



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Tuesday, July 30th, 2024

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

Meeting Coordinators:

Karen Tyler, Executive Director

Reice Haase, Deputy Executive Director

Brenna Jessen, Recording Secretary

Join on your computer or mobile app

[Join the meeting now](#)

Or call in (audio only)

[+1 701-328-0950,,923592218#](#)

I. Roll Call and Pledge of Allegiance

(approximately 1:00 pm)

II. Department of Mineral Resources Director Finalist Interviews

- A. Presentation of DMR Director Search Committee Report – Reice Haase (Attachment 1)
- B. Conduct interviews with candidates for DMR Director position:
 - A. Nathan Anderson (Attachment 2)
 - B. Kevin Connors (Attachment 3)
- C. Industrial Commission discussion
- D. **Selection of DMR Director Candidate**

(approximately 3:30 pm)

III. Department of Mineral Resources – Mark Bohrer, Reice Haase

- A. Presentation of Oil and Gas Division Quarterly Report – Mark Bohrer (Attachment 4)
- B. **Consideration of Authority to Contract with Lynn Helms for Transition and Professional Consulting Services** – Reice Haase (Attachment 5)
- C. Other Department of Mineral Resources business

(approximately 4:00 pm)

IV. North Dakota Insurance Reserve Fund – Keith Pic, NDIRF CEO

- A. **Consideration of reinsurance policy recommendation for the Excess Loss Reinsurance Coverage – Fire and Tornado Fund** (Attachment 6)
- B. Other North Dakota Insurance Reserve Fund Business

(approximately 4:15)

V. North Dakota Public Finance Agency – DeAnn Ament

- A. **Consideration of approval for the following loan applications:**
 - 1. McLean Sheridan Rural Water District \$8,159,000 (Attachment 7)
 - 2. Dickinson – Clean Water - \$3,539,000 (Attachment 8)
- B. Presentation of a memo of State Revolving Fund loans approved by Advisory Committee (Attachment 9)
 - 1. Richardton – Clean Water - \$500,000
 - 2. Rhame – Drinking Water - \$1,199,000
 - 3. St. John – Drinking Water - \$365,000 increase to previously approved \$920,000
 - 4. Taylor- Drinking Water - \$1,356,000
 - 5. Milnor – Drinking Water - \$300,000

(approximately 4:30 pm)

VI. Legal Update* – Phil Axt

- A. Litigation Status:
 - A. Northwest Landowners v. NDIC
 - B. BLM Venting and Flaring Rule
 - C. BLM Conservation Rule
 - D. Council of Environmental Quality NEPA Phase II Rule
 - E. EPA Mercury and Air Toxics Rule
 - F. EPA Carbon Rule
 - G. EPA Methane/OOOO Rule
- B. Federal Regulatory Update:
 - A. BLM Resource Management Plan
 - B. DAPL Draft Environmental Impact Statement
 - C. EPA Methane Tax Rule

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

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 5:00 pm)

VII. Pipeline Authority Executive Session

- A. Pipeline Authority Capacity Purchase Program confidential business per NDCC 44-04-18.4

(approximately 5:30 pm)

VIII. Bank of North Dakota Executive Session – Rob Pfennig, Kirby Evanger, Craig Hanson

- A. Presentation of Department of Financial Institutions Bank Examination Report – Commissioner Lise Kruse, Ryan Spah (Confidential Attachment 10)
- B. Attorney consultation regarding two loans (Confidential Attachment 11)
- C. Other Bank of North Dakota confidential business

Meeting Returns to Public Session

(approximately 6:00 pm)

IX. Formal Action Taken in Public Session

(approximately 6:30 pm)

X. State Energy Research Center – Reice Haase

- A. **Consideration of Authority to Contract under SERC-2019-01 Task 2: “Future-Proofing North Dakota’s Electric Sector”** (Attachment 12)

(approximately 6:45 pm)

XI. Oil and Gas Research Program – Reice Haase

- A. Presentation of Oil and Gas Research Program Project Management and Financial Report (Attachment 13)
- B. **Consideration of Application G-060-A: “Well Site Thief Hatch Methane Detectors – Phase II”, Submitted by Blue Comply, Total Project Costs: \$900,000, Request for: \$450,000** (Attachment 14)
- C. Other Oil and Gas Research Program business

(approximately 7:00 pm)

XII. Office of the Industrial Commission – Karen Tyler, Reice Haase

- A. **Consideration of June 26, 2024 and July 2, 2024 Meeting Minutes**
(Attachment 15)
- B. **Consideration of approval of 4% legislative salary increases for agency directors – PFA, HFA, Mill** (Attachment 16)
- C. Other Office of Industrial Commission Business

XIII. Adjournment

Next Meeting – August 27th, 2024, 1:00 pm
Governor’s Conference Room, Bismarck, ND

Department of Mineral Resources Director Search Committee Status Report



103 prospects contacted



5 semi-finalists
interviewed



16 applications submitted



2 finalists recommended
for Industrial Commission

Position Specification

Director, North Dakota Department of Mineral Resources

North Dakota Industrial Commission



Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

April 2024

Department of Mineral Resources Background Information

The North Dakota Industrial Commission (NDIC) has had regulatory authority over the management of North Dakota's oil and gas resources since 1945. The State Geologist had originally been staffed part-time by the Commission to play this role, splitting time between academic roles under the State Board of Higher Education and regulatory roles under the Industrial Commission.

In 1981, the Oil and Gas Division was created, with the Commission appointing Wes Norton as its first Director. Upon Mr. Norton's retirement, the Commission appointed Lynn Helms as its second director on June 24th, 1998. Under Lynn's leadership, the Oil and Gas Division was merged with the Geological Survey on July 1, 2005, being reorganized under the Department of Mineral Resources (DMR) with Mr. Helms as its first director. With Lynn's announced retirement on June 30th, 2024, the Commission will be tasked with hiring its next Director of the Department of Mineral Resources. Several sections of the North Dakota Century Code address the creation of DMR, its oversight and role in the state:

- Chapter 54-17 Industrial Commission
- Title 38 Mining and Gas and Oil Production
 - Chapter 38-08 Control of Oil and Gas Resources
 - Chapter 38-08.1 Geophysical Exploration Requirements
 - Chapter 38-11.1 Oil and Gas Production Damage Compensation
 - Chapter 38-11.2 Subsurface Exploration Damages
 - Chapter 38-12 Regulation, Development and Production of Subsurface Minerals
 - Chapter 38-12.1 Exploration Data
 - Chapter 38-15 Resolution of Conflicts in Subsurface Mineral Production
 - Chapter 38-18 Surface Owner Protection Act
 - Chapter 38-18.1 Termination of Mineral Interest
 - Chapter 38-19 Geothermal Resource Development Regulation
 - Chapter 38-21 Exploration Fund
 - Chapter 38-22 Carbon Dioxide Underground Storage
 - Chapter 38-23 High-Level Radioactive Waste
 - Chapter 38-24 Underground Storage and Retrieval of Nonhydrocarbons
 - Chapter 38-25 Underground Storage of Oil and Gas

DMR operates under the management and control of the Industrial Commission which is comprised of the Governor who acts as Chairman, the Attorney General, and the Agriculture Commissioner. DMR consists of two divisions, the Oil and Gas Division and the Geological Survey.

The Oil and Gas Division regulates the drilling and production of oil and gas, with a mission to encourage and promote the development, production, and utilization of oil and gas in the state in such a manner as will prevent waste, maximize economic recovery, and fully protect the correlative rights of all owners to the end that the landowners, the royalty owners, the producers, and the general public realize the greatest possible good from these vital natural resources. The Division is also responsible for the regulation of geophysical exploration, underground gathering pipelines, and underground injection control for Class II and Class VI injection wells.



The Geological Survey publishes maps and reports on the mineralogical, paleontological, and geochemical resources of North Dakota, including oil and gas, coal, uranium, clay, sand and gravel, volcanic ash, potash, and other salts, etc. In addition to the mapping of subsurface resources, the Survey is actively mapping the surface geology throughout the state with an emphasis on urban areas and the identification of geohazards such as landslides. Survey publications support the regulatory programs of the Industrial Commission, as well as other state and federal agencies, and assist mineral companies, geotechnical consulting firms, city and county governments, landowners, and citizens of the state.

The Geological Survey regulates coal exploration, subsurface mineral exploration, and development (this includes all elements, minerals, and compounds other than oil and gas, sand and gravel, and coal), geothermal facilities (both commercial and residential), the Class III Underground Injection Control Program, and paleontological resources on state-owned lands.

The North Dakota Legislature has authorized 108 full-time equivalents for employment at DMR. The Director supervises the staff through 3 direct reports, comprised of:

- Assistant Director, Oil and Gas Division
- State Geologist
- DMR Support Staff Officer

DMR's current budget for the 2023-2025 biennium is \$32,194,371.

The Director of the Department of Mineral Resources Role

The Director of the Department of Mineral Resources reports to the North Dakota Industrial Commission. The position is responsible for the overall strategic and operational performance of DMR. The Director is responsible for developing recommendations for the North Dakota Industrial Commission which achieve the Commission's objectives of:

- Fostering, encouraging and promoting the development, production and utilization of natural resources of oil and gas in the state in such a manner as will prevent waste
- Authorizing and providing for the operation and development of oil and gas properties in such a manner that a greater ultimate recovery of oil and gas be obtained and that the correlative rights of all owners are fully protected
- Encouraging and authorizing recycling, pressure maintenance and enhanced oil recovery operations in order that the greatest possible economic recovery of oil and gas be obtained within the state to the end that the landowners, royalty owners, producers and the general public realize and enjoy the greatest possible benefit from these vital natural resources
- Regulating geophysical exploration, underground injection control of oil and natural gas fluids and carbon dioxide, mineral spacing and pooling, pore space amalgamation and surface infrastructure related to mineral production and gathering



Major tasks for the position include:

- Supervise the Oil & Gas Division Assistant Director, State Geologist, and DMR Support Staff Officer to implement agency goals and ensure compliance with statutes, regulations, and policies
- Sign orders for regulatory cases with signature authority delegated per NDIC memo
- Prepare formal enforcement actions in consultation with the Attorney General's office
- Present recommended action items to NDIC at their regularly scheduled monthly meetings
- Oversee monthly oil and gas regulatory hearings
- Present complex, technical information to a non-technical audience
- Present a monthly Director's Cut webinar to the press and the general public
- Maintain relationships and meet regularly with private sector and citizen stakeholders, tribal nations, local government agencies, other state agencies, and federal agencies
- Serve as the State's official representative on the Interstate Oil and Gas Compact Commission (IOGCC)
- Serve as a technical advisor on the Oil and Gas Research Council, Clean Sustainable Energy Authority, Plains CO₂ Reduction Partnership, North Dakota Revenue Advisory Council and the Bismarck State College Petroleum Production Advisory Board
- Certify reservation trust land acreage ratio to the Tax Commissioner annually
- Lead biennial agency strategy reviews
- Provide legislative testimony in support of the agency budget and policy initiatives
- Supervise agency audits and rule revisions



Candidate Profile

The Director of the Department of Mineral Resources position requires the executive level education, experience, talent and mindset to assess and mitigate principal operational risks and lead regulatory compliance of DMR’s business. This executive must possess the education and experience to lead department operations, represent the NDIC’s interest to a variety of stakeholders, lead legislative and rulemaking processes, foster the growth of North Dakota’s mineral resources and balance advocacy while regulating safe and efficient production of minerals.

The oil and gas and minerals industries are integral to the growth and economic success of North Dakota. This opportunity represents a chance to have significant impact on the future of one of America’s great states. The following table represents the desired experience and characteristics of a successful candidate:

Experiences and Characteristics	Must Have	Nice to Have
Experienced technical or asset leadership within the oil & gas industry	●	
Has had significant exposure to the Williston Basin		●
Possesses a masters in Geology, Petroleum Engineering or equivalent		●
Experienced in CCUS, rare earth minerals or similar		●
Experience dealing with state regulators	●	
Has served in a corporate or governmental regulatory position		●
Proven collaborative leadership approach with internal and external stakeholders	●	
Embraces technology and creative opportunities beneficial to the state	●	
Strong communication and public speaking skills	●	
Interest in North Dakota, demonstrating commitment to the state’s future economic success	●	



Location and Travel

This role is located in Bismarck, ND

Travel may be occasionally required for off-site meetings, training and conferences. The Director will also be expected to engage with private sector stakeholders, mineral owners and landowners across the State.

About North Dakota & Bismarck

North Dakota is a family-friendly, business-friendly state to live in. North Dakota residents experience the nation's highest quality of life, affordable living costs and the great outdoors, among many other benefits. People here are extremely friendly, and "North Dakota Nice" is a real thing. Balancing a robust energy and agricultural economy, it offers a blend of tranquil rural areas and energetic cities under vast skies. Living in North Dakota means experiencing the changing seasons, from cold, snowy winters to warm, sunny summers, and enjoying outdoor activities year-round like fishing, hunting, and hiking.

Bismarck is the capital of North Dakota and, with a metro area population of roughly 130,000, is the second most populous city in the State, after Fargo. The city is situated on the east bank of the Missouri River, a recreational gem, directly across from the City of Mandan on the opposite bank. In addition to the State Government which employs roughly 4,600, Bismarck is a hub of retail and healthcare making it the economic center of south-central North Dakota and north-central South Dakota.

Bismarck enjoys a 4-season climate and offers several area recreational opportunities with a large park system, area lakes, and an expansive network of trails. The city is also home to three colleges and one university and has a variety of cultural arts offerings. Besides having a great livability ranking according to liveability.com, Bismarck has also been dubbed, "The least stressful town in America." The city is served by Bismarck Municipal Airport.

For more information about North Dakota and Bismarck, please refer to:

- Official State Website
[Home | North Dakota State Government - ND Portal](#)
- North Dakota Dept of Commerce
<https://www.commerce.nd.gov/tourism-marketing/find-good-life>
- City Website
www.bismarck.nd.gov
- Bismarck/Mandan Chamber of Commerce
www.bismarckmandan.com
- Convention & Visitors Bureau
www.noboundariesnd.com
- The Bismarck Tribune
www.bismarcktribune.com



Compensation

DMR will offer the successful candidate a competitive compensation and comprehensive benefits package. Benefits provided by the State of North Dakota include fully paid medical insurance for the employee and dependents, including prescription drug coverage and preventative health care features. Voluntary dental and vision plans are also available. The State also offers competitive retirement plans, including a Defined Contribution Hybrid Plan, a voluntary deferred compensation plan, and a basic life insurance plan. The State also offers a generous paid-time-off policy for sick leave, vacation and holidays.

Non-Discrimination

DMR does not discriminate on the basis of race, religion, national origin, sex, age, marital status, sexual orientation, gender identity, gender expression, disability, creed, color, ancestry or medical condition.

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lpreng@preng.com
(615) 394-2914

Candidate Report on

Nathan D. Anderson

For the Position of

Director of Department of Mineral Resources (DMR)



The following evaluation has been prepared for the exclusive use of our client. Its use should be controlled and limited to designated executives concerned with the selection of the candidate, and under no circumstances should the evaluation contained herein be transmitted to the candidate.

The candidate has agreed to discuss this opportunity on a completely confidential basis. Therefore, it is imperative that no references be checked by any member of your organization without prior notification and consent.

The accompanying report represents a composite of information furnished by the candidate during interviews or gathered through an informal referencing process. The data presented is, therefore, subject to verification.

June 2024

PERSONAL DETAILS

Location	Denver, Colorado

COMPENSATION

	He is accepting of the basic compensation parameters.
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EDUCATION AND QUALIFICATIONS

	BS, Geology; North Dakota State University
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ASSESSMENT

We are pleased to present Nathan Anderson as a candidate for the Director of Department of Mineral Resources (DMR) role for North Dakota. Nathan is an industry veteran with almost 25 years of experience. He has a broad technical skillset spanning geology and most engineering disciplines. He understands well the complete life cycle of an oil and gas asset. While he has not worked for the state, he has been in regulatory leadership roles and has built relationships at organizations like TXOGA and the Ohio Oil and Gas Association.

Nathan was born and raised in Minot, North Dakota. He attended North Dakota State, graduating with a degree in Geology. He joined BJ Services in 2000, working as a field technician and learning the ropes through an engineering training program. Nathan was eventually promoted to District Technical Supervisor, taking on a leadership role early in his career. He left BJ Services in 2004 when one of his clients, PDC Energy recruited him. At the time, PDC was a very small company and Nathan was a very hands-on engineer, working on every aspect of a well. In 2006, he became the US Completions Manager, where he led technical completions for all of the company's assets, including 10 wells in the Bakken. PDC's Bakken position was eventually sold to Marathon. Wanting to get production/operations experience, Nathan took a District Operations Manager role. He led a team of 20 and managed production operations for 330 wells in Colorado's Piceance Basin.

In 2011, Nathan was promoted to Asset Manager over PDC's Utica Shale assets in Ohio. PDC was not established in Ohio, so Nathan built the office from scratch, hiring staff, managing grass roots land leasing with the state and owning a budget of \$160MM. He frequently dealt with Ohio's state regulators. While managing the asset, he was asked to sit on the board of the Ohio O&G Association. He co-chaired the technical committee and generally represented the interests of smaller oil and gas companies, helping lobby for regulation that was good for both the large and small operators in the basin. He is also proud of the Ohio Oil & Gas Associations energy outreach program to the community. He would like to take pieces of that program to North Dakota. In 2016, after a few PDC acquisitions, Nathan became Asset Director for the Delaware Basin. He was essentially a Vice President, reporting to the company's SVP of Operations. He led upstream and midstream assets, a staff of 60 and a budget of up to \$450MM. He guided the regulatory teams, building a safety-focused culture and driving efficient production. As a member of TXOGA, he sat on several committees, advocating for PDC. Further accomplishments include his employee engagement surveys, which were the best in the company, and his team's drilling of some of the first U-laterals in Texas. After Chevron



acquired PDC in 2023, Nathan stayed on as an advisor, helping with integration and long-term planning for the former PDC assets.

