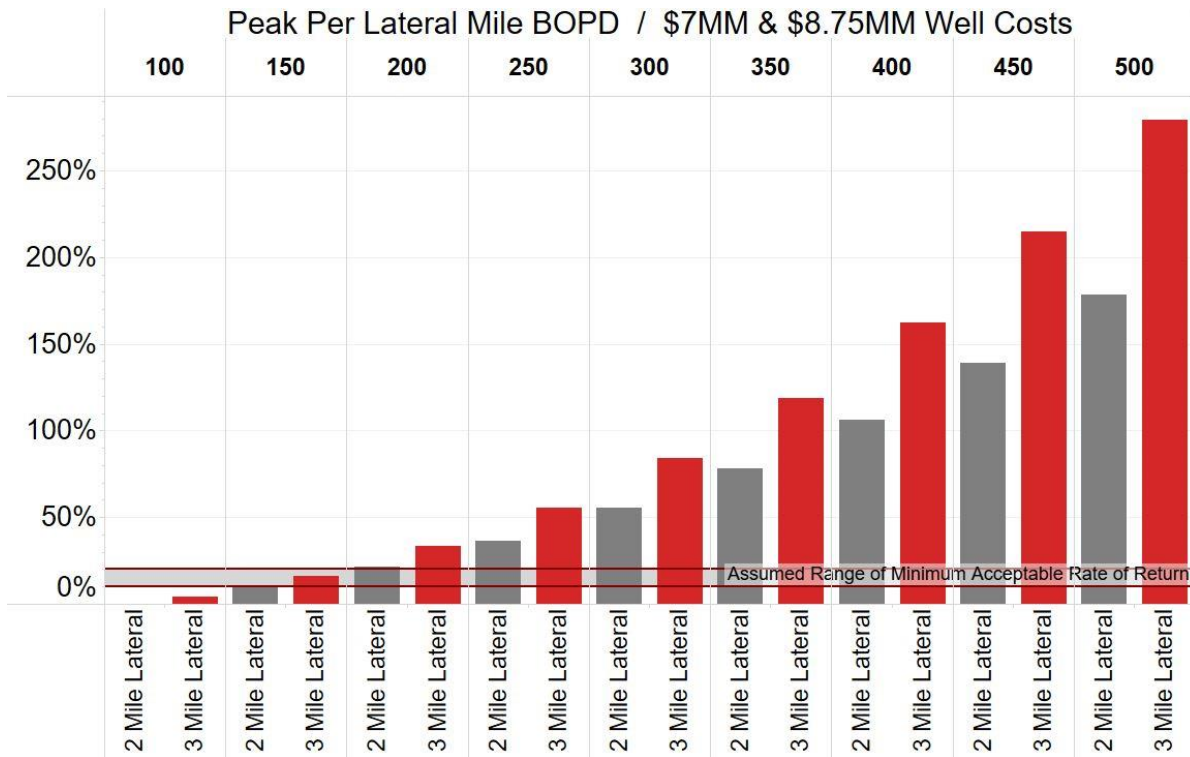


Figure 9. North Dakota drilling economics summary (Assumes \$65/bbl at the wellhead)

Pipeline Presentations

The Pipeline Authority had the opportunity to present at various legislative, industry, and public events during the past fiscal year. These presentations typically focused on North Dakota’s transportation dynamics, with additional material covering drilling economics and production techniques. Slides from many of the major events have been made available on the Pipeline Authority’s website for public access.

Williston Basin Pipeline Infrastructure

For reference, a series of North Dakota pipeline maps can be found in Appendix A

Pipeline Mileage

In 2023, North Dakota’s pipeline industry added 409 miles of new oil, natural gas, and produced water pipelines (Figure 10). The majority of these new pipelines function as gathering systems for oil, natural gas, and produced water (Figure 11). The significant decrease in pipeline construction from 2016 through 2023 was proportional to the slowdown in well completions and the geographic concentration of activity within the core of the oil play. Data from the Federal Department of Transportation and the North Dakota Oil & Gas Division indicates that North Dakota now has over 30,840 miles of gathering and transmission pipelines. Further details about North Dakota’s pipeline network can be found on the Pipeline Authority website.

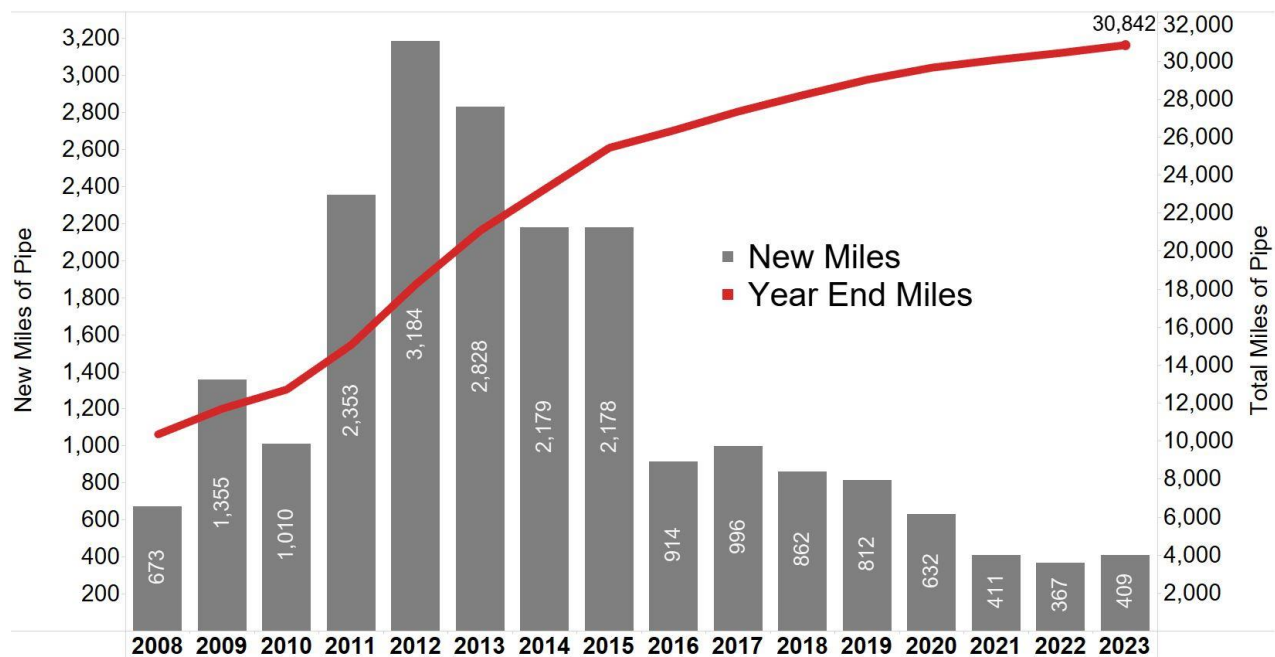


Figure 10. North Dakota pipeline mileage

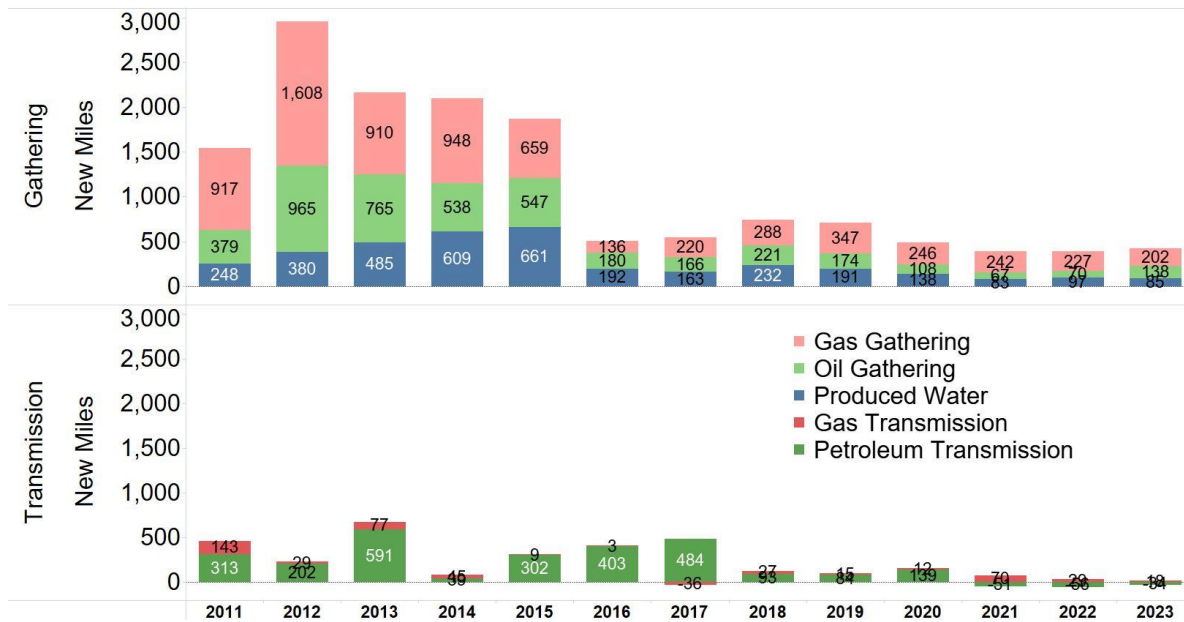


Figure 11. New North Dakota pipeline mileage by category

Crude Oil Pipelines, Refining, and Rail Transportation

Enbridge/North Dakota Pipeline Company: Having completed several expansion projects over the past number of years, Enbridge now has the capacity to move 355,000 BOPD on its pipeline system to Clearbrook, MN. Enbridge completed their work to expand north bound capacity of 145,000 BOPD in early 2013 for the larger scale “Bakken Expansion Project”. Oil using the northbound route navigates the Enbridge Saskatchewan system to an interconnect with the Enbridge Mainline at Cromer, MB. Once on the Mainline system, the Williston Basin oil quickly reenters the United States and meets east bound Enbridge oil at Clearbrook, MN.