Nathan's strength is his technical leadership. He has a diverse technical skillset from subsurface to midstream facilities. By virtue of his industry experience, he will garner the quick respect of industry players. Nathan is humble and highly team-oriented, focusing on the accomplishments of his teams rather than his own. He is empowering as a leader, promoting a "fun" atmosphere. He communicates well across an organization, including engineers, field staff and high-profile leaders. We look forward to the search committee's feedback.

Motivations and Cultural Fit

Nathan is at an inflection point in his career and has been looking for opportunities to get back to North Dakota. While he currently lives in Colorado, he has family in Bismarck and a house on Lake Sakakwea. He does not have extensive Williston experience, but he is nevertheless a strong cultural fit in North Dakota. Nathan is highly motivated by an opportunity to make a positive impact on the state.



SUMMARY PROFESSIONAL EXPERIENCE

3B Investments Ltd

Owner

2019 – Present

Chevron

Senior Advisor, Mid-Continent Business Unit

2023 – Present

PDC Energy (acquired by Chevron)

Senior Asset Director

Asset Director, Delaware Basin

Asset Director, Utica Shale

Asset Manager

District Operations Manager, Piceance Basin

Manager, U.S. Completions

Staff Engineer

2004 – 2023

2018 – 2023

2016 – 2018

2014 – 2016

2011 – 2014

2008 – 2011

2006 – 2008

2004 – 2006

BJ Services Company

District Technical Supervisor

Region Engineer/Field Engineer/Associate Engineer

Field Service Trainee/Fluid Technician

2000 – 2004

RESUME

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Candidate Report on

Kevin C. Connors

For the Position of

Director of Department of Mineral Resources (DMR)



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The candidate has agreed to discuss this opportunity on a completely confidential basis. Therefore, it is imperative that no references be checked by any member of your organization without prior notification and consent.

The accompanying report represents a composite of information furnished by the candidate during interviews or gathered through an informal referencing process. The data presented is, therefore, subject to verification.

PERSONAL DETAILS

Location	Bismarck, North Dakota

COMPENSATION

	He is accepting of the basic compensation parameters.
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EDUCATION AND QUALIFICATIONS

2009	BS, Geology; University of Montana
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ASSESSMENT

We are pleased to present Kevin Connors as a candidate for the Director of Department of Mineral Resources (DMR) role for North Dakota. Kevin has intentionally developed his career with the end goal of following in Lynn Helm’s footsteps and attaining the role of North Dakota Director, Department of Mineral Resources. He is a balanced individual who is sufficiently technical and highly knowledgeable in navigating political environments. Having been mentored by Lynn, Kevin understands the need to be business friendly. He has extensive experience building and enforcing regulatory programs in North Dakota as such, he is well-equipped to continue moving the department forward without tremendous shake-up.

Kevin grew up in Cleveland Ohio near Lake Erie. He started college playing Division 3 football in Ohio but ended up transferring to the University of Montana to pursue a degree in Geology. After graduation, he took a job with the oilfield service company, Weatherford, as a Wellsite Geologist in the Williston Basin. This was a rotational field role where he would often live on the rig and keep challenging hours. This lifestyle was not a fit for his young family and newborn son, so after meeting someone with North Dakota’s Department of Mineral Resources, he decided to try the regulatory side of the business.

In 2010, Kevin joined the NDIC as a Petroleum Engineer. He enforced North Dakota’s regulatory code primarily in McKenzie County, building relationships with operators and learning the delicate balance of enforcing rules while not being seen as oppositional or an obstacle to the company’s bringing revenue to the state. In 2011, Kevin was promoted to CCUS Supervisor. This was an important role where he developed a business-friendly regulatory framework for CCUS storage in the early days of its resurgence. The job also gave him consistent access to Lynn Helms and responsibility for presenting in front of interstate and national groups. Kevin is responsible for building the framework of CCUS in North Dakota. He showed creativity by borrowing regulations from federal guidelines and the waste disposal industry; ultimately coming up with a framework that fit the unique needs of North Dakota and the CCUS industry. Today, North Dakota is viewed as a leader in CCUS and is progressing where other states have not, in part because of a friendly regulatory environment.

His success led to another promotion in 2013, when he took on the role of Underground Injection Control (UIC) Supervisor. In this role, he permitted over 100 injection wells and reported them at the federal level. Again in 2015,



he was asked to take on another project where his mandate was to build a regulatory framework. His new role as Pipeline Program Supervisor had him regulating an industry that was having problems with leaks and the public view of saltwater disposal wells. He led a team of 10 in revamping and re-writing the regulations for pipelines, collaborating closely with the EERC, FMCSA, and private operators to build something that works. Since his work in this field, the industry has had no more large undetected leaks/spills. Kevin is proud of his time at the NDIC stating that he played a significant role in the state gaining class 6 primacy. He feels he was a good spokesman and representative for the state in his sphere, but also felt he needed to get new experiences to prepare for the Director role. As such, he took a job with Equinor in 2018, moving his family to Austin, TX. Unfortunately, this role did not last long, as Kevin found it to be a bad fit for him as a professional and for his family who had developed strong roots in North Dakota. Equinor is a slow moving, multi-national while Kevin was used to sitting closer to the decision-making process. Additionally, he was concerned that Equinor would sell the Bakken assets he was monitoring. Kevin reached out to Lynn, letting him know he wanted to get back to North Dakota, and shortly thereafter, he landed his current role with the EERC.

Today, Kevin is the Assistant Director for Regulatory Compliance and Energy Policy. He and his team are working extensively in CCUS, looking for ways to extend the life of Williston wells by utilizing captured carbon in EOR processes. He also played a role in an ethanol production project. Kevin collaborates with the NDIC, the coal community, North Dakota State University and others. He currently manages a staff of six. Kevin enjoys the impact of his position with EERC. He is also proud of his service with the IOGCC CCUS task force, the White House Council on Environmental Quality Carbon Dioxide Capture and awards he has garnered over the course of his career.

Kevin is articulate and engaging. His passion for service to the state of North Dakota comes across clearly in conversations. He is particularly strong in CCUS and has good credibility in oil and gas subsurface and engineering. If successful in his pursuit of this job, he will take a business-friendly approach to regulation learned under Lynn Helm's tutelage. As a leader, Kevin takes mentoring very seriously and tries to empower his staff to solve problems, finding realistic solutions through teamwork. Kevin has been working toward this role for the past ten years and is excited to meet with the search committee.

Motivations and Cultural Fit

Kevin is highly motivated and very interested in the role. He is already located in Bismarck, loves North Dakota and would require minimal cultural integration given his existing connection to the NDIC.



SUMMARY PROFESSIONAL EXPERIENCE

Energy and Environmental Research Center at University of North Dakota 2019 – Present
Assistant Director for Regulatory Compliance & Energy Policy

Equinor Energy 2018 – 2019
Principal Consultant Drilling & Well Operations

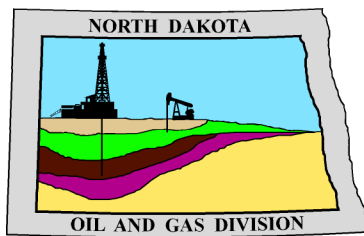
**North Dakota Industrial Commission, Department of Mineral Resources
(DMR), Oil and Gas Division** 2010 – 2018
Pipeline Program Supervisor 2015 – 2018
CCS Supervisor 2011 – 2018
UIC Supervisor 2013 – 2015
Petroleum Engineer 2010 – 2011

Weatherford SLS 2010 – 2010
Wellsite Geologist

RESUME

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Oil and Gas Division

Lynn D. Helms - Director

Mark F. Bohrer - Assistant Director

Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.oilgas.nd.gov

QUARTERLY REPORT JAN-FEB-MAR 2024

to the

NORTH DAKOTA INDUSTRIAL COMMISSION

Mark F. Bohrer
Assistant Director
Oil and Gas Division
Department of Mineral Resources
North Dakota Industrial Commission

June 26, 2024

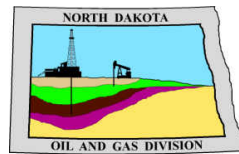
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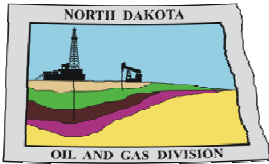
2024 REPORT

1st QUARTER

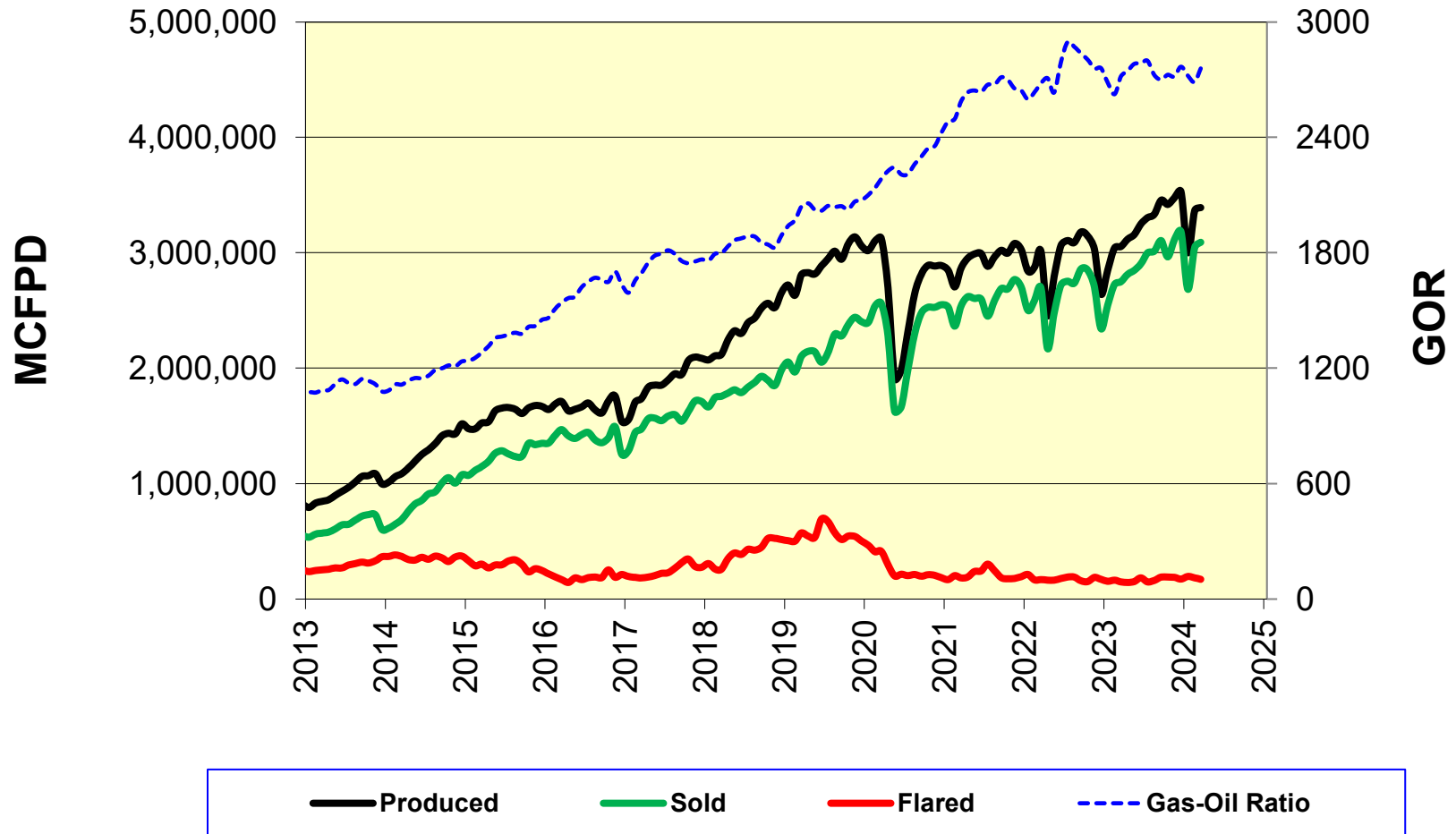
June 26, 2024

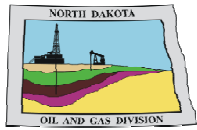


Statistics	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Permitting:					
Permit Applications Received	231	258	342	317	360
Rec'd in AOI: PP 2.01	0	0	0	0	0
Permits issued in PP 2.01	0	0	0	0	0
Denied/Relocated: PP 1.01	0	0	4	0	0
Stips: PP 1.02 (per well)	6.3	6.4	6.9	7.2	6.9
Permits Issued	227	230	206	181	205
YTD Permits (new permits only)	227	457	663	844	205
Approval Time (days)	42	40	35	38	43
Drilling:					
Rig Count	46	39	37	36	39
Well count:					
Producing	17,510	17,933	18,383	18,715	18,772
Newly Completed (Wells -- Wells/Rig)	225 -- 1.6	274 -- 2.3	303 -- 2.7	282 -- 2.6	250 -- 2.1
Enhanced Recovery	536	545	529	519	521
SWD	470	473	483	479	483
Waiting on Completion	480	456	387	343	310
Production:					
Barrels of Oil per Day	1,056,285	1,145,792	1,227,500	1,269,418	1,194,872
MCFD	2,944,176	3,174,619	3,349,171	3,473,505	3,253,079
Gas Capture (Bakken)	95%	96%	96%	95%	95%
Unit Oil	4%	5%	4%	3%	3%
Bakken Petroleum System Oil	97%	96%	97%	98%	97%
Prices:					
North Dakota Avg (\$/barrel)	\$71.49	\$69.47	\$77.44	\$72.57	\$69.78
Differential (WTI-ND avg)	\$4.33	\$4.29	\$4.62	\$5.90	\$7.24
ND Northern Border Gas (\$/MCF)	\$2.21	\$1.72	\$2.15	\$2.39	\$1.69
Geophysical:					
Water Well Complaints received	0	0	0	0	0
Inspection and Enforcement					
Inspections	40,189	39,911	36,298	39,298	43,738
Rigs-weekly goal	100%	100%	100%	100%	100%
UIC-monthly goal	92%	93%	93%	90%	93%
Well/Fac (Oct-Mar/mth: Apr-Sep/qtr)	82%	78%	88%	85%	88%
Problems Encountered	910	1,242	883	773	568
Resolved <30 days (verbal)	72%	74%	75%	70%	55%
Resolved <180 days (written)	2%	3%	2%	5%	8%
Complaints	2	9	7	14	12
Investigations Ongoing	0	0	0	0	0
Reservoir Data Fund	\$495,956	\$546,989	\$577,904	\$622,240	\$562,567
Abandoned Well Restoration Fund	\$21,970,227	\$25,312,303	\$24,347,900	\$24,592,965	\$32,523,586
Cash Bond Restoration Fund	\$1,475,893	\$1,502,482	\$1,505,941	\$1,609,222	\$1,592,454
Cash Bond Total	\$9,530,478	\$9,355,478	\$8,955,478	\$8,705,478	\$8,660,478
Surety Bond Total	\$156,629,210	\$173,024,960	\$182,931,960	\$178,306,960	\$183,229,960

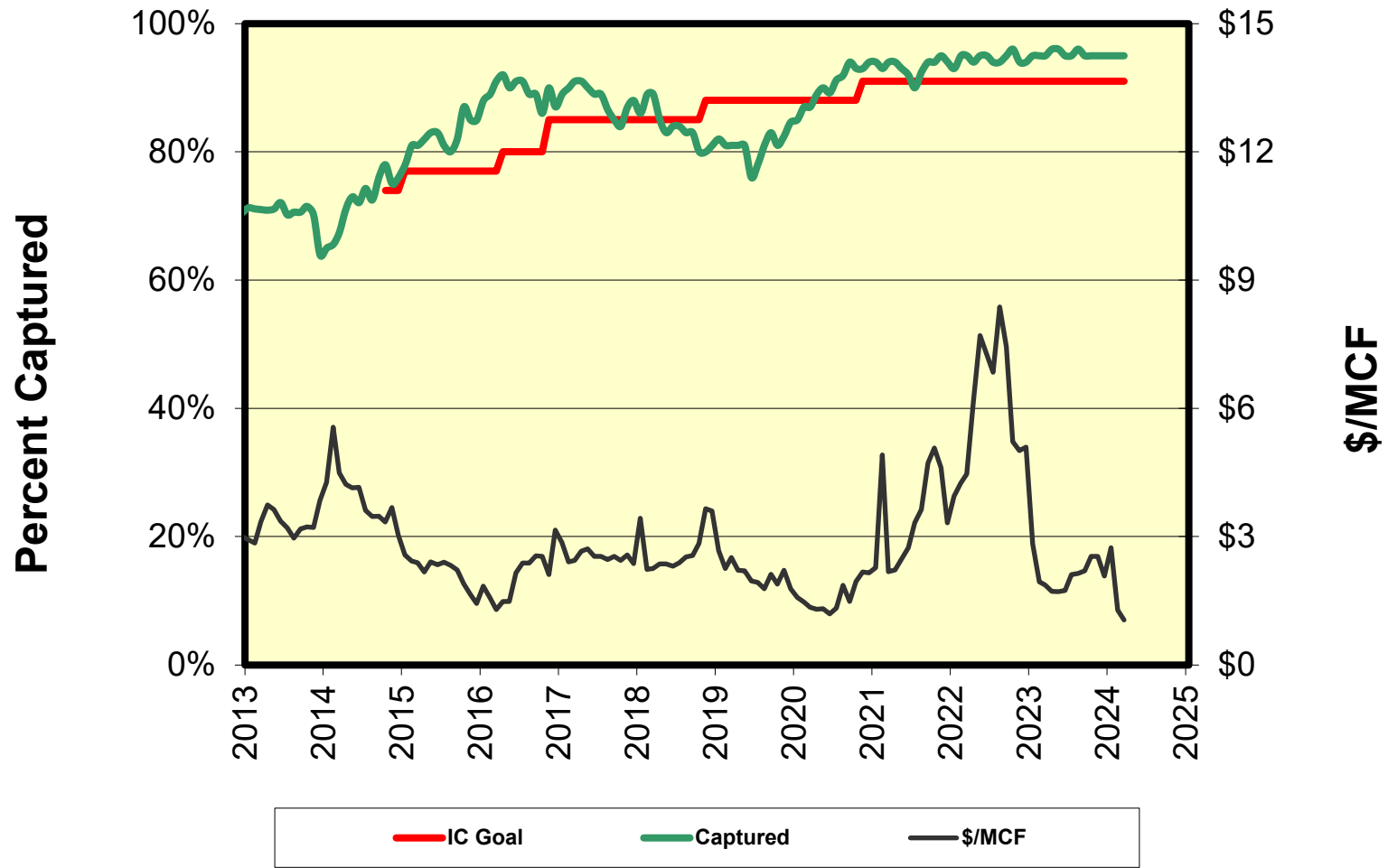


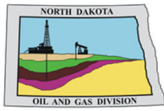
North Dakota Daily State Gas Volumes





North Dakota Bakken Gas Captured





Gas Processing Update Meetings

May 2, 2024

Outrigger Energy II LLC

Bill Sanderson Gas Plant 270 MMCFD

52% plant utilization, 140 MMCFD

New residue gas compressor increases nameplate to 270 MMCFD

New one-way interconnect with Kinder Morgan

June 18, 2024

Petro-Hunt, LLC

Little Knife Gas Plant 24 MMCFD

23 new wells in 2024

Three interconnects with OneOK

Charlson Area

Gas has difficulty getting uphill from Lake due to liquids; 8-inch line, lift and lay

6 new wells in 2024

1 loops extensions in 2024, hopefully one in 2025

11 MRUs on 7 pads for flare mitigation

East Fork and Stockyard Creek Areas

Older wells get pressured out

November 6, 2023

OneOK, Inc.

Grasslands Gas Plant 100 MMCFD

Acid gas injection; 3,011,477 barrels injected

Demecks Lake III – online Q1 2023 200 MMCFD

North Charlson Area – Two pipeline projects approved, installation in 2024

Will alleviate bulk of flaring

Activity moving out of core area

Another 50 MMCFD compression – two projects, online Q4 2023 and Q1-Q2 2024

250 MMCFD compression increase over last year

No plant expansions planned, optimize capacity by moving gas around

Refracs – need to know schedule, may come in middle of system – hydraulics

November 7, 2023

Targa Resources Corporation

Little Missouri I

Little Missouri II

Little Missouri III

Little Missouri IV 200 MMCFD

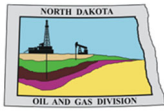
Little Missouri I-III approximately 90 MMCFD

Little Missouri IV – joint venture with Hess, Targa has 65 to 100 MMCFD excess capacity

Little Missouri IV interconnected to Little Missouri I, II, and III

Three interconnects

No plant expansions planned



Gas Processing Update Meetings

November 8, 2023

SOGC, Inc.

South Lone Butte Area

- 3 pads connected to Petro-Hunt, LLC gas gathering pipeline
- Crusoe flare mitigation

Lone Butte and West Lone Butte Area

- Connected to OneOK

- North area not connected – discussions to get connected – Little Missouri River, topo, big horn sheep, landslide terrain

Mountrail County Area

- MPLX gathers majority, 150 MMCFD

December 5, 2023

Liberty Midstream Solutions LLC

County Line Gas Plant 30 MMCFD

- 25 MMCFD now, were at 10 MMCFD last year

- Only gather Liberty Resources Management Company, LLC gas

- 25 MMCFD expansion Q4 2024

December 5, 2023

Dakota Midstream

McKenzie County Low Rider Gathering System

- 10 MMCFD capacity

- Only Petro-Hunt, LLC wells

- Connects to True pipeline to Red Wing Creek Gas Plant

December 6, 2023

Kinder Morgan

Norse Gas Plant 175 MMCFD

- Tier II and III acreage

- Slight decline from last year but potential for dramatic increase in future

Watford City System

- Plant effectively full

- Plant expansion in 2027

Add 48 MMCFD compression systems wide in 2024

Several interconnects with other midstream operators

Attempt to offload gas during turnarounds

Working with SOGC and Burlington in Long X area, Burlington also

December 6, 2023

Flatirons Midstream

Springbrook Gas Plant 70 MMCFD

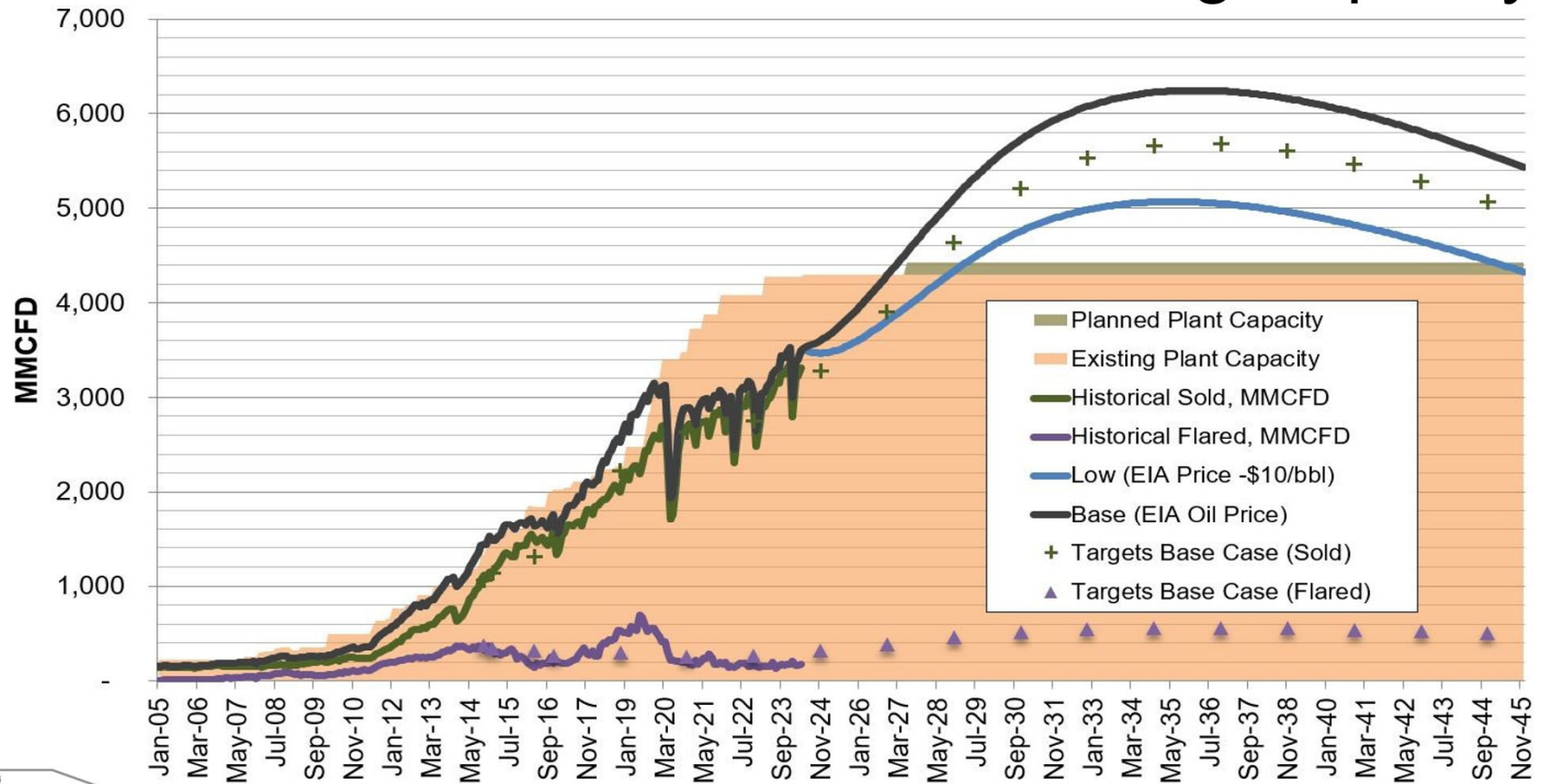
- 50 MMCFD currently

- Self-generated power

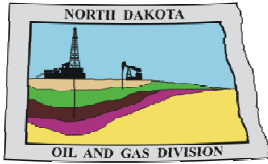
- Deliver residue gas for gas lift from plant tailgate

- NGL Y-Grade sold primarily in local markets supporting local energy and agricultural industries

North Dakota Natural Gas Processing Capacity



JJ Kringstad - North Dakota Pipeline Authority

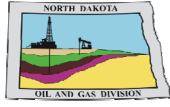


NDIC -- DRILLING PERMIT REVIEW POLICY

APD Rec'd	Operator	Area of Interest	Public Land (sur loc)	Review Distance	Distance to Area of Interest	Well Pad Name	Surface Loc	Field	Existing Pad	Work Planned	Comments Received	Stipulations Imposed
9/28/2021	CLR	Lake Sakakawea	National Grasslands	0.5 mile	0.4 mile	LCU Ralph and Reckitt 6 wells	22-153-99 12 mi NW Newtown	Long Creek Bakken Unit	yes	No pad extension	USFWS SHSND NDWR	Perimeter berm; Spill Contingency Plan; No drilling pit will be utilized; Remote or auto shutdown equip; Onsite inspection prior to construction
10/20/2021	CLR	Lake Sakakawea	National Grasslands	0.5 mile	0.4 mile	LCU Ralph 1 well	22-153-99 12 mi NW Newtown	Long Creek Bakken Unit	yes	No pad extension	USFWS SHSND NDWR	Perimeter berm; Spill Contingency Plan; No drilling pit will be utilized; Remote or auto shutdown equip; Onsite inspection prior to construction

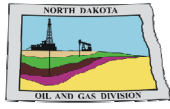
No 1Q 2024 changes

BCA	Badlands Conservation Alliance
NDCWS	North Dakota Chapter of The Wildlife Society
NDDOT	North Dakota Department of Transportation
NDDTL	North Dakota Department of Trust Lands
NDGFD	North Dakota Game and Fish Department
NDWR	North Dakota Water Resources
NPSTRNP	National Park Service-TR National Park
SHSND	State Historical Society of North Dakota
USACOE	United States Army Corps of Engineers
USFWS	United States Fish and Wildlife Service



COMPLAINTS

Case No.	Respondent	Complaint Served	Penalty Proposed	Reasonable Fees and Expenses Proposed	Collected	Suspended Penalty			Same or Similar Violation Committed
						Amount Suspended	Justification	Suspended Period	
29140	North Range Resources, LLC (signed CA 7/27/2022)	12/23/2021	\$80,695.00	\$52.00					No
29228	Noah Energy Inc. (signed CA 11/14/2022)	2/9/2022	\$224,039.00	\$283.00					No
29775	High Plains Operating, LLC	1/18/2023	\$17,609.00	\$307.36					No
29834	Double AA, LLC	1/26/2023	Determine costs at administrative hearing	\$34.44					No
29835	WW Oilfield Services, LLC	4/12/2023, 8/17/2023	\$25,111.00	\$33.47					No
30264	Freedom Energy Operating, LLC	8/23/2023	\$42,127.00	\$34.47					No
30713	D90 Energy, LLC	2/12/2024	Determine costs at administrative hearing	\$294.77					No



COMPLAINTS

Case No.	Respondent	Complaint Served	Penalty Proposed	Reasonable Fees and Expenses Proposed	Collected	Suspended Penalty			
						Amount Suspended	Justification	Suspended Period	Same or Similar Violation Committed
30716	Abraxas Petroleum Corp.	2/15/2024	Determine costs at administrative hearing	\$157.46		<u>Answer received 4/15/2024.</u> <u>Staff drafting consent agreement.</u>			
30792	Henry Hill Oil Services. LLC	3/7/2024	Determine costs at administrative hearing	\$765.33		Answer received 3/27/2024. Counsel reached out for meeting. <u>Consent agreement in process of being sent.</u>			
30866	Sakakawea Ventures, LLC	4/11/2024	Determine costs at administrative hearing	\$349.61		Answer received 4/25/2024. OGD reached out to see if interested in settlement.			
30867	Wave Petroleum Operating, LLC	4/11/2024	Determine costs at administrative hearing	\$117.02		Answer received 4/30/2024. OGD reached out to see if interested in settlement.			
30868	Nordstrand Engineering Inc.	4/11/2024	Determine costs at administrative hearing	\$150.62		Answer received 5/7/2024. Indicated may plug wells, asked for contractors.			

North Dakota Industrial Commission



Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Memorandum

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

FR: Reice Haase, Deputy Executive Director

DT: July 30, 2024

RE: Authority for Department of Mineral Resources to Contract with Lynn Helms for Professional Consulting Services

Dr. Lynn Helms announced his retirement as Director of the Department of Mineral Resources, effective June 30, 2024. The next Director is anticipated to start on September 1, 2024. Dr. Helms has offered to provide the Department with professional consulting services during the transition to the new Director.

Services provided would include:

- Advising staff on administrative matters related to DMR's caseload
- Assisting staff with the execution of final orders for cases and petitions for reconsideration
- Providing recommendations related to open DMR cases
- Providing other technical expertise as needed to DMR staff

Therefore, I recommend that the Commission authorizes the Department of Mineral Resources to contract with Dr. Lynn Helms for professional consulting services, at a minimum through September 1, 2024.

MEMORANDUM

TO: The Honorable Doug Burgum, Governor
The Honorable Drew Wrigley, Attorney General
The Honorable Doug Goehring, Agriculture Commissioner

Cc: Karen Tyler, Executive Director, N.D. Industrial Commission

FROM: Keith Pic, CEO, North Dakota Insurance Reserve Fund, on behalf of
Insurance Commissioner Jon Godfread

DATE: July 17, 2024

SUBJECT: Excess Loss Reinsurance Coverage – State Fire & Tornado Fund

BACKGROUND

The State Fire and Tornado Fund (“Fund”) provides property insurance coverage to 1,174 state agencies and local governments and protects \$22.8 billion of total insured value (“TIV”) as of July 18, 2024. The North Dakota Insurance Reserve Fund (“NDIRF”) administers the Fund through a contract with the North Dakota Insurance Department. The contract has been in place since June 2019. The NDIRF is a member-owned nonprofit corporation that provides liability, automobile, and equipment coverage to North Dakota local governments.

Under the NDIRF’s administration, the Fund’s TIV has grown by over \$8 billion. The increase in TIV represents the NDIRF’s commitment to collecting updated property values and adding missing property to property schedules. These tasks, which NDIRF employees perform, ensure that state and local government property, and ultimately North Dakota taxpayers, are protected if a partial or total loss occurs.

Due to term changes made in 2022 by Travelers in regard to NDSU’s heating plant and UND’s EERC buildings, NDIRF staff sought alternative reinsurance options in preparation for the Fund’s 2023 renewal. The Fund’s reinsurance structure in 2023 was changed to a shared and layered program. The main benefit of this structure is that all the Fund’s properties are covered under the same program, reducing pricing and administrative costs.

Currently, the Fund has excess loss reinsurance for claims over \$2 million up to \$250 million through a shared and layered program. The reinsurance deposit premium paid was approximately \$7.5 million based on over \$21.5 billion of property values as of August 1, 2023, which translates to a rate of .0351 per \$100 of insured value.

N.D. Cent. Code § 26.1-22-21 requires the Insurance Commissioner to procure excess loss reinsurance with the approval of the Industrial Commission. The Fund’s current excess loss reinsurance treaty expires at midnight on July 31, 2024.

2024 REINSURANCE QUOTES

NDIRF staff through a reinsurance broker was able to continue the shared and layered structure that includes multiple reinsurance companies taking different portions of a \$250 million limit above a \$2 million retention per occurrence at a rate of .0349 per \$100 of TIV. Based on a TIV of \$22,380,238,517, the deposit premium for this structure is \$7,813,294. As it was last year, the structure was heavily oversubscribed, which resulted in favorable terms and a reduction of the overall rate.

Travelers indicated that it would not quote the full program or take a share of the program without modifying the coverage terms.

RECOMMENDATION

It is recommended that the Fund accept the proposed shared and layered structure. This structure will guarantee that all Fund property is reinsured, providing long-term stability and greater control over the program's terms. The terms offered in the 2024-2025 shared and layered structure are the same as the current program and follow the Fund's forms.

The recommended shared and layered reinsurance structure is common for large commercial enterprises seeking insurance and reinsurance. If the Fund follows this recommendation, 2024-2025 would mark the second time the Fund has taken this approach to meet its reinsurance requirements. Century Code specifies that insurance is purchased from "authorized" insurance companies, but the Century Code does not specify whether non-admitted companies qualify as "authorized" companies. However, this same section of the century code, N.D.C.C. § 26.1-22-21, provides a general exception that, among other things, authorizes the Commissioner and the Industrial Commission to disregard the authorized insurance company requirement with the approval of the Industrial Commission.

Excess loss reinsurance continues to impact the Fund significantly, but this coverage is essential for proper claims management and the Fund's long-term financial strength and stability. The Fund's TIV has increased by over \$8 billion in the past five years and will continue to grow due to the continued work of NDIRF staff, new construction, and increased material and labor costs. In addition, the State's concentration of property at various locations, including its Capitol complex and 11 university and college campuses, requires the Fund to have adequate excess loss reinsurance to recover from a catastrophic event.