Enbridge’s plans to construct the 225,000 BOPD “Sandpiper” system were deferred during the third quarter of 2016 due to unexpected regulatory challenges in Minnesota and ultimately canceled. Enbridge plans to monitor market conditions and reevaluate potential expansion opportunities in North Dakota.

Bridger, Belle Fourche, and Butte Pipelines (Bridger Pipeline System): Bridger and Belle Fourche Pipelines operate as intra-regional pipeline systems moving oil to several pipeline interconnects or rail facilities in the Williston Basin. One such pipeline interconnect is with the Butte Pipeline near Baker, MT. The Butte Pipeline currently has the capacity to move 275,000 BOPD to Guernsey, WY. In Guernsey, WY, the oil is transported to Wood River, IL on the Platte Pipeline, Cushing, OK on the White Cliffs Pipeline, or loaded into rail cars for further transport.

In mid-2022, Bridger Pipeline began constructing a multi-segment expansion project from Johnson’s Corner, ND to Guernsey, WY to meet growing production levels. Placed into service in early 2023, the 16”, 137 mile “South Bend Pipeline” is able to ship 175,000 BOPD to Baker, MT. Additionally, a 191-mile

southern section of new 20" pipeline will move up to 200,000 BOPD of North Dakota and Rockies oil from Hulett, WY to Guernsey, WY. At Guernsey, WY oil has multiple shipping options by pipeline and rail.

BakkenLink: After announcing plans in 2010 to offer a pipeline system connecting the Williston Basin to the Keystone XL Pipeline in Eastern Montana, BakkenLink altered their project scope. Now in service, the BakkenLink system collects crude oil from various locations along its route south of Lake Sakakawea and delivers the oil to a unit train rail facility located near Fryburg, ND. In late 2015, Andeavor (formerly Tesoro Corporation) purchased the BakkenLink pipeline and rail facility from Great Northern Midstream.

In February 2018, Andeavor (now Marathon Petroleum) sought, and was granted, approval from the North Dakota Public Service Commission to add NGL service to the existing BakkenLink crude oil system. Completed in late 2018, the additional NGL service to Fryburg, ND uses three new line segments on the north and south ends of the BakkenLink system.

Energy Transfer Partners: In early 2014, Energy Transfer Partners (ETP) held an open season to solicit interest in a new 30" pipeline from North Dakota to Patoka, IL. In June 2014, ETP announced that they had secured sufficient shipper support to move forward with the project. The project began construction in May 2016 and was placed into commercial service on June 1, 2017. When the "Dakota Access" pipeline began collecting oil north and south of Lake Sakakawea it had the ability to transport up to 520,000 BOPD.

In 2018, two successful open seasons were held for additional service on the Dakota Access pipeline. With additional shipper commitments, the pipeline was expanded to carry up to 600,000 BOPD.

In 2019, ETP began the regulatory process to expand the Dakota Access system up to 1.1 million BOPD through the use of additional pump stations and horsepower at existing pump facilities. In August 2021, ETP announced the most recent completion of the Dakota Access Pipeline system expansion to a new system capacity of 750,000 BOPD. No timelines have been announced as to when the full system expansion up 1.1 million BOPD would be complete.

In 2020, DC District Court Judge James E. Boasberg ruled that the US Army Corp of Engineers needed to conduct a full environmental impact statement (EIS) for the Lake Oahe crossing in south central North Dakota. After months of rigorous review, in May 2021 Judge Boasberg ruled that the Dakota Access pipeline could continue operations while the EIS proceeds. A draft EIS was released in the third quarter of 2023 with the final publication anticipated to be complete in 2025.

Kinder Morgan Double H Pipeline: The 12-inch, 485-mile Double H Pipeline transports oil from North Dakota and Montana to Guernsey, Wyoming, where it connects with other regional pipelines for further distribution. Originally developed by Hiland Partners, the 88,000 BOPD system became operational in 2015. Kinder Morgan acquired the pipeline later that year as part of its purchase of Hiland Partners.

In July 2024, Kinder Morgan announced plans to convert the Double H Pipeline to NGL service in response to changing market demand. The pipeline will be removed from crude oil service in 2025, with NGL transportation expected to begin in the first half of 2026.

Plains All American Pipeline: In November 2010, Plains All American Pipeline (Plains) announced plans to construct a new 103-mile, 12-inch, pipeline from Trenton, ND to an interconnect with the existing Wascana Pipeline at the United States-Canada border in northeast Montana. The “Bakken North” pipeline went into service in May 2014, with an initial capacity of 40,000 BOPD, expandable to 75,000 BOPD.

TC Energy (TransCanada) Bakken Marketlink: On September 13, 2010, TransCanada launched a successful open season for Bakken producers interested in accessing TransCanada’s proposed Keystone XL Pipeline project in eastern Montana. The proposed 100,000 BOPD interconnect would be located near Baker, MT and would require new pumps and tanks to accommodate the Bakken oil. Third party shippers would be necessary to move the crude to the Baker, MT facility from North Dakota.

In November 2015, President Obama announced that the Keystone XL Pipeline was not in the national interest of the United States and that a required Presidential Permit would not be granted. In March 2017, President Trump reversed the White House decision and granted a Presidential Permit to TransCanada for the Keystone XL Pipeline. TC Energy (formerly TransCanada) continued their work towards regulatory approval of the Keystone XL Pipeline, before President Biden canceled the Presidential Permit in January 2021. TC Energy formally cancelled the project in June 2021.

Marathon Petroleum Mandan Refinery (Formerly Andeavor/Tesoro): Expanded by 10,000 BOPD in 2012, Marathon Petroleum operates a 68,000 BOPD refinery in Mandan, ND. The refinery receives its light sweet feedstock through a network of pipelines in the Williston Basin. Products generated at the refinery are distributed directly from a truck rack at the facility or through the NuStar North Pipeline to Eastern North Dakota and Minnesota.

In 2017, Tesoro Corporation changed its name to Andeavor. In the second half of 2018, Andeavor merged with Marathon Petroleum and now operates under the Marathon Petroleum name.

Marathon Petroleum Dakota Prairie Refinery: In late June 2016, Tesoro Corporation purchased the Dakota Prairie Refinery from MDU Resources Group and Calumet Specialty Products Partners. The Dakota Prairie Refinery, began processing 20,000 BOPD at its facility just west of Dickinson, ND in May 2015. The “diesel topping” refinery produced around 7,000 BPD of diesel fuel for regional consumption, while the remaining product was transported for further processing or use.

In 2018, a decision was made to convert the refinery to produce renewable diesel fuel by mid-2020. Beginning in June 2020, the facility no longer used crude oil as a feedstock. Renewable diesel fuel from the facility is now primarily being shipped by rail to markets in California.

Davis Refinery: Meridian Energy Group is planning to construct a crude oil refinery in Billings County, east of the Fryburg Rail Facility in Belfield. The refinery is designed with an inlet oil capacity of 49,500 BPD. All refined products are expected to be marketed regionally with transportation taking place by truck and/or rail. Preliminary site preparation began in July 2018 with plant completion undetermined at time of report publication.

A map of North Dakota crude oil gathering systems can be found on the Pipeline Authority website

Rail Loading Facilities: The transportation of crude oil by rail has played a critical role in moving increasing volumes of crude oil from the Williston Basin to markets across the United States and Canada. Figure 12 illustrates the estimated market share percentages for rail, pipeline, and local refining in the Williston Basin, while Figure 13 presents the estimated volume of oil transported by rail out of North Dakota. Additional maps, capacities, and details about various facilities are available on the Pipeline Authority's website.

A significant decrease in crude-by-rail volumes is evident during the 2015-2017 period in Figures 12 and 13. This decline can be attributed to reduced production in North Dakota and diminished market incentives for using rail transport. Prior to the 2020 industry downturn, crude-by-rail volumes had been steadily increasing as production rose and pipeline egress reached capacity. The Pipeline Authority estimates that six of the more than 20 rail facilities in the region remain active in loading crude oil, with the most active facilities being those capable of handling unit trains and offering multiple inbound/outbound marketing options.

The future utilization of crude-by-rail in North Dakota will be influenced by oil production volumes, market pricing, pipeline capacity, and regulatory oversight.

A map of North Dakota oil rail loading facilities can be found in Appendix B

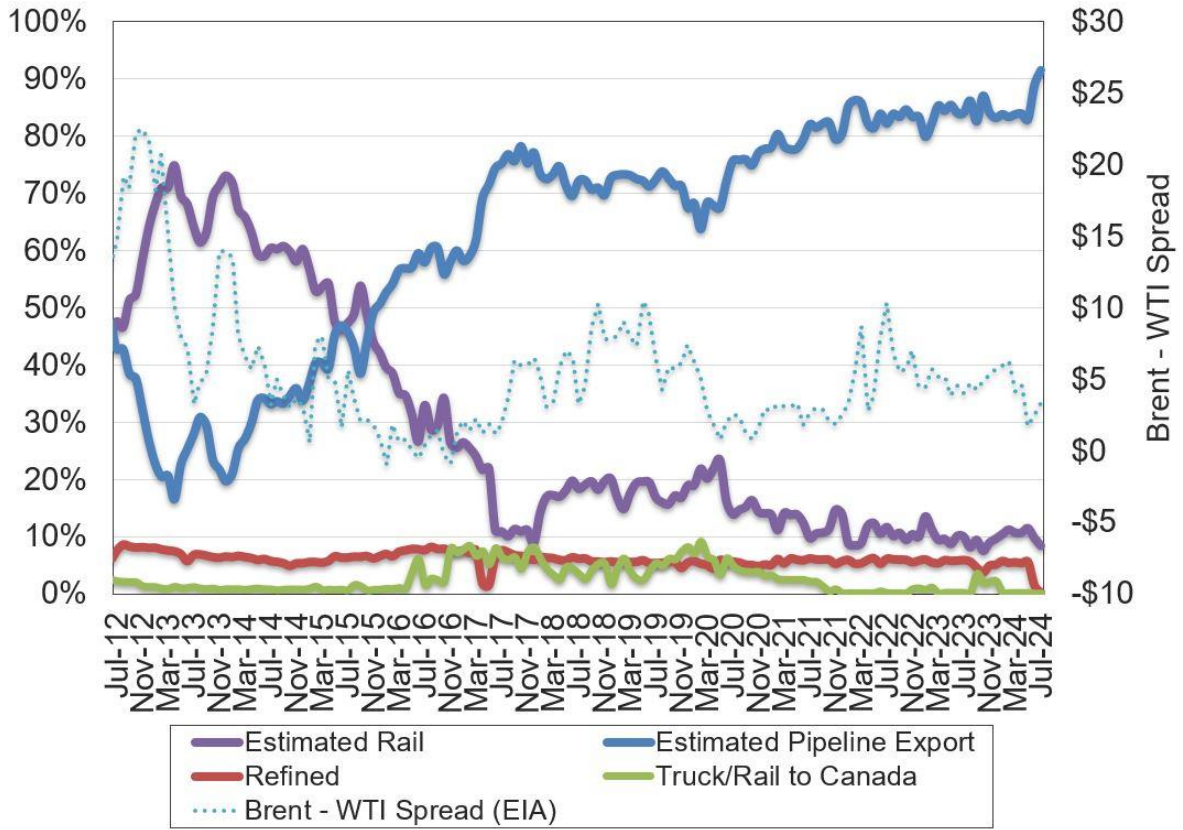


Figure 12. Estimated oil transportation by mode (July 2024 data)



Figure 13. Estimated outbound crude oil rail shipments (July 2024 data)

Natural Gas Pipelines

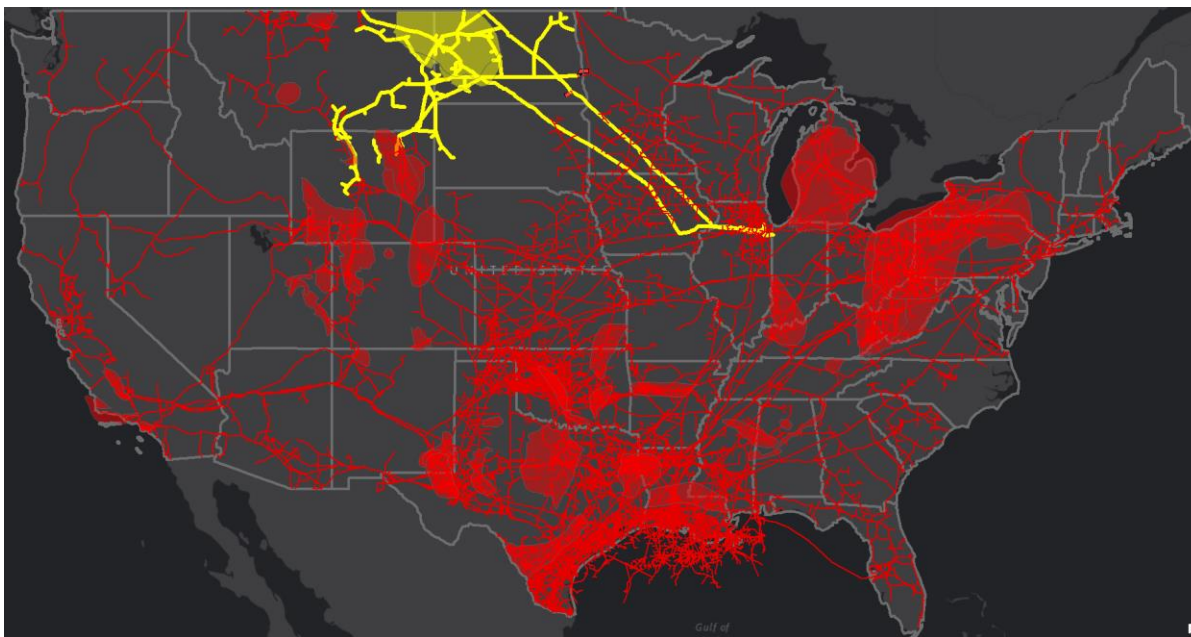


Figure 14. North Dakota's interstate gas pipelines (yellow) and the national interstate gas pipeline network (red)

Alliance Pipeline: The Alliance Pipeline is a high pressure, large diameter natural gas pipeline that originates in British Columbia, Canada and terminates at the Aux Sable gas processing plant near Chicago, IL. The Alliance Pipeline transports “dense gas” or gas that still contains high BTU natural gas liquids, such as propane and butane. In February 2010, the Alliance Pipeline began transporting rich natural gas from North Dakota via a new interconnect with the Prairie Rose Pipeline near Bantry, ND (See Aux Sable below). The 36-inch diameter United States portion of the pipeline has a certified capacity of 1.513 billion cubic feet per day (BCFD). The Alliance Pipeline has one direct North Dakota delivery point in Hankinson and one interconnect with Montana Dakota Utilities to serve industrial manufacturing in Gwinner.

In response to growing natural gas production, Alliance Pipeline announced plans on June 22, 2011, to construct a new, 80-mile, natural gas pipeline from the Hess Gas Plant in Tioga, ND to an interconnection point near Sherwood, ND. Commissioned in late 2013, the “Tioga Lateral Pipeline” has the ability to deliver liquids rich, high BTU, natural gas to Chicago, IL for further processing and transportation. The Tioga Lateral has the capacity to transport up to 126 million cubic feet per day (MMCFD).

Northern Border: The Northern Border Pipeline, owned by TC Pipelines and ONEOK Partners, is a 1,249-mile pipeline originating at the Port of Morgan in Montana and terminating near North Hayden, Indiana. The pipeline has a system receipt capacity of 2.37 BCFD, with less than half of the gas supply in 2020 originating in Canada through a receipt point with the Foothills Pipeline at the Port of Morgan. The 42-inch diameter Northern Border Pipeline receives gas deliveries at a total of seventeen receipt points in the Williston Basin with fourteen of those points for North Dakota gas supply. (See the Bison Pipeline section below for details on the proposed Bison XPress expansion project)

In May 2020, Northern Border submitted a proposed tariff modification to the Federal Energy Regulatory Commission (FERC) that would limit the energy content of flows exiting North Dakota to 1,100 BTU. The FERC decision process resulted in a technical conference being held and multiple opportunities for interested party input. While the Pipeline Authority remained neutral on the proposed tariff modifications, considerable efforts were made to model and quantify the potential impacts to North Dakota's petroleum industry. FERC ultimately rejected the proposed BTU limit, but left open the opportunity for a similar proposal to be filed in the future with additional supporting evidence.

See the "Bison Pipeline" section for details on the Bison Xpress pipeline expansion project.

WBI Energy: Formerly known as Williston Basin Interstate Pipeline Co., WBI Energy operates more than 3,800 miles of natural gas transmission pipelines throughout North Dakota, Montana, Wyoming, Minnesota, and South Dakota. This network of pipelines plays a vital role in North Dakota's natural gas industry. It contains fourteen interconnecting points with other regional pipelines and can also deliver natural gas to local distribution companies or natural gas storage fields. WBI continues to make system upgrades in western North Dakota in order to meet growing customer demand.

In June 2016, WBI announced an open season to connect the eastern North Dakota portion of the system with the Viking Pipeline in western Minnesota. This project, known as the Valley Expansion, does not directly support North Dakota gas production volumes, but rather would serve to provide additional gas volumes to consuming markets in eastern North Dakota. The Valley Expansion project became operational in late 2018.