NORTH DAKOTA STATE FIRE AND TORNADO FUND
2024 REINSURANCE RECOMMENDATION

PURPOSE OF NDFT

The North Dakota State Fire and Tornado Fund (NDFT) provides building and business personal property insurance coverage to North Dakota state and local government entities.

- Administered by the North Dakota Insurance Reserve Fund since June 2019
- Serves 1,174 state and local government entities
- Protects over \$22.8 billion of Total Insured Value (TIV) (7/18/2024)
 - State Agencies: \$8.5 billion
 - Local Governments: \$14.3 billion
- N.D. Cent. Code § 26.1-22-21 requires the Insurance Commissioner to procure excess loss reinsurance with the approval of the Industrial Commission.



CURRENT SHARED AND LAYERED

- \$250 million excess of \$2 million per occurrence
- Treaty Period: Aug. 1, 2023, through July 31, 2024
- Rate: .0351 per \$100 of TIV
 - In-force TIV: \$21,458,951,035
 - Deposit: \$7,516,009
- **Coverage includes all property covered by the North Dakota**

Fire and Tornado Fund



NORTH DAKOTA
State Fire and Tornado Fund

Administered by the North Dakota Insurance Reserve Fund

2024-2025 SHARED AND LAYERED QUOTE

- \$250 million excess of \$2 million per occurrence
- Treaty Period: Aug. 1, 2024, through July 31, 2025
- Rate: .0349 per \$100 of TIV (0.32% Rate Reduction)
 - In-force TIV: \$22,380,238,517
 - Deposit: \$7,813,294
- **Coverage includes all property covered by the North Dakota**

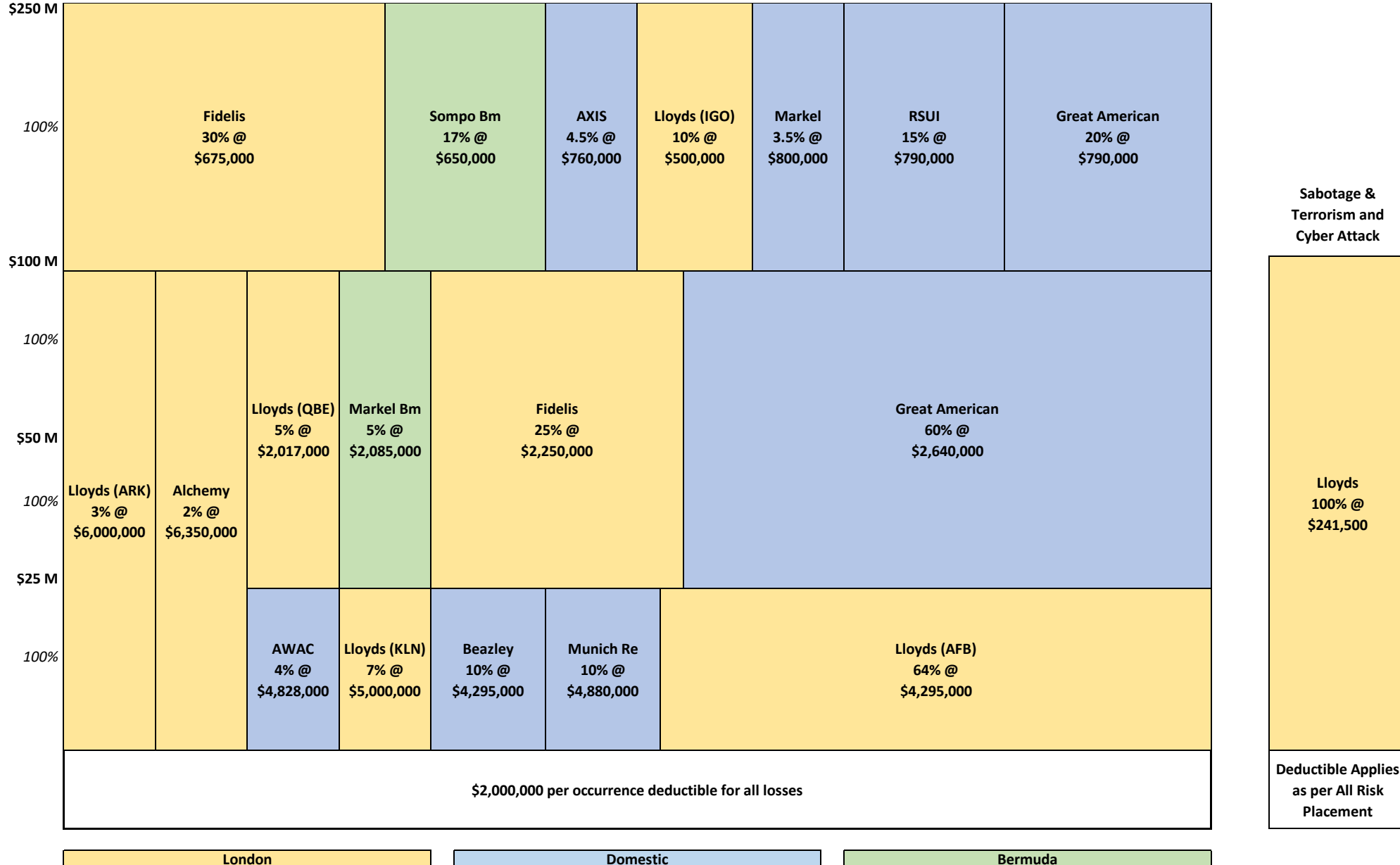
Fire and Tornado Fund



NORTH DAKOTA
State Fire and Tornado Fund

Administered by the North Dakota Insurance Reserve Fund

SHARED AND LAYERED STRUCTURE



SHARED AND LAYERED PRICING

Primary \$25M

2024 - 2025

Company	Pricing	Rate	Participation	Capacity	Premium	Taxes / Fees	Total Costs
Lloyds of London (Various)	\$ 4,295,000	0.01919	64.00%	\$ 16,000,000	\$ 2,748,800	\$ -	\$ 2,748,800
Lloyds of London (Various)	\$ 5,000,000	0.02234	7.00%	\$ 1,750,000	\$ 350,000	\$ -	\$ 350,000
Beazley US	\$ 4,295,000	0.01919	10.00%	\$ 2,500,000	\$ 429,500	\$ -	\$ 429,500
Munich Re	\$ 4,880,000	0.02180	10.00%	\$ 2,500,000	\$ 488,000	\$ -	\$ 488,000
AWAC	\$ 4,828,000	0.02157	4.00%	\$ 1,000,000	\$ 193,120	\$ -	\$ 193,120
Total		0.01980	95.00%	\$ 23,750,000	\$ 4,209,420	\$ -	\$ 4,209,420

Primary \$100M

Company	Pricing	Rate	Participation	Capacity	Premium	Taxes / Fees	Total Costs
Lloyds of London (ARK)	\$ 6,000,000	0.02681	3.00%	\$ 3,000,000	\$ 180,000	\$ -	\$ 180,000
Alchemy Underwriting	\$ 6,350,000	0.02837	2.00%	\$ 2,000,000	\$ 127,000	\$ -	\$ 127,000
Total		0.02743	5.00%	\$ 5,000,000	\$ 307,000	\$ -	\$ 307,000

\$75 M x \$25 M

Company	Pricing	Rate	Participation	Capacity	Premium	Taxes / Fees	Total Costs
Great American	2,640,000	0.01180	60.00%	\$ 45,000,000	\$ 1,584,000	\$ -	\$ 1,584,000
Fidelis	2,250,000	0.01005	25.00%	\$ 18,750,000	\$ 562,500	\$ -	\$ 562,500
Lloyds of London (QBE)	2,017,000	0.00901	5.00%	\$ 3,750,000	\$ 100,850	\$ -	\$ 100,850
Markel Bermuda	2,085,000	0.00932	5.00%	\$ 3,750,000	\$ 104,250	\$ -	\$ 104,250
Total		0.01106	95.00%	\$ 71,250,000	\$ 2,351,600	\$ -	\$ 2,351,600

\$150 M x \$100 M

Company	Pricing	Rate	Participation	Capacity	Premium	Taxes / Fees	Total Costs
Fidelis	675,000	0.00302	30.00%	\$ 45,000,000	\$ 202,500	\$ -	\$ 202,500
Sompo Bermuda	650,000	0.00290	17.00%	\$ 25,500,000	\$ 110,500	\$ -	\$ 110,500
RSUI	790,000	0.00353	15.00%	\$ 22,500,000	\$ 118,500	\$ 2,074	\$ 120,574
Lloyds of London (IGO)	500,000	0.00223	10.00%	\$ 15,000,000	\$ 50,000	\$ -	\$ 50,000
AXIS	760,000	0.00340	4.50%	\$ 6,750,000	\$ 34,200	\$ -	\$ 34,200
Markel	800,000	0.00357	3.50%	\$ 5,250,000	\$ 28,000	\$ -	\$ 28,000
Great American	790,000	0.00353	20.00%	\$ 30,000,000	\$ 158,000	\$ -	\$ 158,000
Total		0.00314	100.00%	\$ 150,000,000	\$ 701,700	\$ 2,074	\$ 703,774

S&T (\$100M) + CA (\$100M)

Company	Pricing	Rate	Participation	Capacity	Premium	Taxes / Fees	Total Costs
Lloyds of London (Various)	241,500	0.00108	100.00%	\$ 100,000,000	\$ 241,500	\$ -	\$ 241,500
Total		0.00108	100.00%	\$ 100,000,000	\$ 241,500	\$ -	\$ 241,500

Total Rate	Program Fill	Total Capacity	Total Costs	Taxes / Fees	Total Costs
0.03491	100%	\$ 250,000,000	\$ 7,811,220	\$ 2,074	\$ 7,813,294

BENEFITS OF SHARED AND LAYERED STRUCTURE

Item	Shared and Layered Program
Program Diversity	Utilizes the worldwide market to establish a full program, including reinsurers from the United States, Europe, and Bermuda.
Larger Pool of Reinsurers	There are significantly more reinsurers willing to participate in a shared and layered program which increases competition among reinsurers and ultimately provides for better results.
Conformity to Coverage Document	In a single reinsurer provider program, pools are required to conform to the terms and conditions of the single provider. Under a shared and layered approach, a single reinsurer does not wield that much control, and the pool is able to – within reason – dictate reinsurance terms and conditions. Reinsurers that disagree with terms and conditions are more easily replaced.
Flexibility of Coverage Options	When reinsurers don't assume 100% of the risk, they are more willing to take on certain terms and conditions.
Consistency of Program	This structure is not subject to a reinsurer's annual changes, helping to maintain program consistency year after year.
Claims Handling	The pool may assign its preferred adjuster as a single point of contact.
EERC and NDSU Heating Plant	This structure includes coverage for UND's EERC and NDSU's heating plant.
Adding New Buildings	This structure enables the pool to report any new building over \$50 million or business interruption limit greater than \$5 million with annual "true up".

2024 RECOMMENDATION

Shared and Layered Program

- \$250 million excess of \$2 million per occurrence
- Treaty Period: Aug. 1, 2024, through July 31, 2025
- Rate: .0349 per \$100 of TIV
 - In-force TIV: \$22,380,238,517
 - Deposit: \$7,813,294
- **Coverage includes all property covered by the North Dakota**

State Fire and Tornado Fund





Keith Pic
NDIRF CEO

Keith.Pic@ndirf.com
(701) 224-1988



NORTH DAKOTA
State Fire and Tornado Fund
Administered by the North Dakota Insurance Reserve Fund

Memorandum

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

From: DeAnn Ament, Executive Director

Date: July 11, 2024

Re: McLean Sheridan Rural Water District, Drinking Water State Revolving Fund

Purpose of the Project: To add a second treatment train which will double the plant treatment capacity. The project will also upgrade nearly all the process pipe, electrical components and instrumentation and controls systems within the plant which are nearing the end of their useful life. New larger office and garage space to support additional staff will also be constructed.

Project Amount:

DWSRF Request	\$ 8,159,000	DWSRF Request	\$ 8,159,000
DWSRF Loan Forgiveness	(7,199,100)	DWR Cost Share	1,440,000
DWSRF Net Loan	\$ 959,900	Total Project Cost	\$ 9,599,000

Population to Benefit from the Project: 3,573; \$2,687/person

Population Served by the System: 3,573 which includes 5 bulk users which serve a population of 1,134 which is included in the total

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The District will issue revenue bonds payable with water user fees. The average annual payment for the revenue bonds will be \$41,002. The reserve requirement will be \$45,675 and the 110% coverage requirement will be \$45,103.

The District provides water services to 1,171 rural connections in Sheridan and McLean Counties and provides bulk water to the cities of Coleharbor, Turtle Lake, McClusky, Pick City and Mercer.

Water Connections:

	Projected				
	2022	2023	2024	2025	2026
Residential	1,074	1,115	1,171	1,186	1,189
Cities	5	5	5	5	5

The residential monthly base rate is \$65 per user and the volume charge is \$7.60/1,000 gallons. Expansion residential users pay a monthly base rate of \$76 per user and the volume charge is \$7.80/1,000 gallons.

Net Operating Coverage:

	Unaudited		
	2021	2022	2023
Interest Revenue	\$8,361	\$11,363	\$19,536
Operating Revenue	1,366,176	1,360,221	1,351,232
Operating Expenses	1,264,446	1,228,379	788,200
Net Operating Revenue	110,090	143,205	582,568
Depreciation	498,853	454,327	63,333
Adjusted Net Operating Revenue	\$608,943	\$597,532	\$645,901
Revenue Debt Payments	\$346,589	\$362,458	\$387,148
Net Operating Coverage	176%	165%	167%
Proforma DWSRF Payments ¹	\$261,892	\$245,755	\$210,581
Proforma Net Operating Coverage	100%	98%	108%

¹ Includes two not fully funded DWSRF loans. The average annual payments of those loans have been adjusted to account for the actual interest paid each year.

The District has reserves of \$350,618. The District currently meets the coverage requirements. They review rates annually and will adjust to ensure the 110% net operating coverage requirement is met.

Listed below is a summary of the total outstanding debt of the District as of June 30, 2024:

	Original Debt	Outstanding Debt
Total Revenue Bond Debt ²	<u>\$10,233,147</u>	<u>\$8,613,290</u>

² All payments have been made as agreed. The District has five DWSRF loans with an outstanding balance of \$6,543,290.

The population of the connections is estimated to be 3,573. This is an increase of 1,114 since the 2010 census. Major employers in the service area are Falkirk Mining Company with 450 employees, McLean County has 153 employees and CHI St. Alexius Health employs 75.

District-Wide School Enrollment for K-12:

				Projected
2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
868	790	691	700	691



Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: July 18, 2024

RE: Marketplace Analysis - Clean Water State Revolving Fund Program
McLean Sheridan Rural Water District

The McLean Sheridan Rural Water District (“District”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$8,159,000 loan of which \$7,199,100 will be loan forgiveness, for a total of \$959,900 under Drinking Water State Revolving Fund Program (“DWSRF Program”). The DWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various water treatment, distribution, and storage facilities as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The District intends to use the proceeds for several reasons that include adding a second treatment train to double the plant treatment capacity; upgrade almost all the process pipe, electrical components and instrumentation and control systems within the plant; and constructing a larger office and garage space to support additional staff.

The municipal securities to be acquired by the Authority will be revenue bonds payable from water user fees. The District’s average annual payment under the proposed loan will be approximately \$41,002 indicating a 110% net revenue coverage requirement of approximately \$45,103. The District will be required to deposit \$45,675 into a reserve fund with payments of \$9,135 per year for the first five years of the loan. The District reviews rates annually and will adjust accordingly to meet the coverage requirements. Net operating coverage of the water fund was 1.76x, 1.65x and 1.67x for 2021-2023, respectively. The existing net operating revenues of the water fund plus the annual rate reviews will provide sufficient net revenues to meet the 110% coverage requirement.

As of June 30, 2024, the District has \$8,613,290 of Revenue Bonds outstanding. The District has five Drinking Water SRF loans with a total outstanding balance of \$6,543,290. The District is current in its payments for its outstanding Authority loan.

Funding for the construction of the District's projects has been included in a list of approved projects as prepared and updated by the Department. As an authorized participant in the DWSRF Program, the District will benefit substantially from the subsidized fixed rate loans made under the Program. Consequently, no other financing mechanism can provide a greater cost advantage than that offered by the DWSRF Program.

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: July 11, 2024

RE: McLean Sheridan Rural Water District
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$8,159,000 loan to McLean Sheridan Rural Water District under the Drinking Water State Revolving Fund (DWSRF). This project is eligible for \$7,199,100 of DWSRF loan forgiveness, making the net loan amount \$959,900. The total cost of the project is \$9,599,000, with \$1,440,000 coming from a Department of Water Resources cost-share grant.

The project includes water treatment plant updates and the addition of a second treatment train to double treatment capacity. The requested loan term is 30 years. The District will issue revenue bonds payable from water user fees. The annual payment will average \$41,002.

Debt Service Coverage:

	Audit	Audit	Unaudited	
	2021	2022	2023	Projected
Operating Revenue	1,366,176	1,360,221	1,351,232	1,351,232
Interest Revenue	8,361	11,363	19,536	19,536
Operating Expenses	-1,264,446	-1,228,379	-788,200	-788,200
Net Operating Revenue	110,090	143,205	582,568	582,568
Add: Depreciation	498,853	454,327	63,333	63,333
Adjusted Operating Income	608,943	597,532	645,901	645,901
Current Debt Service	346,589	362,458	387,148	556,727
Proposed Debt Service				41,002
Current Debt Service	346,589	362,458	387,148	597,729
Debt Service Coverage	175.70%	164.86%	166.84%	108.06%

The District currently provides service to 1,171 residential connections in Sheridan and McLean counties. In addition, the District provides bulk water to the cities of Coleharbor, Turtle Lake, McClusky, Pick City and Mercer. The residential monthly base rate is \$65 per connection and a volume charge of \$7.60 per 1,000 gallons. The existing user fees generate sufficient net operating revenues to service the existing debt. The District review rates annually and will increase rates as needed to ensure the required net operating coverage is met.