In early 2019, WBI Energy announced plans to construct a new gas pipeline system called the "North Bakken Expansion Project". Started in July 2021 and completed in Q1 2022, the \$260 million system consists of 60 miles of 24" pipe and 30 miles of 12" pipe. The initial project added 250 MMCFD of capacity from Tioga, ND to an interconnect with the Northern Border Pipeline in McKenzie County. Capacity can be expanded to 600,000 MCFD to meet growing gas volumes in the future.

In Q3 2021, WBI Energy held a successful open season for a system expansion in Southeast North Dakota. The 60.5 mile, 12" pipeline will deliver up to 20.6 MMCFD of natural gas from Mapleton, ND to Wahpeton, ND. WBI Energy began the FERC regulatory process in Q2 2022, with formal support from the Industrial Commission being submitted in June 2022 and final approval received in Q3 2023. The pipeline is scheduled to be in-service Q4 2024 and has the potential to connect to additional nearby communities and end-users.

In Q1 2022, WBI Energy held a successful open season for the expansion and permanent reversal of the existing Grasslands pipeline. The 16" pipeline connects to the Northern Border pipeline near Manning, ND and is slated to deliver gas to two additional natural gas pipelines in Wyoming for further transport to the Cheyenne trading hub. The project began construction in summer 2023 and was completed in Q4 2023. Initial project capacity is estimated to be 94 MMCFD.

Aux Sable: In June 2011, Aux Sable announced the acquisition of the Prairie Rose Pipeline and condensate recovery facility near Stanley, ND. Originally constructed by Pecan Pipeline, the 75-mile, 12-inch system went into service February 2010 and has the capability to transport over 120 MMCFD of unprocessed natural gas from Mountrail County to an interconnect with the Alliance Pipeline near Bantry, ND.

Bison Pipeline: TC Energy placed the 302-mile, 30-inch Bison Pipeline into service in early 2011. The pipeline was built to connect natural gas production in the Powder River Basin of Wyoming to the Northern Border Pipeline in Morton County, North Dakota. The pipeline had an initial capacity of 407 MMCFD and could be expanded to 1 BCFD. From 2018 to the first half of 2020, the Bison Pipeline was idle. Limited and sporadic natural gas transportation resumed in May 2020 and ceased in September 2020.

In the first half of 2022, TC Energy began informally seeking interest for a proposal to reverse the Bison Pipeline to serve growing natural gas transmission needs from North Dakota. In June 2023, a binding open season was held offering 430,000 dekatherms per day of capacity. Two shippers, Hess and ONEOK, signed up for a combined total of 300,000 dekatherms per day of firm capacity. In Q3 2023, TC Energy filed for project approval at FERC with an in-service target of Q1 2026. An expansion from 300,000 to the proposed 430,000 dekatherms per day is possible in the future if supported by shipper demand.

Dakota Natural Gas: Dakota Natural Gas, LLC was formed in 2018 to provide natural gas service to areas of North Dakota that were currently not served by any other natural gas utility. Regulated by the North Dakota Public Service Commission, Dakota Natural Gas was authorized to provide natural gas distribution service to retail and commercial customers in North Dakota. The first project was completed in 2019 and provided gas service from the Viking Pipeline in western Minnesota to the community of Drayton, ND. The second project was completed in late 2021 and delivers gas from the Viking Pipeline to residential and industrial users in the communities of Mayville and Hillsboro, ND. Further expansion to residential and commercial users in Portland, ND was completed in Q4 2022.

A new project to connect the cities of Arvilla and Larimore in Northeast North Dakota was announced in mid-2023 with a target in-service by late 2024.

Natural Gas Liquids Pipelines

ONEOK Bakken NGL Pipeline: On July 26, 2010, ONEOK Partners announced plans to construct a new 12” natural gas liquids pipeline capable of moving 60,000 BPD from existing and planned facilities in the Williston Basin to an interconnect with the Overland Pass Pipeline near Cheyenne, WY. The “Bakken NGL Pipeline” was built to address the high volumes of natural gas liquids that are extracted from the rich Bakken gas during processing. The pipeline operates as a Y-grade system, with product fractionation taking place in Bushton, KS. ONEOK announced completion of the pipeline in April 2013 and an expanded capacity of 140,000 BPD in September 2014.

In February 2018, ONEOK announced a new NGL transmission system known as the Elk Creek Pipeline. The \$1.4 billion project could initially connect 240,000 barrels per day of NGLs from the Williston Basin to further NGL infrastructure in Kansas. Construction of the pipeline began in 2018 and was placed in service late 2019. In mid-2023, ONEOK announced that the Elk Creek Pipeline will be expanded up to 400,000 barrels per day.

Vantage Pipeline: On July 15, 2010, Mistral Energy announced a new 430-mile liquid ethane pipeline from Tioga, ND to Empress, AB. With an initial capacity of 40,000 BPD, the new “Vantage Pipeline” was built to address the high concentration of ethane found in North Dakota’s natural gas. Placed into service Q2 2014 in conjunction with the Hess Tioga Gas Plant Expansion, the pipeline was constructed of 10” pipe. In September 2014, Pembina Pipeline Corporation purchased the Vantage Pipeline from Mistral Midstream.

On February 10, 2015, Pembina Pipeline announced that the Vantage ethane pipeline would expand to connect to ONEOK’s Stateline plants with 50 miles of 8” pipeline. The \$85 million system expansion also included taking the existing mainline capacity from 40,000 bpd to 65,000 bpd. Ethane deliveries from the ONEOK Stateline plants to Vantage began in May 2017.

Kinder Morgan Double H Pipeline: In July 2024, Kinder Morgan announced plans to convert the Double H pipeline from crude oil to NGL service in response to evolving market demand. The pipeline will be removed from crude service in 2025 and will begin transporting NGLs in the first half of 2026. (See crude oil pipeline notes for additional system information)

Carbon Dioxide Pipelines

Dakota Gasification: The Dakota Gasification Company’s, 12-14 inch, 205-mile pipeline went into service in 2000 and transports roughly 150 MMCFD of carbon dioxide to oilfields near Weyburn, SK.

Denbury Resources: Denbury Resources began construction in 2021 on a pipeline to connect the Cedar Creek Anticline oilfields in eastern Montana and southwest North Dakota to the existing Greencore Pipeline at Bell Creek, MT. The 110 mile, \$150 million, extension began injecting carbon dioxide in the field in early 2022.

Project Tundra: Project Tundra has proposed a plan to collect carbon dioxide from the Milton R. Young Station and transport it to the Williston Basin for either sequestration and/or enhanced oil recovery. If approved, a pipeline carrying carbon dioxide from the Young Station could be in service by the late 2020’s.

Midwest Carbon Express: Summit Carbon Solutions, created by Summit Agricultural Group in early 2021, is actively developing the “Midwest Carbon Express” pipeline. If regulatory approvals are granted, the system is projected to be operational in 2027. The Summit Carbon Solutions project will be able to capture and permanently store 18 million tons of carbon dioxide annually, making it the largest such project in the world.

Summit Carbon Solutions would construct the Midwest Carbon Express system across five states, including North Dakota, Nebraska, Iowa, Minnesota, and South Dakota to connect more than 50 ethanol plants for long-term underground sequestration in North Dakota. Initial project costs are estimated at \$8 billion.

Hydrogen Development

Bakken Energy: Bakken Energy, formerly Bakken Midstream Natural Gas, and Mitsubishi Power Americas signed a strategic partnership agreement in early 2021 to create a clean hydrogen hub in North Dakota to produce, store, and transport hydrogen while capturing and sequestering associated carbon dioxide emissions.

Initial plans to utilize the Dakota Gasification Plant near Beulah, ND did not materialize and the company continues to actively evaluate opportunities to proceed.

Liberty Hydrogen Hub: In mid-2022, TC Energy and Marathon Petroleum proposed a new hydrogen hub concept to the Clean Sustainable Energy Authority. Funding from the Clean Sustainable Energy Authority for a FEED study was authorized and will be managed by the Energy and Environmental Research Center. The hub is proposed to be located outside Dickinson, ND with many specific details remaining confidential at time of report.

In the summer of 2024, TC Energy and Marathon Petroleum announced that they will no longer be proceeding with a hydrogen hub in North Dakota. The Energy and Environmental Research Center is activity working to secure new partner(s) to advance the development of a hydrogen hub in North Dakota.

The Pipeline Authority continues to work with additional interested parties on the development of additional hydrogen related projects, including the potential for blending hydrogen into existing natural gas pipelines.

Planned Activities

Over the past year, the Pipeline Authority has continued to experience significant success by collaborating with the industry to quantify future crude oil, natural gas, and natural gas liquids (NGL) production. This work has provided the assurance needed to move forward with various expansion projects. The forecasted petroleum production levels will be regularly updated to reflect emerging industry trends and oil price projections from the U.S. Energy Information Administration. The Pipeline Authority will continue to analyze new and existing development information to gain deeper insights into the crude oil, natural gas, and NGL transportation needs within the Williston Basin.

To support the expansion of natural gas transmission in North Dakota, the Pipeline Authority will continue working with interested parties on project development, exploring all available support options through the newly expanded capacity capabilities.

Additionally, the Pipeline Authority Director will continue to engage with companies investigating the possibility of blending hydrogen into regional natural gas pipelines. Hydrogen blending is common in some regions of the United States and could be highly beneficial for North Dakota, helping to address pipeline gas quality issues while providing a new market opportunity for hydrogen production in the state.