Outstanding Debt:

	Original Amount	Amount Outstanding
Revenue Bonds	\$10,233,147	\$8,613,290
Total Revenue Bonds	\$10,233,147	\$8,613,290

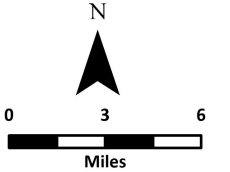
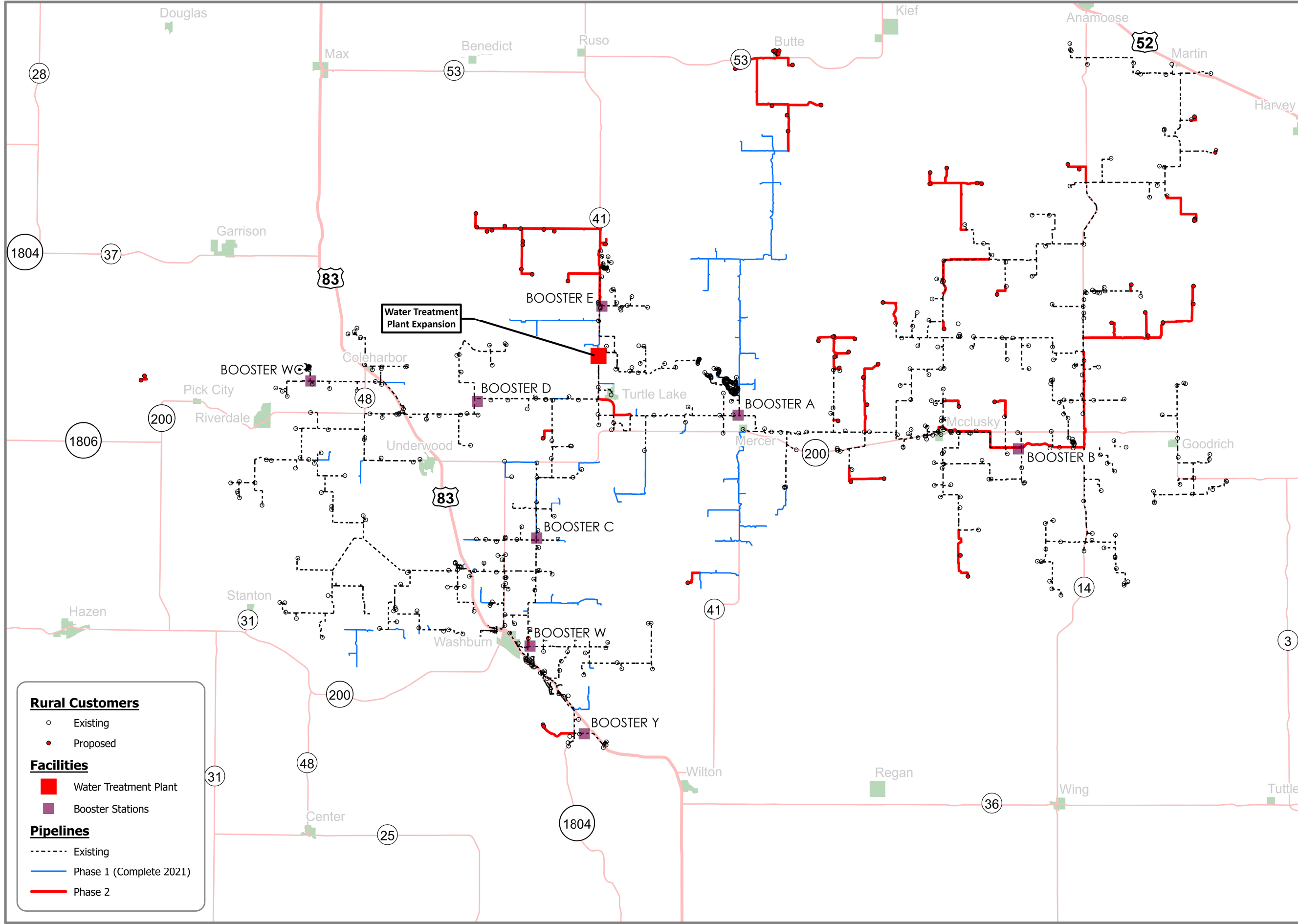
Average annual debt service requirements are estimated at \$597,729, which is an average of \$167.29 per resident of the District. The estimated population of the connections served is 3,573.

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





1 inch equals 6 Miles



Locator Map Not to Scale

Turtle Lake
McLean County, ND

Overall System Map
Phase II Expansion Areas

MSRWD - PHASE II SYSTEM EXPANSION AND IMPROVEMENTS

MSRWD

Date: 1/6/2022



Information depicted may include data unverified by AE2S. Any reliance upon such data is at the user's own risk. AE2S does not warrant this map or its features are either spatially or temporally accurate.

Memorandum

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

From: DeAnn Ament, Executive Director

Date: July 22, 2024

Re: City of Dickinson
Clean Water State Revolving Fund

Purpose of the Project: Extend the sidewall of Cell 3-B 4 and develop Cell 3-B 5 to accept municipal waste from 26 communities in a 10-county area. The stormwater holding pond will be eliminated with this expansion.

Project Amount:

CWSRF Request	\$ 3,539,000
CWSRF Loan Forgiveness	(1,043,000)
CWSRF Net Loan	\$ 2,496,000

Population Served by the System: 54,547

Population Served by the Project: 54,547

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 solid waste utility fee revenue and 50% of the 1% city sales tax dedicated to infrastructure. Additionally, oil and gas gross production tax (GPT) will be a secondary source of security. The average annual payment for the revenue bonds will be \$146,234. The reserve requirement will be \$151,525 and the 110% coverage requirement will be \$160,857.

The City has 8,111 residential solid waste collection users paying a monthly base rate of \$21 and 1,008 commercial users paying a monthly water base rate of \$40.08 for 1.5 yards collected once per week to \$1,001.21 for 6 yards collected five days per week.

Solid Waste Utility Fund:

	Unaudited			
	2020	2021	2022	2023
Operating Revenue	\$4,547,347	\$4,532,559	\$4,790,250	\$5,769,933
Operating Expenses	4,929,042	4,964,185	6,339,614	4,332,074
Net Operating Expenditures	-381,695	-431,626	-1,549,364	1,437,859
Depreciation	949,494	1,024,301	1,037,847	-
Non-Cash Pension Adjustment	-	-	969,624	-
Adjusted Net Operating Revenue	\$567,799	\$592,675	\$458,107	\$1,437,859
Proforma CWSRF Bond Payment	\$151,525	\$151,525	\$151,525	\$151,525
Proforma Net Operating Coverage	375%	391%	302%	949%

1% City Sales Collections:

	2023	2022	2021	2020	2019
1% City Sales Tax	\$7,457,917	\$6,749,860	\$5,934,039	\$5,934,326	\$6,253,353
50% of 1%	\$3,728,959	\$3,374,930	\$2,967,019	\$2,967,163	\$3,126,677
SRF Payments *	\$704,443	\$704,443	\$704,443	\$704,443	\$704,443
Excess Sales Tax	\$3,024,516	\$2,670,487	\$2,262,576	\$2,262,720	\$2,568,468

* Includes three CWSRF and one DWSRF annual payments plus the new CWSRF payment.

The City collects 1½% city sales tax with 50% of 1% dedicated to infrastructure. Currently, three CWSRF loans and one DWSRF loan secured with the city sales tax and there are no other pledges of the 50% of 1% dedicated to infrastructure. The current 50% of 1% city sales tax dedicated to infrastructure will be sufficient to meet the 110% net operating coverage requirement.

Oil & Gas Gross Production Tax Collections:

	2023	2022	2021	2020	2019
Gross Production Tax	\$16,565,258	\$17,303,256	\$13,516,796	\$11,247,328	\$13,833,874
SRF Payments **	\$5,146,929	\$5,146,929	\$5,146,929	\$5,146,929	\$5,146,929
Excess GPT	\$11,418,329	\$12,156,327	\$8,369,867	\$6,100,399	\$8,686,945

** Includes four CWSRF and one DWSRF annual payments and the new CWSRF payment.

Currently, all CWSRF bond payments are made from GPT. This serves as the secondary security for two CWSRF and one DWSRF bonds and does not secure any other debt.

The outstanding indebtedness as of June 1, 2024:

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

*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
2020-2021	2021-2022	2022-2023	2023-2024
3,955	3,698	3,793	3,875

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: July 22, 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 \$3,539,000 loan of which \$1,043,000 will be loan forgiveness, for a total of \$2,496,000 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 to extend the sidewall of Cell 3-B 4 and develop Cell 3-B 5 to accept municipal waste from 26 communities in a 10-county area which will eliminate the stormwater holding pond.

The municipal securities to be acquired by the Authority will be revenue bonds payable with solid waste utility fee revenue and 50% of the 1% city sales tax dedicated to infrastructure. The 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 \$146,234 indicating a 110% net revenue coverage requirement of approximately \$160,857. The City will be required to deposit \$151,525 into a reserve fund with payments of \$30,305 per year for the first five years of the loan. Pro forma net operating coverage of the Solid Waste Utility Fund was 3.75x, 3.91x, 3.02x and 9.49x for 2020-2023, respectively. Excess city sales tax dedicated to infrastructure was \$2,568,468, \$2,262,720, \$2,262,576, \$2,670,487, and \$3,024,516 for 2019-2023, respectively. The Solid Waste Fund Revenues and the existing excess sales tax 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 four 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: July 23, 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 \$3,539,000 loan to the City of Dickinson under the Clean Water State Revolving Fund (CWSRF). This project is eligible for \$1,043,000 of loan forgiveness under the CWSRF, making the net loan \$2,496,000. The loan will provide funds for extension and development of municipal waste cells, which will allow for acceptance of municipal waste from 26 communities.

The City will issue revenue bonds payable with solid waste utility fees and a portion of city sales tax collections. Additionally, the City will pledge oil and gas gross production tax collections as a secondary source of security. The annual payment will average \$146,234. The requested loan term is 20 years.

Sales Tax Collections:

The City collections 1.5% city sales tax, with 50% of 1% dedicated to infrastructure. The City currently has annual debt requirements of \$704,443 being repaid using sales tax collections. Excess collections are available to service the proposed debt.

	2020	2021	2022
1.0% Sales Tax Collections	5,934,326	5,934,039	6,749,860
50% of 1%	2,967,163	2,967,019	3,374,930
Existing Debt Requirements	704,443	704,443	704,443
Excess Sales Tax	2,262,720	2,262,576	2,670,487

Oil and Gas Gross Production Tax Collections:

The City currently has annual debt requirements of \$5,146,929 being repaid using gross production tax collections. Excess collections are available to service the proposed debt.

	2020	2021	2022
Gross Production Tax Collections	11,247,328	13,516,796	17,303,256
Existing Debt Requirements	5,146,929	5,146,929	5,146,929
Excess Gross Production Tax	6,100,399	8,369,867	12,156,327

Debt Service Coverage:

Solid Waste Utility Fund	2020	2021	2022	Projected
Operating Revenue	4,547,347	4,532,559	4,790,250	4,790,250
Operating Expenses	-4,929,042	-4,964,185	-6,339,614	-6,339,614
Net Operating Revenue	-381,695	-431,626	-1,549,364	-1,549,364
Add: Depreciation	949,494	1,024,301	1,037,847	1,037,847
Add: Non-Cash Pension Adjustment	0	0	969,624	969,624
Adjusted Net Operating Income	567,799	592,675	458,107	458,107
Proposed Debt Service				146,234
Debt Service Coverage				313%
Excess Sales Tax Available for Infrastructure	2,262,720	2,262,576	2,670,487	
Excess GPT Available for Debt Service	6,100,399	8,369,867	12,156,327	

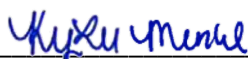
The City currently serves 8,111 residential solid waste users and 1,008 commercial users. Residential users pay a base rate of \$21.00 per month. Commercial users pay a base rate of \$40.08 per month for weekly collection of 1.5 yards or \$1,001.21 for 6 yards collected five days per week. Existing collection fees, combined with excess sales tax and 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):

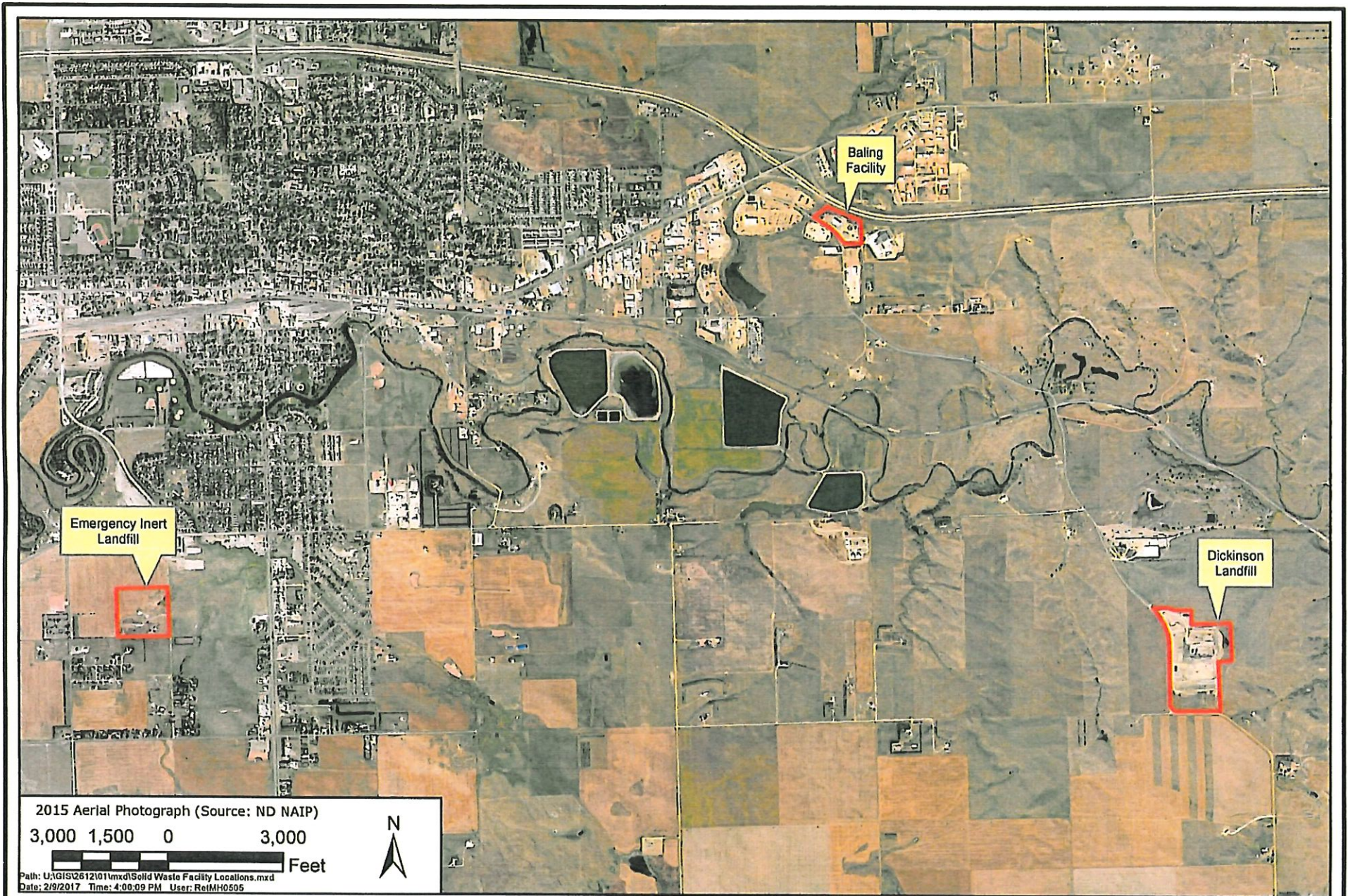
	Original Amount	Current Balance
Sales Tax Revenue Bonds	16,221,365	7,250,990
Sewer Revenue Bonds	63,029,961	43,250,000
	79,251,326	50,500,990

Average annual debt service requirements are estimated at \$6,785,609, which is an average of \$264.25 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



CITY OF DICKINSON ANNUAL REPORT
 Solid Waste Facilities Site Location Map



Responsive partner. Exceptional outcomes.

FEB 2017

Figure 1

Memorandum

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

From: DeAnn Ament, Executive Director

Date: July 23, 2024

Re: Richardton, Clean Water State Revolving Fund
Rhame, Drinking Water State Revolving Fund
St. John, Drinking Water State Revolving Fund
Taylor, Drinking Water State Revolving Fund
Milnor, 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 Richardton's Clean Water State Revolving Fund \$500,000 application towards a \$915,598 project. The City is using \$88,699 of ARPA funds, Municipal Infrastructure Funds of \$176,899 and \$150,000 of funds on hand. The project will construct a new lift station at a better location and add fencing around the site. The requested term for the loan is 20 years. The city will issue revenue bonds payable from sewer revenues.