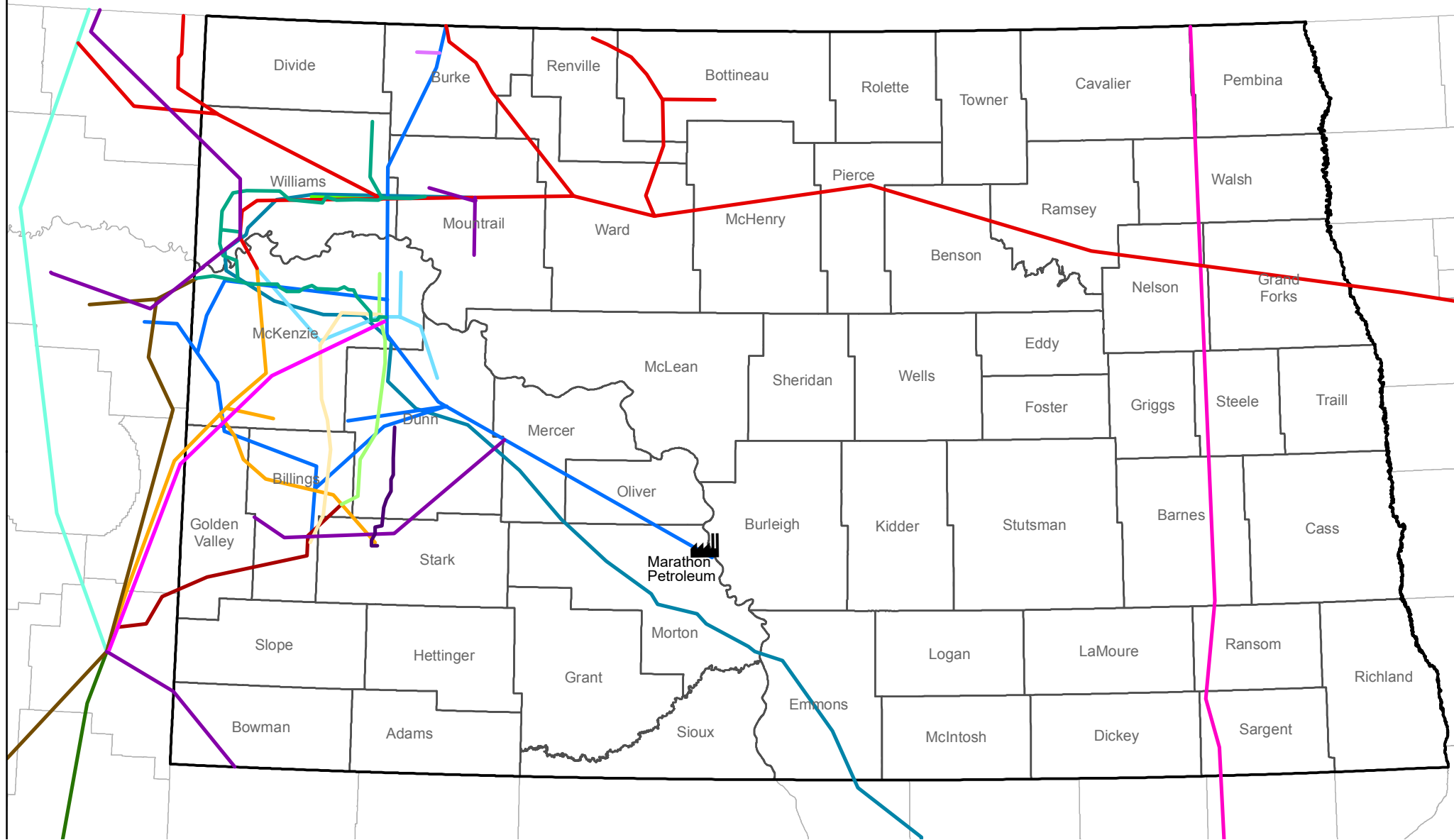
The Pipeline Authority Director will also remain actively involved in his role on the Clean Sustainable Energy Authority's technical committee. Many proposals submitted to the Clean Sustainable Energy Authority are expected to impact or depend on regional midstream energy assets within the state.

The Pipeline Authority will continue its commitment to industry and public information distribution through web events, presentations, monthly updates, and the agency's websites. Information presentations will also be conducted for public audiences, legislative groups, and industry representatives at various events throughout the coming year.

APPENDIX A

North Dakota Pipeline Maps

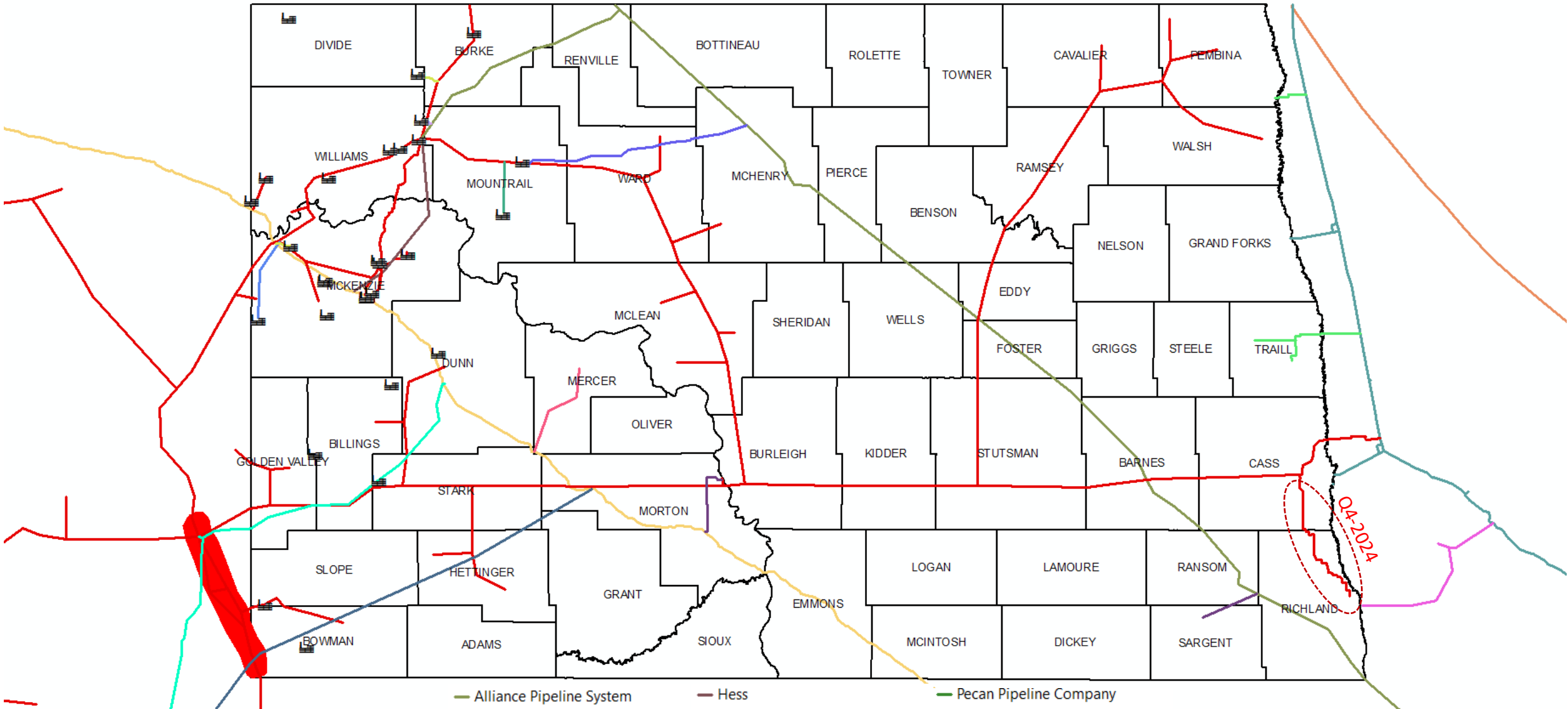
North Dakota Crude Oil Pipelines



- | | | | | | |
|--------------------|-----------------|---------------|------------|-------------------|----------|
| South Bend | Basin Transload | Butte | Double H | Hiland | Bridger |
| Bakken Oil Express | Belle Fourche | Crestwood | Enbridge | Keystone Pipeline | Targa |
| BakkenLink | Bridger | Dakota Access | Four Bears | Little Missouri | Marathon |