The committee reviewed the City of Rhame's Drinking Water State Revolving Fund (DWSRF) \$1,199,000 application towards a \$5,844,866 project. The Department of Water Resource's Cost Share program will provide \$3,695,866, Bowman County is contributing \$750,000 and the City is using \$200,00 of funds on hand. The project will replace aging asbestos cement pipe water main with PVC water main on the north side of the railroad tracks. They will also replace the existing water meters with new digital meters. The City will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The committee reviewed the City of St. John's DWSRF request for a \$365,000 increase to their previously approved \$920,000 loan towards a \$3,028,899 project. The Department of Water Resource's Cost Share program will provide \$1,743,899. The project will replace the existing 50,000-gallon water tank with a new 100,000-gallon tank to meet storage requirements. The requested loan term is 30 years. The City will issue revenue bonds payable with water user fees.

The committee reviewed the City of Taylor's DWSRF application for a \$628,000 loan towards a \$2,086,800 project that will replace an undersized water main that does not meet standards with a 6" water main to help areas of town experiencing low water pressure. The requested loan term is 30 years. The City will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The committee reviewed the City of Milnor's Drinking Water State Revolving Fund \$300,000 application towards a \$500,00 project. The City is using \$100,242 of ARPA funds and \$99,758 of funds on hand. The project will update and incorporate the existing supervisory control system for the lift stations into the water control system as well as upgrade the light fixtures and electrical system in the pumping station. The requested term for the loan is 20 years. The city will issue revenue bonds payable from water revenues.

The Public Finance Authority's Advisory Committee approved these loans at their June 18, 2024 and July 23, 2024 meetings.

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



North Dakota Public Finance Authority

Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: May 31, 2024

Re: City of Richardton
Clean Water State Revolving Fund

Purpose of the Project: Construct a new lift station at a better location with a facility which will lower future maintenance costs and increase efficiency by adding easier access. Also, safety will be enhanced by adding fencing around the site.

Project Amount:

CWSRF Request	\$ 500,000
ARPA Funds	88,699
Municipal Infrastructure Funds	176,899
Local Funds	150,000
Project Total	\$ 915,598

Population to Benefit from the Project: 692; \$1,323/person

Population Served by the System: 692

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 of Richardton will issue revenue bonds payable with sewer user fees. The average annual payment for the revenue bonds will be \$29,225. The 110% coverage requirement will be \$32,147 and the required debt service reserve will be \$30,305.

The City has 279 sanitary sewer connections. On February 1, 2024, the City raised the monthly base rate \$4 to the current \$8 per user and anticipates raising it another \$5 over the next year. Cumulatively, these increases will generate an estimated \$34,668 of revenue annually. The volume charge is \$4/1,000 gallons.

Sewer Fund:

	2020	2021	2022	2023
Operating Revenue	\$72,884	\$69,880	\$67,466	\$66,850
Operating Expenses	25,866	43,467 ¹	61,145 ¹	75,119 ¹
Net Operating Revenue (Expense)	47,018	26,413	6,321	-8,270
Proforma Rate Increase	\$34,668	\$34,668	\$34,668	\$34,668
Proforma CWSRF Payment	\$29,225	\$29,225	\$29,225	\$29,225
Proforma Net Operating Coverage	280%	209%	140%	90%

¹ Expenses have increased due to allocating salaries to the sewer fund as well as repairs and parts for the lift station.

With the projected rate increase and the anticipated decrease in repair expenses due to this project, the net operating revenues should be sufficient to meet the 110% net operating coverage.

The City’s outstanding indebtedness as of December 31, 2023:

	Original Amount	Amount Outstanding
Improvement Bonds	\$ 5,550,000	\$ 4,096,579
Certificate of Indebtedness (Oil & Gas GPT and Sales Tax)	2,700,000	2,590,245
	<u>\$ 8,250,000</u>	<u>\$ 6,686,824</u>

The estimated annual debt service requirements are \$431,939, which is an average of \$624 per resident.

The City of Richardton is located in Stark County. Based on the 2020 census, the total population is 692; this is an increase of 163 from the 2010 census. The largest employers in the City are Amber Waves (manufacturing) with 41 employees, Richardton Health Center (nursing home) has 42 employees, and Richardton Taylor School District employs 65.

K-12 School Enrollment:

2020-2021	2021-2022	2022-2023	2023-2024	Projected 2024-2025
320	309	297	312	312

The City's 2023 taxable valuation was \$3,854,405. This is an increase of \$403,018 over the 2019 taxable valuation.

Property Tax Collections 5/14/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$142,806	\$126,399	89%
2022	\$125,597	\$118,014	94%
2021	\$121,699	\$115,158	95%

Special Assessment Collections 5/14/2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	\$378,092	\$319,775	85%
2022	\$95,302	\$89,583	94%
2021	\$100,086	\$100,125	100%

Mill Levy History:

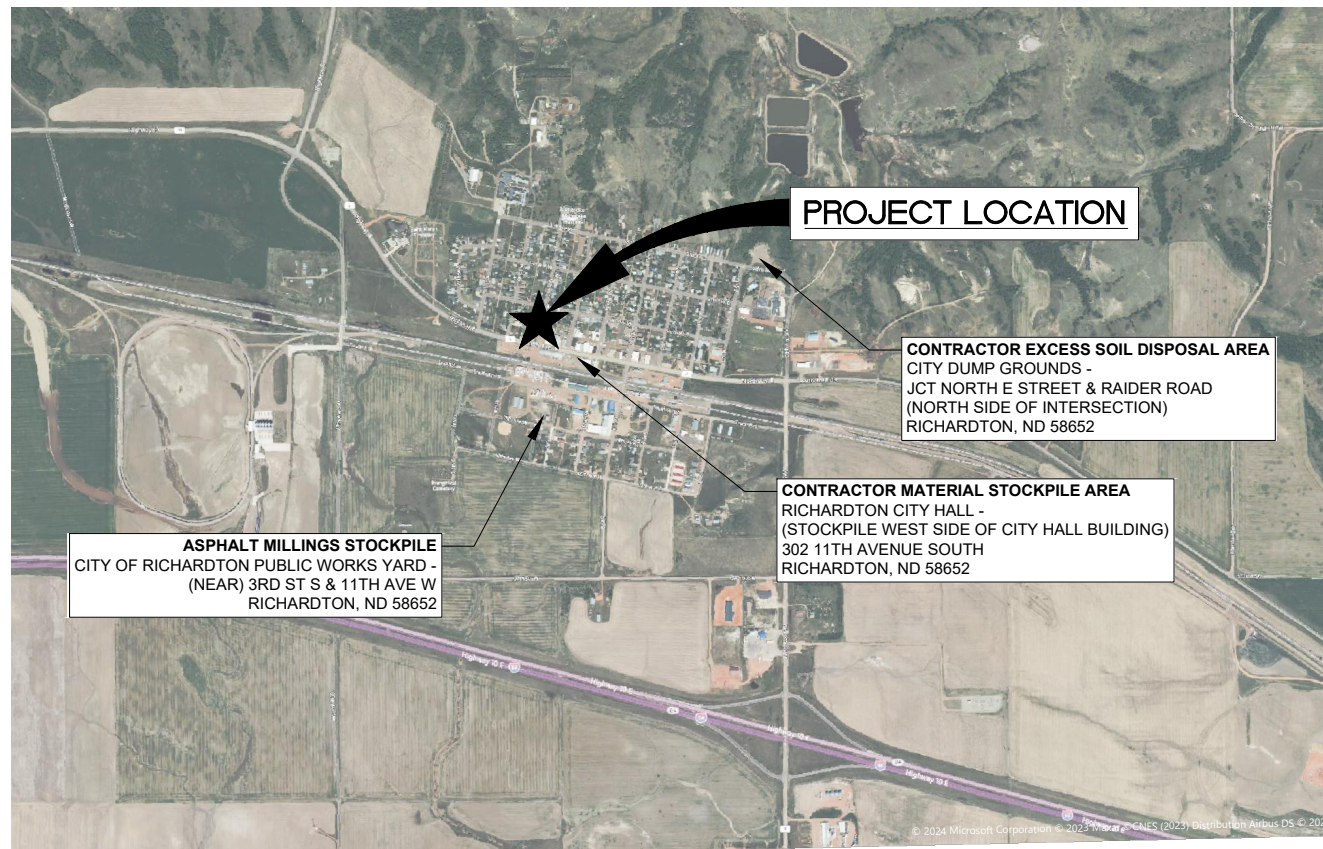
Year	City	School	Park District	State and County	Other	Total for Each Year
2023	37.05	137.40	0.00	64.12	18.43	257.00
2022	37.26	138.00	4.48	64.77	19.33	263.84
2021	37.63	138.00	4.17	70.46	20.00	270.26
2020	31.78	138.01	3.35	73.44	20.00	266.58
2019	30.18	138.00	3.12	73.41	20.00	264.71

CITY OF RICHARDTON, NORTH DAKOTA

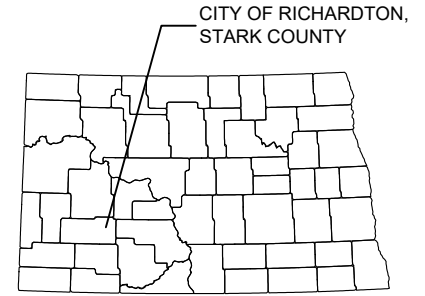
CONSTRUCTION PLANS FOR RICHARDTON LIFT STATION PROJECT

EXISTING	
---	RIGHT OF WAY
---	PERMANENT EASEMENT
---	PROPERTY LINE
△ ^{XX}	HORIZONTAL CONTROL POINT
×	BENCHMARK
●	SURVEY MARKER
○	SOIL BORING
○	SANITARY SEWER AND MANHOLE
□	FORCE MAIN AND LIFT STATION
○	SANITARY SEWER SERVICE & CLEANOUT
○	WATER MAIN, HYDRANT, VALVE AND MANHOLE
○	WATER SERVICE AND CURB STOP BOX
○	STORM SEWER, MANHOLE AND CATCH BASIN
○	CULVERT AND APRON ENDWALL
○	GAS MAIN, VALVE, VENT AND METER
□	HANDHOLE
○	BURIED FIBER OPTIC CABLE AND MANHOLE
○	BURIED PHONE CABLE, PEDESTAL AND MANHOLE
○	BURIED TV CABLE, PEDESTAL AND MANHOLE
○	BURIED ELECTRIC CABLE, PEDESTAL, MANHOLE, TRANSFORMER AND METER
○	OVERHEAD WIRE, POLE AND GUY WIRE
○	LIGHT POLE
○	TRAFFIC SIGNAL
○	STREET NAME SIGN
○	SIGN (NON STREET NAME)
	RAILROAD TRACKS
○	DECIDUOUS AND CONIFEROUS TREE
○	BUSH / SHRUB AND STUMP
---	EDGE OF WOODED AREA
WET	WETLAND
---	BUILDING
X	FENCE (UNIDENTIFIED)
X	BARBED WIRE FENCE
XC	CHAIN LINK FENCE
XE	ELECTRIC WIRE FENCE
XWD	WOOD FENCE
XWW	WOVEN WIRE FENCE
---	PLATE BEAM GUARDRAIL
---	CABLE GUARDRAIL
○	POST / BOLLARD
---	RETAINING WALL
6+00	STREET CENTERLINE
---	RIGHT-OF-WAY
---	PERMANENT EASEMENT
---	TEMPORARY EASEMENT
---	CONSTRUCTION LIMITS
○	SANITARY SEWER, BULKHEAD AND MANHOLE
FM	FORCE MAIN
○	SANITARY SERVICE AND CLEANOUT
○	WATER MAIN, TEE, HYDRANT, BULKHEAD AND VALVE
○	WATER VALVE MANHOLE, REDUCER, BEND AND CROSS
○	WATER SERVICE AND CURB STOP BOX
○	STORM SEWER, MANHOLE AND CATCH BASIN
○	CULVERT AND APRON ENDWALL
---	DRAIN TILE
---	DITCH / SWALE
---	RIPRAP
○	STREET NAME SIGN
○	SIGN (NON STREET NAME)
---	RETAINING WALL

Sheet Index	
DRAWING NUMBER	SHEET DESCRIPTION
GENERAL	
1	TITLE SHEET
2	STATEMENT OF ESTIMATED QUANTITIES
3	CIVIL - GENERAL NOTES & ABBREVIATIONS
4	ELECTRICAL - SYMBOLS ABBREVIATIONS & NOTES
5	EXISTING SITE PLAN
CIVIL	
6	CIVIL - REMOVAL PLAN
7	CIVIL - OVERALL SITE PLAN & GRADING PLAN
8	CIVIL - ENLARGED SITE PLAN
9	CIVIL - LIFT STATION - PLAN VIEWS
10	CIVIL - LIFT STATION - SECTION VIEW
11	CIVIL - DETAILS
12	CIVIL - DETAILS
13	CIVIL - DETAILS
14	CIVIL - DETAILS
15	CIVIL - FENCING DETAILS
16	CIVIL - FENCING DETAILS
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ELECTRICAL	
18	ELECTRICAL - SITE REMOVAL PLAN
19	ELECTRICAL - REMOVAL ONE-LINE
20	ELECTRICAL - SITE PLAN
21	ELECTRICAL - PLAN VIEW
22	ELECTRICAL - SECTION VIEW
23	ELECTRICAL - ONE-LINE AND DETAILS
24	ELECTRICAL - LIGHTING DETAILS



BIDDING DOCUMENTS



APPROVED: _____ DATE _____
CITY OF RICHARDTON, NORTH DAKOTA

RICHARDTON, NORTH DAKOTA



I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF NORTH DAKOTA.

Colin Marcussen
Signature COLIN L. MARCUSSEN, PE

Date: 02-12-2024 Lic. No. 9934

PROJECT NO. RCHTN 170945
1 of 24



NOTE: THE SUBSURFACE UTILITY QUALITY INFORMATION IN THIS PLAN IS LEVEL D. THIS UTILITY QUALITY LEVEL WAS DETERMINED ACCORDING TO THE GUIDELINES OF CI/ASCE 38-02 ENTITLED "STANDARD GUIDELINES FOR THE COLLECTION AND DEPICTION OF EXISTING SUBSURFACE UTILITY DATA."

THE CONTRACTOR SHALL CALL THE GOPHER STATE ONE CALL SYSTEM AT 811 BEFORE COMMENCING EXCAVATION.

Rev.#	Revision Issue Description	Date



Save: 2/22/2024 9:12 AM avollhaber Plot: 2/22/2024 9:15 AM X:\PT\TR\CHTN\170945\5-final-dsgn1-drawings\10-Civil\cad\dwg\sheet\RCHTN170945TL1.dwg

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: June 12, 2024

Re: City of Rhame
Drinking Water State Revolving Fund

Purpose of the Project: Replace aging asbestos cement pipe water main which has needed extensive repairs over the years with PVC water main on the north side of the railroad tracks. Also, replace the existing water meters with new digital meters which will require less repairs and make it easier to detect and locate leaks.

Project Amount:

DWSRF Request	\$ 1,199,000
DWR Cost Share	3,695,866
Bowman County	750,000
Local Funds	200,000
Project Total	\$ 5,844,866

Population to Benefit from the Project: 158; \$36,993/person

Population Served by the System: 158

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

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The average annual payment for the improvement bonds will be \$50,043. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The City has 90 water connections which pay a monthly base rate of \$30 per user.

Water Fund:

	2020	2021	2022	2023
Operating Revenue	\$46,349	\$42,420	\$47,796	\$44,920
Operating Expenses	31,316	48,130 ¹	25,211	46,463 ¹
Net Operating Revenue (Expense)	\$15,033	-\$ 5,710	\$22,585	-\$ 1,544

¹ Expenses have increased due to water main repairs.

The City’s outstanding indebtedness as of December 31, 2023:

	<u>Original Amount</u>	<u>Amount Outstanding</u>
Improvement Bonds	\$ 145,000	\$ 58,000
	<u>\$ 145,000</u>	<u>\$ 58,000</u>

With an outstanding balance of \$1,257,000 including the new improvement bond and an estimated population of 158 the improvement bond debt is \$7,956 per person. With 200 parcels to be assessed, the average annual assessment per parcel for this project will be approximately \$250. The average annual payment of all bonded debt will be \$64,543.

The City of Rhame is located in Bowman County 87 miles southwest of Dickinson. Based on the 2020 census, the total population is 158; this is a decrease of 11 from the 2010 census. The largest employers in the City are Bowman County Schools with 8 employees, Kruger’s Kitchen (restaurant) has 7 employees, and Waterhole Bar employs 5.

K-6 School Enrollment:

2020-2021	2021-2022	2022-2023	2023-2024	Projected 2024-2025
34	29	23	22	22

The City's 2023 taxable valuation was \$344,876. This is an increase of \$11,231 over the 2019 taxable valuation.