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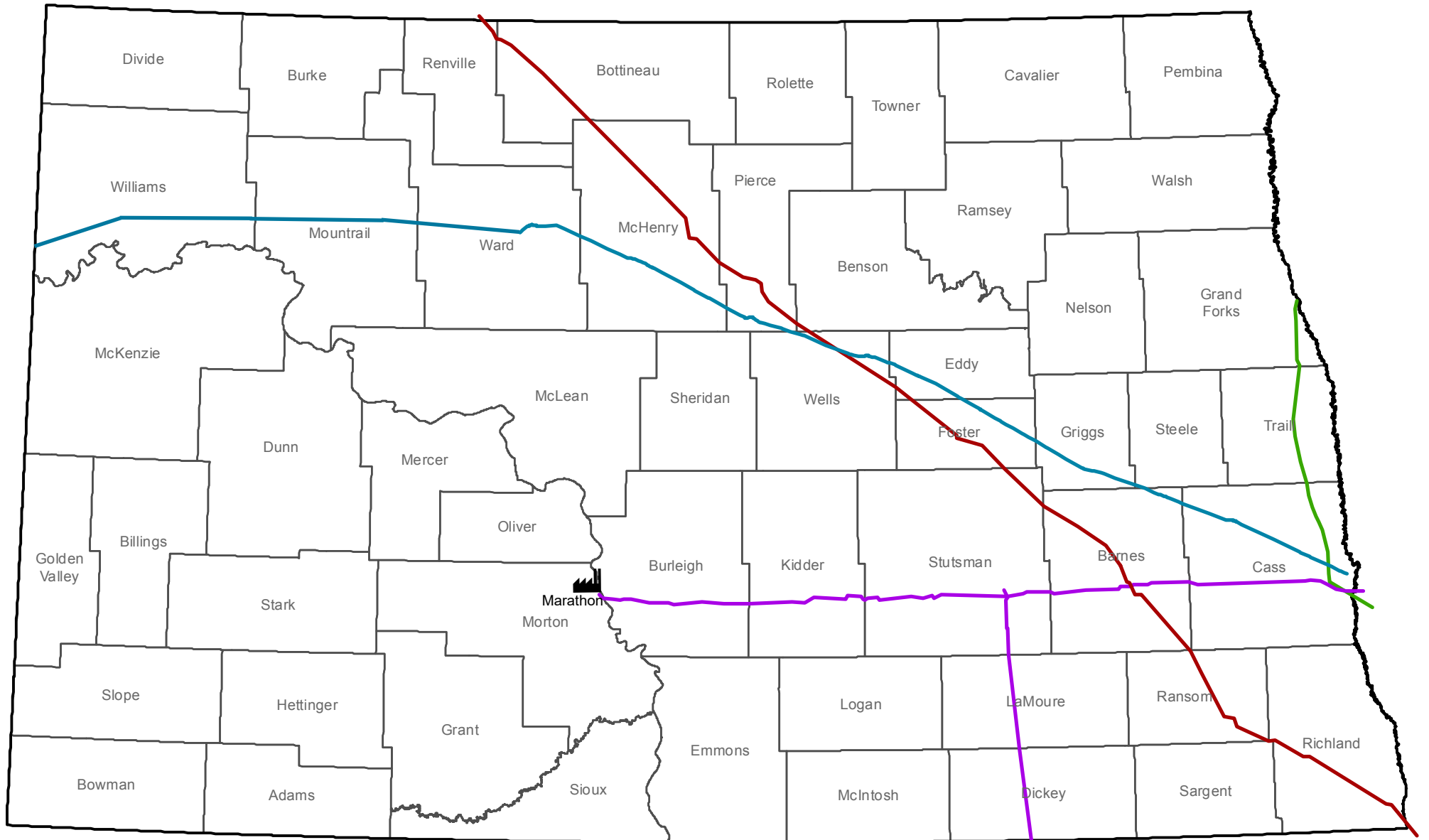
Major Natural Gas Infrastructure



- | | | |
|--------------------------------|------------------------------|------------------------------------|
| — Alliance Pipeline System | — Hess | — Pecan Pipeline Company |
| — Aux Sable | — Kinder Morgan | — Viking Gas Transmission Co |
| — Basin Electric | — Liberty Midstream | — Williston Basin Interstate PL Co |
| — Bison Pipeline | — MDU | — Gas Plants |
| — Dakota Natural Gas | — Marathon Petroleum | — WBI Baker Gas Storage |
| — Grasslands Pipeline | — Norse Pipeline LLC | |
| — Great Lakes Gas Trans Co | — Northern Border PL Co | |
| — Great Plains Natural Gas Co. | — ONEOK Gas Transmission LLC | |

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North Dakota Products Pipelines




- Cenex Pipeline LLC - Refined Products
- Magellan Midstream Partners LP - Refined Products
- Kinder Morgan Cochin - Condensate
- NuStar Energy - Refined Products
- Refinery


Date: 7/13/2015

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Major Natural Gas Liquids Infrastructure



 NGL Rail Loading Facility

 Gas Processing Plant

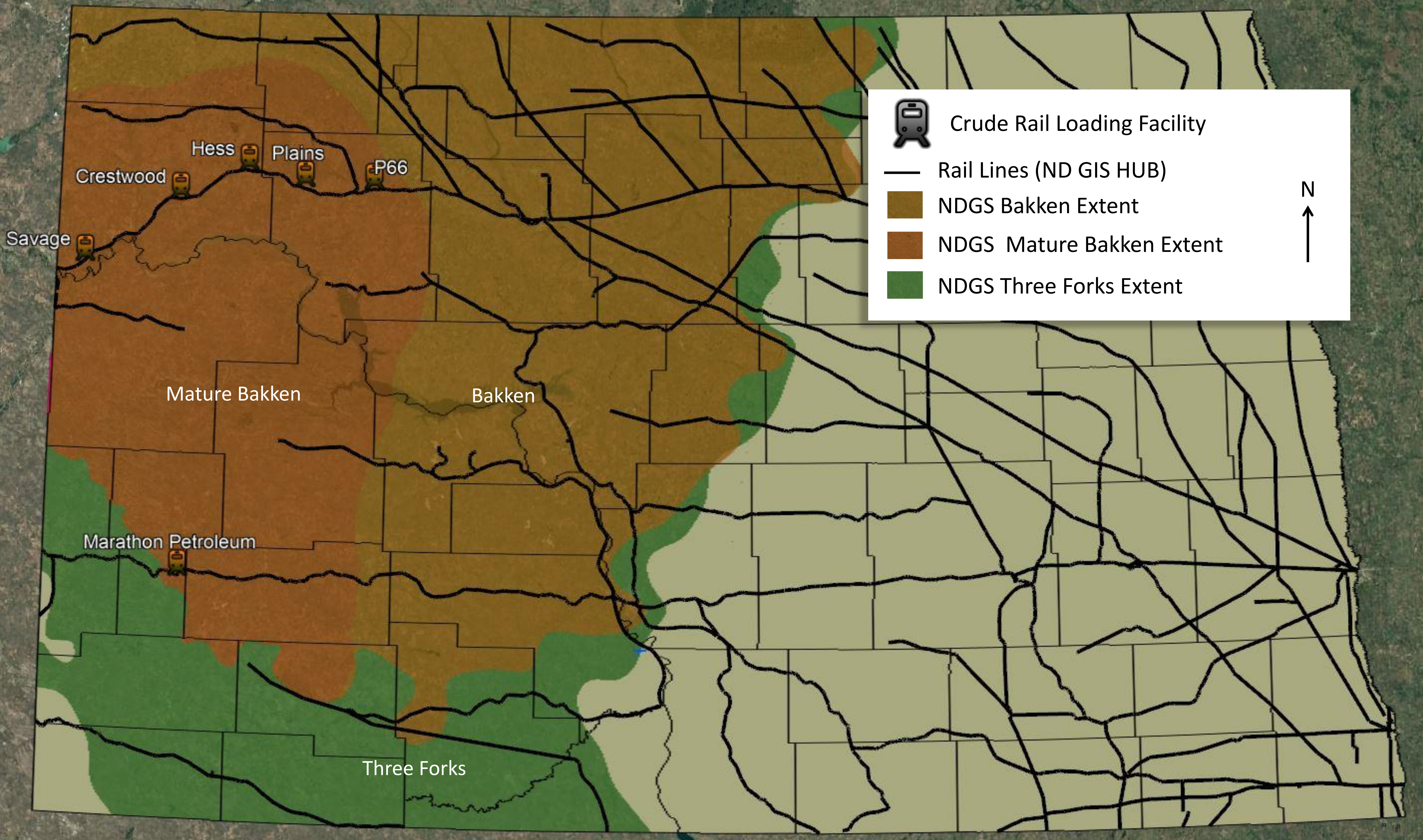
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APPENDIX B

North Dakota Crude Oil Rail Loading Map

North Dakota Crude Oil Rail Loading Facilities In Service

North Dakota Pipeline Authority – July 2024



APPENDIX C

North Dakota Gas Processing Plant Table

Natural Gas Processing Capacity, Million Cubic Feet Per Day

Owner Company	Facility	County	2006	2008	2010	2012	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
North Dakota																	
Steel Reef	Lignite	Burke	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
ONEOK	Marmarth	Slope	7.5	7.5	7.5	7.5	7.5	7.5	7.5	NA	NA	NA	NA	NA	NA	NA	NA
ONEOK	Grasslands	McKenzie	63	90	90	90	90	90	90	90	90	90	90	90	90	90	90
ONEOK	Stateline I	Williams	NA	NA	NA	100	100	100	100	120	120	120	120	120	120	120	120
ONEOK	Stateline II	Williams	NA	NA	NA	NA	100	120	120	120	120	120	120	120	120	120	120
ONEOK	Garden Creek I	McKenzie	NA	NA	NA	100	120	120	120	120	120	120	120	120	120	120	120
ONEOK	Garden Creek II	McKenzie	NA	NA	NA	NA	120	120	120	120	120	120	120	120	120	120	120
ONEOK	Garden Creek III	McKenzie	NA	NA	NA	NA	120	120	120	120	120	120	120	120	120	120	120
ONEOK	Lonesome Creek	McKenzie	NA	NA	NA	NA	NA	NA	200	200	280	280	280	280	280	280	280
ONEOK	Demicks Lake	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200	200	200	200	200
ONEOK	Demicks Lake II	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200	200	200	200
ONEOK	Demicks Lake III	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200
ONEOK	Bear Creek	Dunn	NA	NA	NA	NA	NA	NA	80	80	130	130	130	130	130	130	130
ONEOK	Bear Creek II	Dunn	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200	200	200
Petro Hunt	Little Knife	Billings	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27
True Oil	Red Wing Creek	McKenzie	4	4	4	4	10	10	10	10	15	15	15	15	15	15	15
Sterling Energy	Ambrose	Divide	0.5	0.5	0.5	0.5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
EOG Resources	Stanley	Mountrail	NA	20	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
Whiting Oil & Gas	Ray	Williams	NA	10	NA	NA	NA	10	10	10	15	25	25	25	25	25	25
Andeavor	Robinson Lake	Mountrail	NA	30	45	90	110	130	130	130	130	150	150	150	150	150	150
Andeavor	Belfield	Stark	NA	NA	NA	30	35	35	35	35	35	35	35	35	35	35	35
XTO - Nesson	Ray	Williams	NA	10	10	10	10	25	25	25	25	25	25	100	100	100	100
Hess	Tioga	Williams	110	110	110	110	250	250	250	250	265	265	265	415	415	415	415
Targa/Hess JV	LM4	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200	200	200	200	200
Kinder Morgan	Badlands	Bowman	4	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Kinder Morgan	Norse	Divide	NA	NA	25	25	25	25	25	25	25	25	25	25	25	25	25
Kinder Morgan	Watford City	McKenzie	NA	NA	NA	90	90	90	90	90	90	90	90	90	90	90	90
Kinder Morgan	Roosevelt	McKenzie	NA	NA	NA	NA	NA	NA	50	50	50	200	200	200	200	200	200
Liberty Midstream Solutions	County Line	Williams	NA	NA	NA	NA	NA	NA	20	20	30	30	30	30	30	30	30
Summit Resources	Knutson	Billings	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**
Targa Resources	Badlands	McKenzie	NA	NA	NA	45	45	90	90	90	90	90	90	90	90	90	90
USG Midstream Bakken	DeWitt	Divide	NA	NA	NA	NA	3	3	3	3	3	3	3	3	3	3	3
1804 Ltd	Spring Brook	Williams	NA	NA	NA	NA	NA	45	45	45	60	70	70	70	70	70	70
Crestwood	Wild Basin	McKenzie	NA	NA	NA	NA	NA	NA	80	145	320	320	320	320	320	320	320
Crestwood	Arrow	McKenzie	NA	NA	NA	NA	NA	NA	NA	30	30	150	150	150	150	150	150
Caliber Midstream	Hay Butte	McKenzie	NA	NA	NA	NA	10	10	10	10	10	10	10	10	10	10	10
Outrigger Energy II	N/A	Williams	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	250	250	250	270
Aux Sable - Chicago, IL																	
Aux Sable	Prairie Rose	Mountrail	NA	NA	126	126	126	126	126	126	126	126	126	126	126	126	126
Total, MMCFD			222.0	355.0	491.0	901.0	1,444.5	1,599.5	2,029.5	2,137.0	2,492.0	3,202.0	3,402.0	4,077.0	4,077.0	4,277.0	4,297.0



North Dakota Pipeline Authority

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Minutes of a Meeting of the Industrial Commission of North Dakota

Held on September 30th, 2024 beginning at 1:00 p.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 p.m.

Ms. Karen Tyler took roll call, and Governor Burgum, Commissioner Goehring, and Attorney General Wrigley were present.

Governor Burgum invited the room to stand and join the Commission in saying the Pledge of Allegiance.

OFFICE OF THE INDUSTRIAL COMMISSION

Ms. Karen Tyler presented for consideration of approval the August 27th, 2024 Industrial Commission meeting minutes.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the August 27th, 2024, Industrial Commission meeting minutes.

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

The Governor opened the discussion regarding compensation changes for the administrative office staff, and supported the recommendation for a salary increase for the executive director as set forth in the memo from the ad hoc compensation review committee made up of the Lt. Governor, Chief Deputy Attorney General, and the Deputy Agriculture Commissioner. The recommendation is as follows:

Current salary levels of Reice Haase, Brenna Jessen, and Andrea Rebsom reflect salary increases provided between January and April 2024, as a result of changes in job duties. Salary increases were funded by salary savings from the Executive Director position.

Mr. Haase received a 22% salary increase retroactive to July 1, 2023. He is an unclassified employee, and his salary level is in the top 50% of all surveyed deputy positions. No further changes are recommended at this time.

Ms. Jessen and Ms. Rebsom received salary increases of 14.5% and 10% respectively. Both currently exceed salary midpoints, and no further changes are recommended at this time.

Erin Stieg is the newest member of the Administrative Office, joining the staff in December of 2023. Ms. Stieg qualified for the 4% legislatively approved salary increase in July, and her

moving expenses were covered which equated to 9% of her salary. No further changes are recommended at this time.

We do recommend a salary adjustment for Executive Director Karen Tyler equal to the remaining appropriation for the Executive Director's salary, approximately \$40,000, effective July 1, 2024.

Further, it is our observation that over time, the compensation level for the Executive Director role may not have kept pace with the growing demands and responsibilities of the position, as the Industrial Commission portfolio of authority has expanded to include 15 agencies and programs, plus the occasional addition of temporary programs. This compensation constraint may be attributable to the funding mechanism for the Administrative Office, whereby the Commission agencies and programs are assessed to cover the budget of the Administrative Office. This model may result in a disinclination to create increased costs that must be passed along to the other agencies and programs. Going forward, and in planning for the 2025-2027 biennium, we recommend that consideration be given to re-evaluating and adjusting the Executive Director salary to reflect the workload, diversity of responsibilities, required expertise, and the executive nature of the role.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Executive Director compensation change as recommended by the review committee of Lieutenant Governor Tammy Miller, Chief Deputy Attorney General Claire Ness, and Deputy Agriculture Commissioner Tom Bodine.

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

DEPARTMENT OF MINERAL RESOURCES

Mr. Mark Bohrer and Mr. Nathan Anderson presented for consideration of approval the following DMR cases:

- i. **Order No. 33541 issued in Case No. 30793** regarding a petition of Resonance Exploration (North Dakota) LLC for the unitized management, operation, and further development of the proposed West Roth-Madison (Fylling) Unit Area in Bottineau County, ND.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 33451 issued in Case No. 30793 providing for the unitized management, operation, and further development of the proposed West Roth-Madison (Fylling) Unit Area, consisting of lands within the West Roth Field in Bottineau County, North Dakota; for approval of the unit agreement and unit operating agreement constituting the plan of unitization for the proposed West Roth-Madison (Fylling) Unit Area; for approval of the plan of operation; vacating the applicable spacing orders; and for such further and additional relief.

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

Under other business, Mr. Bohrer gave an update on the Liberty Supreme Court decision.

Liberty relied on NDCC 38-08-08(3) in support of its position that the risk penalty may be recovered out of, and only out of, production from the pooled spacing unit. The Court disagreed. The Court agreed with the NDIC's position that the recovery of risk penalties was no longer governed by that statute upon unitization but rather by NDCC 38-08-09.4(3) which provides that the risk penalty is recoverable out of the entire unit. The Court reached its decision based on its ruling that "unit expenses" as described in the unitization statutes includes any and all costs and expenses in the conduct and management of its affairs or the operations carried on by it. The Court held that risk penalties fall with this category of unit expenses recoverable from the unit.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that under the authority of North Dakota Century Code Sections 44-04-18.4, 44-04-19.1, 44-04-19.2, the Industrial Commission enter into executive session for the purposes of discussing confidential business related to proprietary technology commercialization and a public-private partnership.

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

The Commission will meet in executive session regarding confidential business related to a public-private partnership pursuant to N.D.C.C. 44-04-18.4 to consider those items listed on the agenda. Only Commission members, their staff, Commission staff, and Department of Commerce staff will participate in that executive session.

Any formal action taken by the Commission will occur after it reconvenes in open session.

Governor Burgum reminded the Commission members and those present in the executive session that the discussions must be limited to the announced purposes which is anticipated to last approximately 45 minutes.

The executive session began at approximately 1:24 p.m.

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

PROPRIETARY TECHNOLOGY COMMERCIALIZATION AND PUBLIC-PRIVATE PARTNERSHIP DISCUSSION

Industrial Commission Members Present

Governor Doug Burgum
Attorney General Drew H. Wrigley
Agriculture Commissioner Doug Goehring

Commerce Members Present

Josh Teigen, Commerce Commissioner

Others in attendance

Nathan Svihovec	Governor's Office
Zach Greenberg	Governor's Office (remote)
Jace Beehler	Governor's Office (remote)
Matt Sagsveen	Attorney General's Office

Claire Ness	Attorney General's Office
Adam Miller	Ag Commissioner's Office
Karen Tyler	Industrial Commission Office
Reice Haase	Industrial Commission Office
Brenna Jessen	Industrial Commission Office
Erin Stieg	Industrial Commission Office

The executive session ended at 2:27 p.m. and the Commission reconvened in open session.