Property Tax Collections 5/31/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$11,540	\$9,229	80%
2022	\$36,556	\$35,836	98%
2021	\$35,795	\$35,635	100%

Special Assessment Collections 5/31/2024:

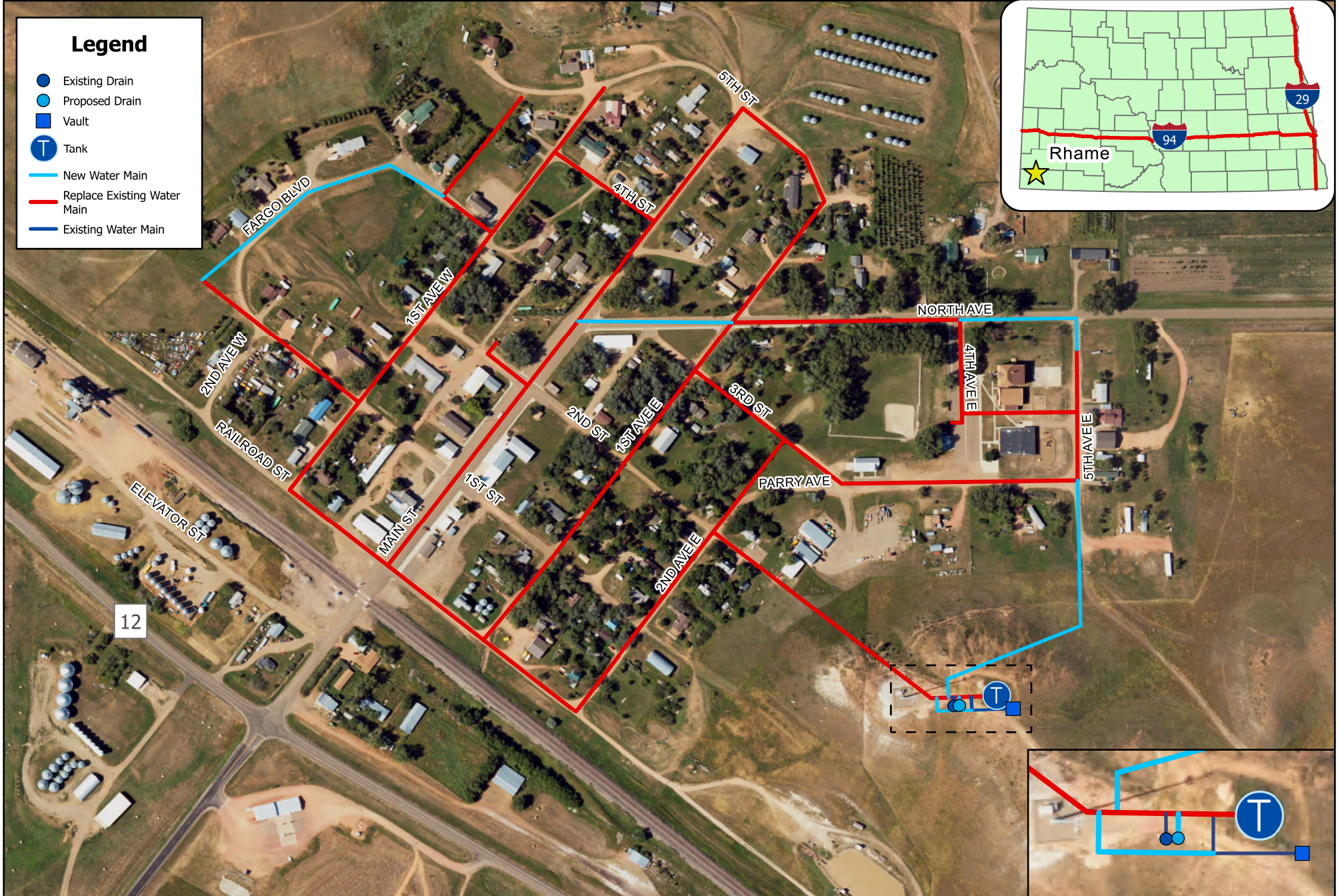
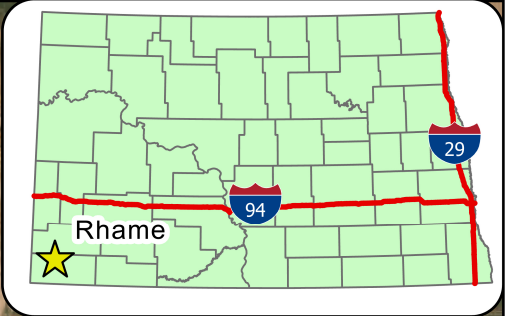
Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	\$43	\$0	0%
2022	-	-	-
2021	-	-	-

Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2023	31.90	89.82	5.43	55.52	3.50	186.17
2022	105.00	89.65	5.43	53.81	3.50	257.39
2021	103.87	86.78	10.03	52.43	3.50	256.61
2020	105.00	85.00	10.37	52.17	3.50	256.04
2019	68.94	85.00	10.43	48.08	3.50	215.95

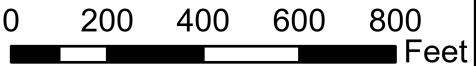
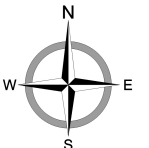
Legend

- Existing Drain
- Proposed Drain
- Vault
- ⊕ Tank
- New Water Main
- Replace Existing Water Main
- Existing Water Main



2024 WATER MAIN REPLACEMENT RHAME, NORTH DAKOTA

Created By: BAS Date Created: 11/27/2023 Date Saved: 11/28/23 Date Plotted: N/A Date Exported: 12/15/23
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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: June 13, 2027

Re: City of St. John
Drinking Water State Revolving Fund Program Loan

Purpose of the Project: Replace the existing 50,000-gallon water tank with a new 100,000-gallon tank to meet storage requirements. The new storage will serve the new middle and high schools which have attracted students from all over the area and enrollment continues to grow.

Project Amount:

DWSRF Increase	\$ 365,000
DWSRF Original Request	\$ 920,000
Total DWSRF Request	\$1,285,000
DWR Cost Share	\$1,743,899
Project Total	\$3,028,899

Population to Benefit from the Project: 680; \$4,454 per person

Population Served by the System: 342

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

The City will issue revenue bonds payable with water user fees. The requested term for the loan is 30 years. The average annual payment for the revenue bonds will be \$53,591. The reserve requirement will be \$58,300 and the 110% coverage requirement will be \$58,950.

The City has 147 residential connections and 13 commercial connections which pay a base rate of \$49 per connection per month and \$10/1,000 gallons. The City will raise the monthly base rate \$18.50 per user which will generate estimated annual revenue of \$35,520.

Water Fund:

	2020	2021	Unaudited	
			2022	2023
Operating Revenue	\$85,544	\$80,891	\$89,159	105,476
Operating Expenses	75,436	56,303	49,278	67,184
Net Operating Revenue	\$10,108	\$24,587	\$39,881	38,292
Proforma Rate Increase Revenue	\$35,520	\$35,520	\$35,520	\$35,520
Proforma Revenue Bond Payments ¹	\$66,971	\$66,971	\$66,971	\$66,971
Proforma Net Operating Coverage	68%	90%	113%	110%

¹ Includes the other water revenue bond payment.

With the proposed rate increase, the City should meet the 110% net operating coverage requirement.

Outstanding Debt December 31, 2023:

	Original Amount	Outstanding Amount
Water Revenue Bonds	\$300,000	\$ 277,051
Improvement Bonds	395,000	262,000
Total Bonds	\$695,000	\$539,051

The City of St. John is located in Rolette County approximately 173 miles northwest of Grand Forks. The total population according to the 2020 census is 322; this is a decrease of 19 from the 2010 census. The largest employers in the area are St. John Public School with 55 employees, SMP Health – St. Kateri, Rolla (Clinic and Hospital) which employs 100 and Quentin Burdick Memorial Health Care Center, Belcourt (Clinic and Hospital) with 322 employees.

K-12 School Enrollment:

2020-2021	2021-2022	2022-2023	2023-2024	Projected 2024-2025
419	384	430	445	440

The City's 2023 taxable valuation was \$6,804,900. This is an increase of \$68,835 over the 2019 taxable valuation.

Property Tax Collections as of May 8, 2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$33,965	\$7,743	23%
2022	\$31,659	\$25,301	80%
2021	\$29,440	\$24,929	85%

Special Assessment Collections as of May 8, 2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	\$14,413	\$10,368	72%
2022	\$1,712	\$1,162	68%
2021	\$1,690	\$1,215	72%

Mill Levy History:

Year	City	School	Park District	State and County	Total for Each Year
2023	115.04	90.00	5.00	132.03	342.07
2022	115.18	86.75	5.00	118.84	325.77
2021	111.55	86.83	5.00	134.03	337.41
2020	98.97	86.35	5.00	121.58	311.90
2019	55.87	87.86	5.00	117.63	266.36

New 100,000 Gallon Spheriod Water Tower

St John, ND

PROPOSED 100,000
GALLON WATER
TOWER

GRACE ST

EXISTING 50,000
GALLON WATER
TOWER

FOUSARD AVE SE

45th AVE NE

105th ST NE

St John



Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: June 14, 2024

Re: City of Taylor
Drinking Water State Revolving Fund

Purpose of the Project: Replace undersized water main that does not meet standards with a 6” water main to help areas of town experiencing low water pressure.

Project Amount:

DWSRF Request	\$ 628,000
DWR Cost Share	1,228,800
SRF PAR Grant	30,000
Local Funds	200,000
Project Total	\$2,086,800

Population to Benefit from the Project: 230; \$9,073/person

Population Served by the System: 230

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

The City will issue improvement bonds payable with special assessments. The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The average annual payment for the improvement bonds will be \$27,305. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The City has 120 water connections which pay a monthly base rate of \$7.50 and \$7/1,000 gallons.

Water Fund:

	Unaudited			
	2020	2021	2022	2023
Operating Revenue	\$51,182	\$55,831	\$61,074	\$73,481
Operating Expenses	50,268	48,724	32,673	72,298 ¹
Net Operating Revenue	<u>\$914</u>	<u>\$7,107</u>	<u>\$28,402</u>	<u>\$1,182</u>

¹ Includes \$18,000 for Planning Assistance Reimbursement report.

The City’s outstanding indebtedness as of May 31, 2024:

	Original Amount	Amount Outstanding
Improvement Bonds	<u>\$ 425,000</u>	<u>\$ 90,000</u>
	<u>\$ 425,000</u>	<u>\$ 90,000</u>

With 225 parcels to be assessed, the average annual assessment per parcel will be approximately \$121. The average annual payment of all bonded debt will be \$73,655, which is an average of \$320 per resident.

The City of Taylor is located in Stark County and is 23 miles east of Dickinson, ND. Based on the 2020 census, the total population is 230; this is an increase of 82 from the 2010 census. The largest employers in the City are Taylor Elementary School with 25 employees, Taylor Nursery (gardening) has 8 employees, and Sit-N-Bull Bar (bar and grill) employs 8.

K-6 School Enrollment:

2020-2021	2021-2022	2022-2023	2023-2024	Projected 2024-2025
128	110	120	121	125

The City's 2023 taxable valuation was \$686,029. This is an increase of \$79,758 over the 2019 taxable valuation.

Property Tax Collections 5/8/2024:

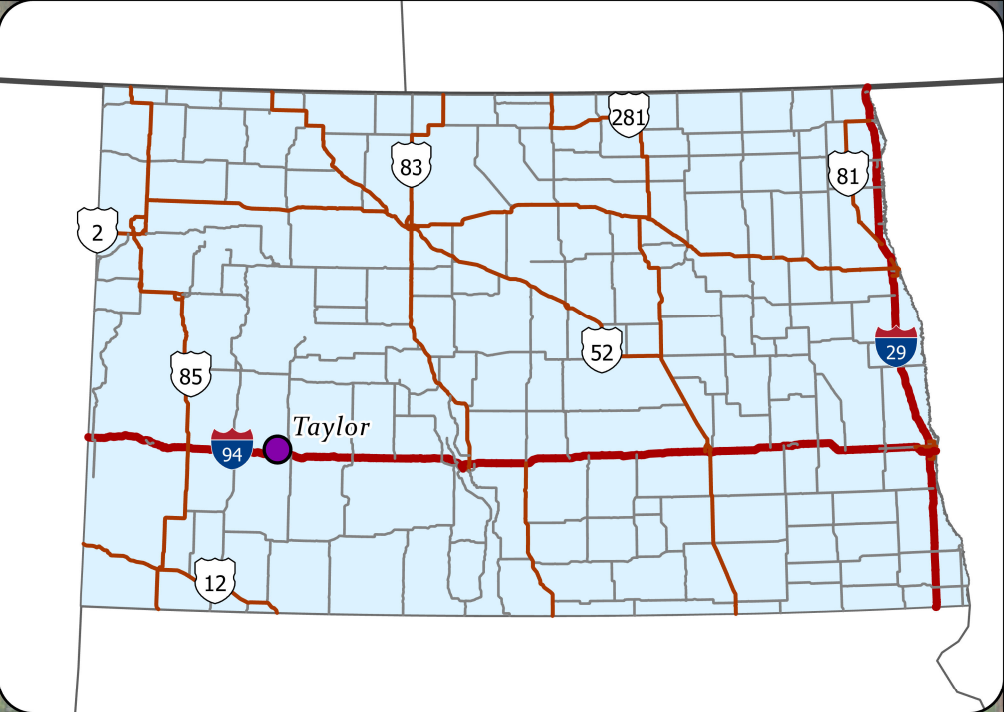
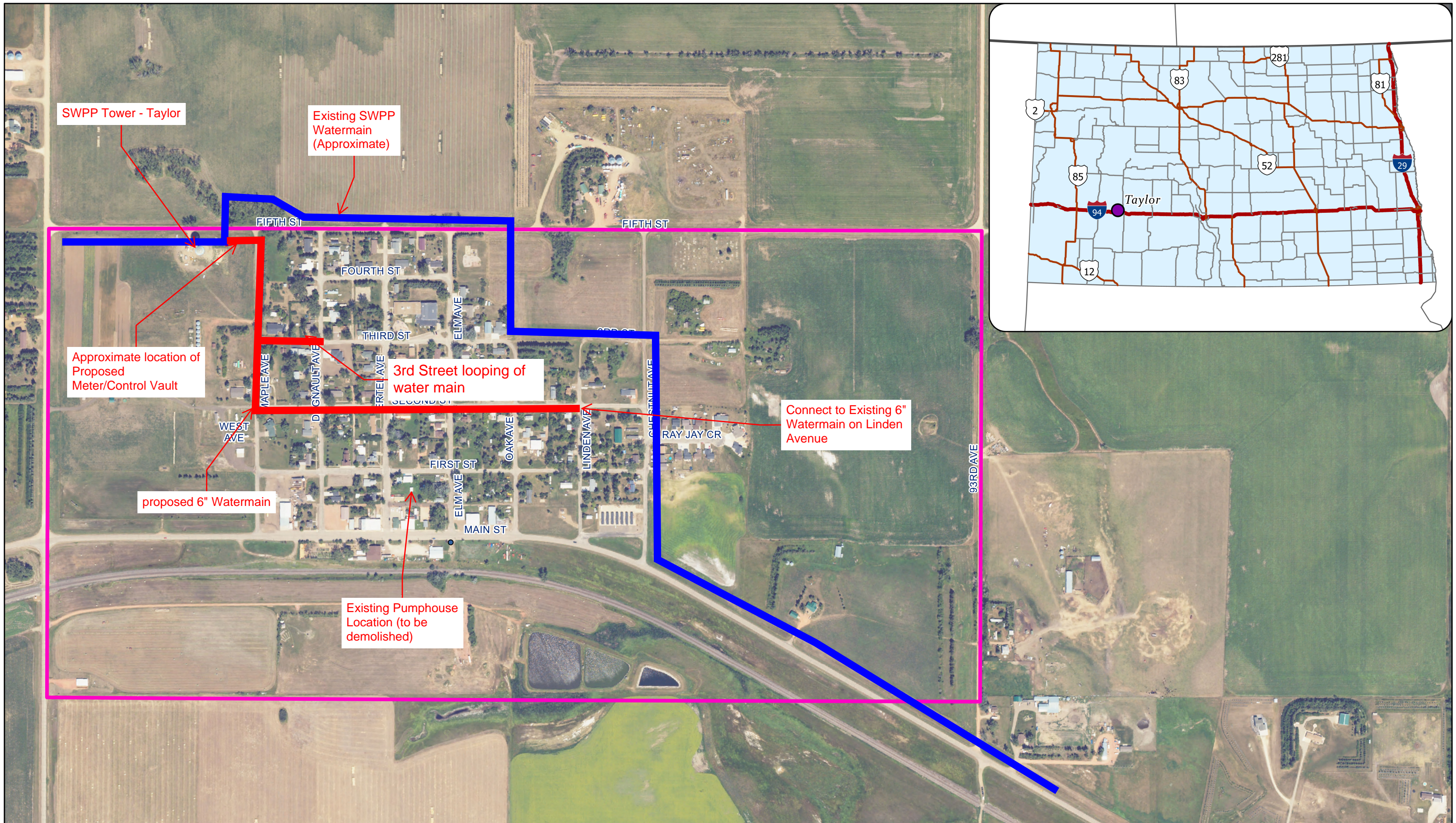
Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$33,362	\$30,071	90%
2022	\$28,197	\$27,296	97%
2021	\$26,041	\$24,363	94%

Special Assessment Collections 5/8/2024:

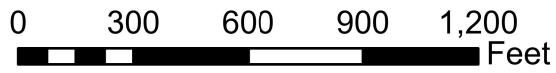
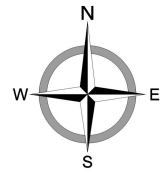
Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	\$28,608	\$25,337	89%
2022	\$48,987	\$26,777	55%
2021	\$30,713	\$28,641	93%

Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2023	48.63	137.40	6.63	65.12	17.89	275.67
2022	42.63	138.00	0.00	65.76	17.88	264.27
2021	41.03	138.00	6.87	71.46	20.00	277.36
2020	38.00	138.01	6.88	74.44	20.00	277.33
2019	38.00	138.00	0.00	74.41	20.00	270.41



CITY MAP TAYLOR, NORTH DAKOTA



Legend

- City Boundary
- City of Taylor
- Interstate
- State Highway
- US Highway



Created By: BAS Date Created: 06/22/2023 Date Saved: 06/22/23 Date Plotted: N/A Date Exported: 06/22/23
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Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: June 19, 2024

Re: City of Milnor
Drinking Water State Revolving Fund Program Loan

Purpose of the Project: Update and incorporate the existing supervisory control system for the lift stations into the water control system. Upgrade the light fixtures and electrical system in the pumping station.