During the public-private partnership executive session, the Commission discussed that item listed on the agenda.

No formal action was taken during that executive session.

NORTH DAKOTA BUILDING AUTHORITY

Ms. Mindy Piatz of Brady Martz gave a presentation of the June 30, 2024, NDBA Audit.

In their opinion, the financial statements 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, 2024 and 2023, 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.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

Ms. DeAnn Ament presented for consideration of approval the following State Revolving Fund Loan Applications:

i. Fargo – Clean Water - \$15,000,000

The purpose of this project is to replace antiquated residential and commercial water meters with advanced metering infrastructure that will provide real time information and readings. The requested term for the loan is 20 years, and the City of Fargo will issue revenue bonds payable with sales tax and water fund revenues. The average annual payment for the revenue bonds will be \$893,858.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Clean Water State Revolving Fund loan request for \$15,000,000 for the City of Fargo.

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

A RESOLUTION WAS MADE

RESOLUTION APPROVING LOAN FROM CLEAN WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Clean Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4 and 61-28.2; and

WHEREAS, the Clean Water 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 (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 \$15,000,000 from the Program to replace antiquated residential and commercial water meters with advanced metering infrastructure that will provide real time information and readings; and

WHEREAS, the 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 Clean 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: September 30, 2024

ii. Jamestown – Clean Water - \$3,321,000

The purpose of this project is to replace antiquated residential and commercial water meters with advanced metering infrastructure that will provide real time information and readings. The requested term for the loan is 20 years, and the City of Jamestown will issue revenue bonds payable with water fund revenues. The average annual payment for the revenue bonds will be \$195,352.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Clean Water State Revolving Fund loan request for \$3,321,000 for the City of Jamestown.

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

A RESOLUTION WAS MADE

RESOLUTION APPROVING
LOAN FROM CLEAN WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Clean Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4 and 61-28.2; and

WHEREAS, the Clean Water 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 (NDPFA) and the Bank of North Dakota (the Trustee); and

WHEREAS, the City of Jamestown (the "Political Subdivision") has requested a loan in the amount of \$3,321,000 from the Program to replace antiquated residential and commercial water meters with advanced metering infrastructure that will provide real time information and readings; and

WHEREAS, the 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 Clean 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: September 30, 2024

iii. Mandan – Drinking Water - \$5,462,000

The purpose of this project is to construct a new reservoir to replace Collins Reservoir which would provide additional capacity and redundancy to for the City. The requested term for the loan is 20 years, and the average annual payment will be approximately \$320,736. The City anticipates raising the monthly base rate for residential \$3.28 and for commercial \$6.56 over the next two year which will result in annual revenue of approximately \$401,748.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Drinking Water State Revolving Fund loan request for \$5,462,000 for the City of Mandan.

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

A RESOLUTION WAS MADE

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 Mandan (the "Political Subdivision") has requested a loan in the amount of \$5,462,000 from the Program to construct a new reservoir to replace Collins Reservoir which would provide additional capacity and redundancy for the City; 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: September 30, 2024

Ms. Ament gave a presentation of a memo of State Revolving Fund Loans approved by the Advisory Committee.

- i. All Seasons Water Users District – Drinking Water - \$1,856,000 increase to a previously approved \$1,7738,000. The purpose of this project is to connect the additional water source for System 1 (NAWS) to System 4 to provide adequate water supply to System 4. Also, expand System 4 water treatment plant and wellfield to provide adequate supply for both

- Systems. The requested loan term is 30 years, and the District will issue revenue bonds payable with user fees. The average annual payment will be \$97,177.
- ii. Dakota Rural Water District – Drinking Water - \$107,000 increase to the previously approved \$2,7176,000. The purpose of this project is to construct transmission lines to connect 500 new users to a clean and safe drinking water source. The requested loan term is 30 years, the District will issue revenue bonds payable with water user fees. The average annual payment will be \$88,670.
 - iii. Wilton – Drinking Water - \$431,000 increase to the previously approved \$1,688,000. The purpose of this project is to replace water mains and related appurtenances. The requested loan term is 30 years, and the City will issue revenue bonds payable with water user fees. The average annual payment will be \$86,652.
 - iv. Wilton – Clean Water - \$201,000 increase to the previously approved \$1,319,000. The purpose of this project is to replace sewer mains and related appurtenances. The requested loan term is 30 years, and the City will issue revenue bonds payable with sewer user fees. The average annual payment will be \$62,143.

RENEWABLE ENERGY PROGRAM

Mr. Reice Haase gave a presentation of the Renewable Energy Program Project Management and Financial Report. The Renewable Energy Fund currently has \$4,620,352.18 committed and **\$3,189,996.67** in uncommitted funds available. There have been 72 cumulative projects in this program, with 13 of them still active. The fund has granted a total of \$24.5 million and has had \$136.7 million in project value.

Mr. Haase presented for consideration of approval the Renewable Energy Council recommended projects for Grant Round 54:

- i. **R-054-B:** ACS NewCarbon RNG Project; Submitted by NewCarbon Feedstocks, LLC; Total Project Costs: \$930,000; **Amount Requested: \$455,000.**
- ii. **R-054-C:** VBD NewCarbon RNG Project; Submitted by NewCarbon Feedstocks, LLC; Total Project Costs: \$930,000; **Amount Requested: \$455,000.**
- iii. **R-054-D:** Accelerating the Waste-to-Fuels Commercialization for the Sandwich Gasifier; Submitted by Singularity Energy Technologies; Total Project Costs: \$978,950; **Amount Requested: \$486,950.**

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accepts the recommendation of the Renewable Energy Council and authorizes the Office of the Industrial Commission to enter into contracts for the following Renewable Energy Program Grant Round 54 projects:

R-054-B: ACS NewCarbon RNG Project; Submitted by NewCarbon Feedstocks, LLC; Funding Amount: \$455,000

R-054-C: VBD NewCarbon RNG Project; Submitted by NewCarbon Feedstocks, LLC; Funding Amount: \$455,000

R-054-D: Accelerating the Waste-to-Fuels Commercialization for the Sandwich Gasifier; Submitted by Singularity Energy Technologies; Funding Amount: \$486,950

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

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that under the authority of North Dakota Century Code Sections 6-09-35, 44-04-19.1, 44-04-19.2, the Industrial Commission enter into executive session for the purpose of Bank of North Dakota confidential business.

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

The Commission is meeting in executive session regarding Bank of North Dakota confidential business pursuant to N.D.C.C. 6-09-35 and 44-04-19.2 to consider those items listed on the agenda under Bank of North Dakota confidential business. Only Commission members, their staff, Commission staff, and BND staff will participate in that executive session.

Any formal action taken by the Commission will occur after it reconvenes in open session.

Governor Burgum reminded the Commission members and those present in the executive session that the discussions must be limited to the announced purposes which is anticipated to last approximately 45 minutes.

The executive session began at 3:12 p.m.

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

BANK OF NORTH DAKOTA EXECUTIVE SESSION

Industrial Commission Members Present

Governor Doug Burgum
Attorney General Drew H. Wrigley
Agriculture Commissioner Doug Goehring

BND Members Present

Don Morgan
Kirby Evanger
Kelvin Hullet
Gus Staahl

Others in attendance

Nathan Svihovec	Governor's Office
Adam Miller	Ag Commissioner's Office
Karen Tyler	Industrial Commission Office
Reice Haase	Industrial Commission Office
Brenna Jessen	Industrial Commission Office
Erin Stieg	Industrial Commission Office

The executive session ended at 4:10 p.m. and the Commission reconvened in open session.

During the Bank of North Dakota executive session, one motion was made regarding approval of one loan application.

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

LEGAL UPDATE

Mr. Nathan Svihovek and Mr. Phil Axt presented updates on the following matters:

Litigation:

- I. EPA Mercury and Air Toxics Rule – awaiting the supreme court’s decision
- II. EPA Carbon Rule – awaiting the supreme court’s decision
- III. EPA Methane OOOO Rule – awaiting the supreme court’s decision
- IV. BLM Venting and Flaring Rule – the court denied the federal government’s attempt to transfer out of ND.
- V. BLM Conservation Rule – the court denied the federal government’ attempt to transfer out of ND. The briefing will begin in a month or two.
- VI. CEQ NEPA Phase 2 Rule – going through summary judgement briefing.
- VII. EPA WOTUS Rule – preliminary injunction has been in place for some time. Briefing is complete and court decision is pending.

Federal Regulatory Update:

- I. BLM Resource Management Plan – the BLM must formally respond to the inconsistencies noted by the Governor that must be filed by October 9th.

Mr. Haase presented a brief update on the Minnesota Carbon Free Standard legislation.

With no further business, Governor Burgum adjourned the meeting of the Industrial Commission at 4:18 p.m.

North Dakota Industrial Commission

Brenna Jessen, Recording Secretary

Reice Haase, Deputy Executive Director

Karen Tyler, Executive Director