Project Amount:

DWSRF Request	\$ 300,000
ARPA	\$ 100,242
Local Funds	\$ 99,758
Project Total	\$ 500,000

Population to Benefit from the Project: 681; \$734 per person
Population Served by the System: 681
Is the Project Area in the Extraterritorial Jurisdiction of a City: No

The City will issue revenue bonds payable with water user fees. The requested term for the loan is 20 years. The average annual payment for the revenue bonds will be \$17,596. The reserve requirement will be \$20,300 and the 110% coverage requirement will be \$19,356.

The City has 342 connections which pay a monthly base rate of \$23.65 per connection (includes 1,000 gallons) and \$7.44/1,000 gallons. In anticipation of this project, the water base rate was raised \$1 in April 2024 which will provide additional annual revenue of approximately \$4,100.

Water Fund:

	2020	2021	Unaudited	
			2022	2023
Operating Revenue	\$119,150	\$127,458	\$128,006	\$135,818
Operating Expenses	97,258	105,474	108,643	113,827
Net Operating Revenues	\$21,891	\$21,983	\$19,364	\$21,991
Proforma Rate Increase Revenue	\$4,104	\$4,104	\$4,104	\$4,104
Proforma DW Payment	\$17,596	\$17,596	\$17,596	\$17,596
Proforma Net Operating Coverage	148%	148%	133%	148%

With the recent rate increase the City should meet the 110% net operating coverage requirement.

Outstanding Debt December 31, 2023:

	Original Amount	Outstanding Amount
Street/Water/Sewer Improvement Bonds	\$1,016,007	\$ 693,685
Street/Sewer Improvement Bonds	1,925,000	1,325,000
Total Bonds	\$2,941,007	\$ 2,018,685

The average annual bond payment including this new issue is \$263,642 or \$423 per resident.

The City of Milnor is located in Sargent County approximately 41 miles west of Wahpeton on State Highway 13. The total population according to the 2020 census is 624; this is a decrease of 29 from the 2010 census. The largest employers in the area are Milnor Public School with 50 employees, Green Iron (ag sales) which employs 17 and Crossroads Electric (contractor) with 16 employees.

K-12 School Enrollment:

2019-2020	2020-2021	2021-2022	2022-2023	Projected 2023-2024
222	222	210	208	210

The City's 2023 taxable valuation was \$1,908,410. This is an increase of \$398,332 over the 2019 taxable valuation.

Property Tax Collections as of April 30, 2024:

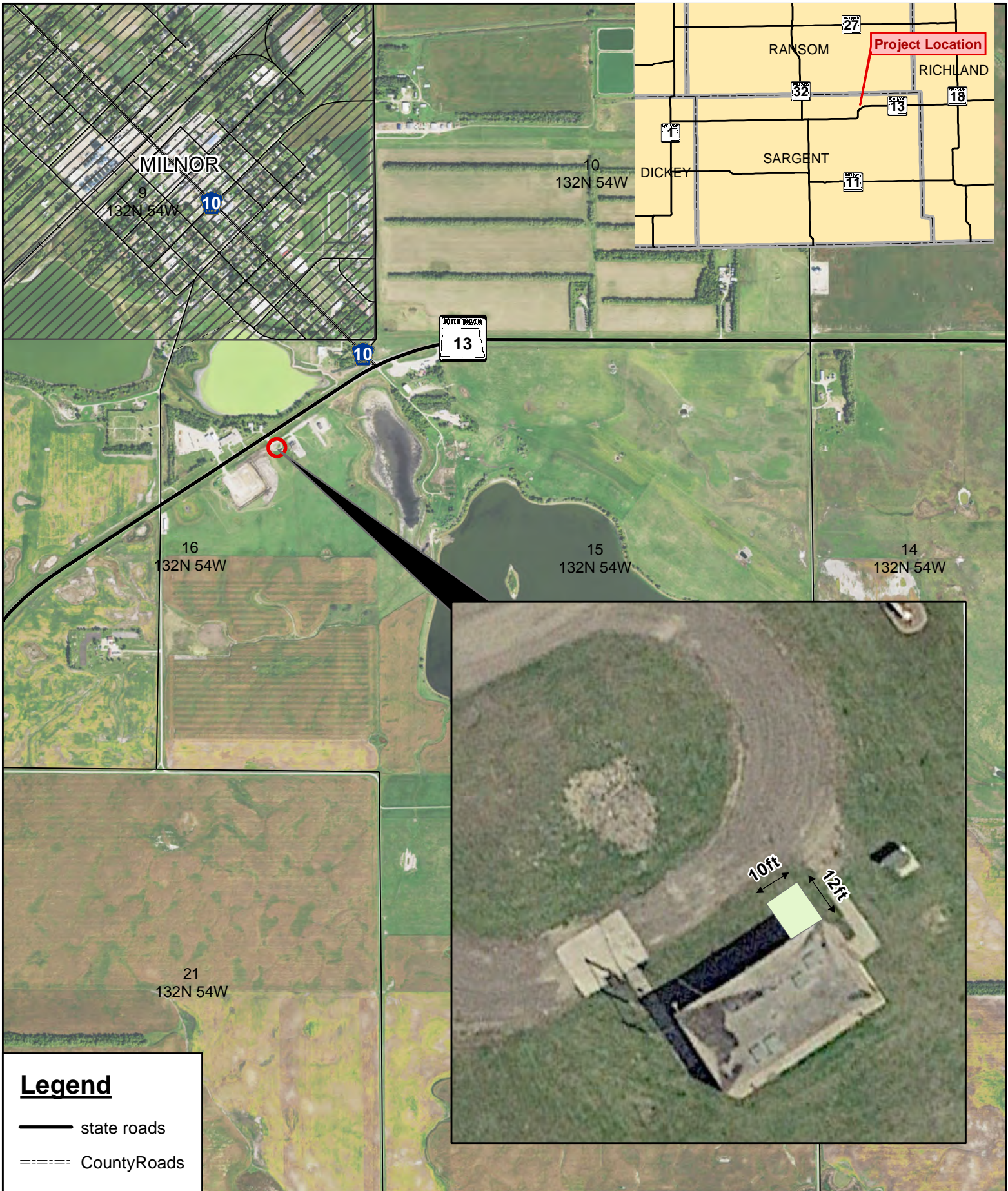
Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	\$172,723	\$156,619	91%
2022	\$172,092	\$168,168	98%
2021	\$164,293	\$162,034	99%

Special Assessment Collections as of April 30, 2023:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	\$256,045	\$232,498	91%
2022	\$262,917	\$254,077	97%
2021	\$270,518	\$270,518	100%

Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2023	92.51	102.98	7.79	97.28	5.58	306.14
2022	94.53	102.98	21.08	110.58	5.78	334.95
2021	101.99	102.98	27.71	103.34	7.01	343.03
2020	81.42	96.77	19.28	100.51	12.28	310.26
2019	87.46	95.82	17.24	97.90	5.00	303.42

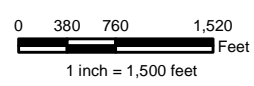


Legend

- state roads
- ==== County Roads

Project Location Map
Water System Improvements District No. 2022-01
Milnor, ND

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North Dakota Industrial Commission



Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Memorandum

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

FR: Reice Haase, Deputy Executive Director

DT: July 30, 2024

RE: State Energy Research Center Task 2: Expanding and Future-Proofing North Dakota's Electric Grid in an Evolving Energy Landscape

Introduction

During the 2023-2025 biennium, \$750,000 is available for the Commission to contract for on-demand studies under Contract SERC 2019-01 Task 2 – Provide Prompt Expertise for North Dakota. To date, the Commission has approved \$222,000 under the current biennium's contract:

- \$135,000 for a CO₂ Enhanced Oil Recovery Incremental Oil Production Forecast
- \$87,000 for updates to the North Dakota Grid Resiliency Plan

This leaves **\$528,000** remaining for the 2023-2025 biennium.

At the request of the North Dakota Transmission Authority (NDTA), the Energy & Environmental Research Center (EERC) proposes to develop, in coordination with the NDTA, electric utilities, and regulatory stakeholders, an analytical framework for supporting near-to-long-term planning and decision-making around key issues facing North Dakota's electricity sector. Key issues that will be investigated include the rapid growth of electric demand, particularly the growth in demand from data centers, impacts of a changing resource mix, new policies and regulations affecting coal-based electricity generation, increasing penetration of renewable sources, lead times for transmission infrastructure build-out, and load growth on resource adequacy and electricity reliability within the state, as well as the regional grid.

Scope of Work

The goal of this study is to produce data and information to help North Dakota utilities and regulators integrate new electric loads and generation sources while maintaining the reliability and enhancing the resiliency of the electric grid for North Dakota. To accomplish this goal, the scope of work for this project has been divided into the following specific tasks:

- **Stakeholder Engagement**

The stakeholder engagement process will facilitate the development of tailored solutions to address operational, policy, regulatory, and economic challenges of the electricity grid of the future. This task will include the following:

- Engaging with local utility partners, grid operators, the North Dakota Public Service Commission, and other relevant industry stakeholders to gather input on unique technical challenges and developing opportunities in North Dakota and impacts of trends across the regional electric grid.

- **Load Growth Assessment and Load Modeling**

The rapid growth of large industrial and commercial point-source loads in North Dakota are presenting both opportunities and challenges to the state's electric utilities. Particularly, the significant load growth from data centers running cloud computing and storage applications, artificial intelligence algorithms, and computational mining for cryptocurrencies is contributing to massive energy demands in the state. The load growth assessment is important to understanding if the grid has sufficient generation and transmission to meet future demand. This task includes the following activities:

- Forecasting potential future load growth trends in North Dakota and investigating the flexibility attributes and operational characteristics of large loads and their impacts on energy needs, grid reliability, and electricity market price.
- Addressing grid interconnection requirements of large point-source loads.
- Providing insights on load modeling and load forecasting for power system planning and operations.
- Informing utilities and regulators on broader system processes and practices, including load facility siting decisions, and cost allocations.

- **Resource Adequacy and Grid Reliability Assessment**

The utility transition to large penetration of renewable energy sources like solar and wind, combined with potential retirement of coal-based electricity generation, marks a major change in the electric grid. This change has come with challenges such as low accredited capacity and energy availability of renewable sources, significant load growth, and resource inadequacy. Also, the U.S. Environmental Protection Agency (EPA) is constantly imposing new regulations that affect thermal generation availability, significantly impacting grid reliability and resiliency. In this task, production cost modeling simulation will assess resource adequacy and grid reliability. This task will include the following:

- Review generation portfolio changes due to increasing renewables, emerging energy technologies, and EPA rules for thermal generation.
- Build various load growth scenarios that address changing market conditions.
- Perform forward-looking simulations to analyze the impact of changing generation mix and demand growth on resource adequacy, grid reliability, transmission economics, impacts of artificial intelligence, and consumer prices.
- Provide recommendations for targeted improvements to resource adequacy constructs and system reliability within North Dakota.

- **Transmission Capacity Assessment**

A transmission capacity assessment evaluates the ability of the electrical transmission system to handle current and future power demands. This assessment will include the following scope:

- Assess projected load growth, generation portfolio changes, and planned transmission expansion projects.
- Conduct load-flow studies to evaluate future system performance.
- Perform contingency analysis to identify potential system weaknesses under various scenarios.
- Assess thermal limits of transmission lines and transformers.
- Evaluate steady-state voltage stability and reactive power requirements.
- Develop multiple models including peak load conditions, off-peak conditions, and various contingency events.
- Simulate different scenarios to evaluate system performance and identify potential capacity constraints.
- Communicate transmission capacity findings effectively to all stakeholders.

Project Deliverables

1. A detailed report comprising the data, methods, findings, and recommendations of the study.
2. Final executive summary and infographic for decision-makers.

Schedule

The estimated timeline for the proposed work is 12 months: September 1, 2024 – August 31, 2025.

Budget

The proposed budget for this project is \$528,000, which includes hiring two subcontractors: Power Systems Engineering and Mr. Matthew Stoltz (Consultant, Mountrail-Williams Electric Cooperative). These subcontractors will bring extensive utility industry expertise, which will help inform the analyses and final products.

Therefore, I recommend that the Commission authorizes \$528,000 from Contract SERC 2019-01 Task 2 – Provide Prompt Expertise for North Dakota for the purpose of completing the deliverables for “Expanding and Future-Proofing North Dakota’s Electric Grid in an Evolving Energy Landscape”.



OIL AND GAS RESEARCH PROGRAM PROJECT MANAGEMENT REPORT

Reice Haase, Deputy Executive Director, NDIC

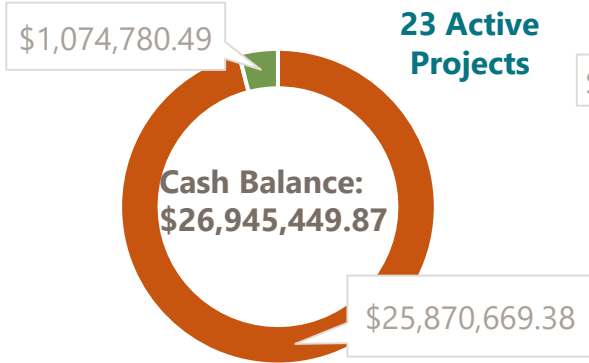
July 30, 2024

NORTH
Dakota

Be Legendary.™

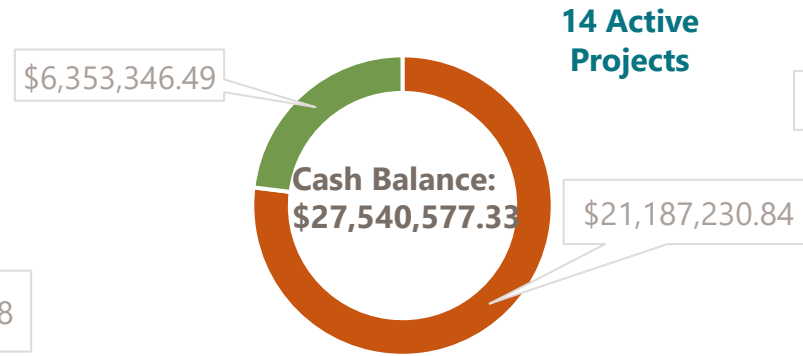
INDUSTRIAL COMMISSION-MANAGED FUNDS

Lignite Research Fund



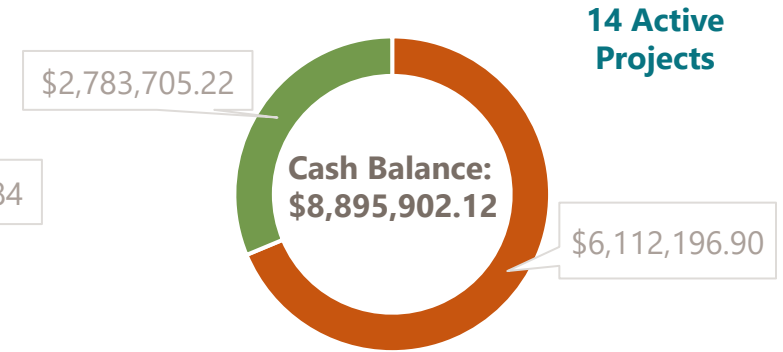
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Oil and Gas Research Fund



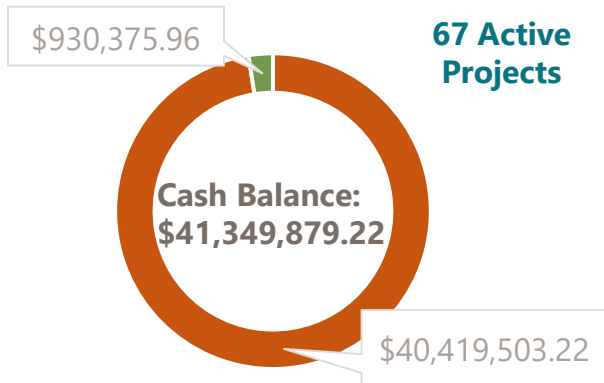
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Renewable Energy Fund



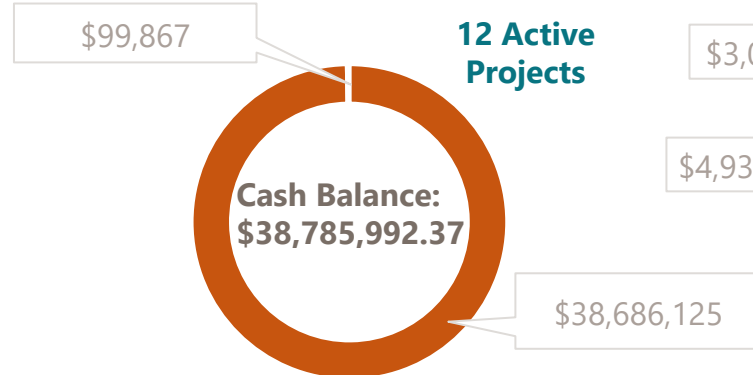
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Outdoor Heritage Fund



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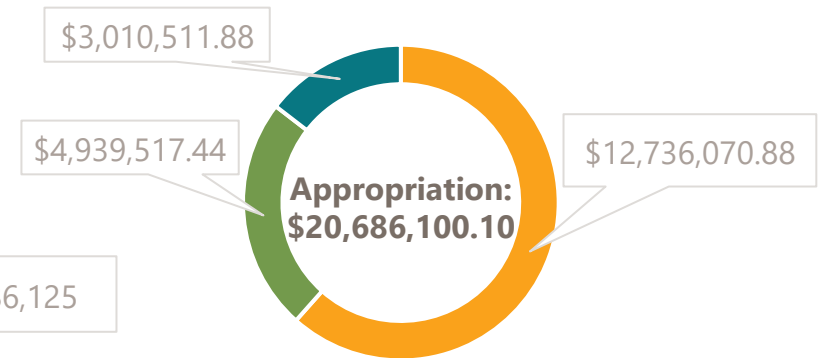
CSEA Fund*



*Does not include ARPA or Loans

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SERC Fund

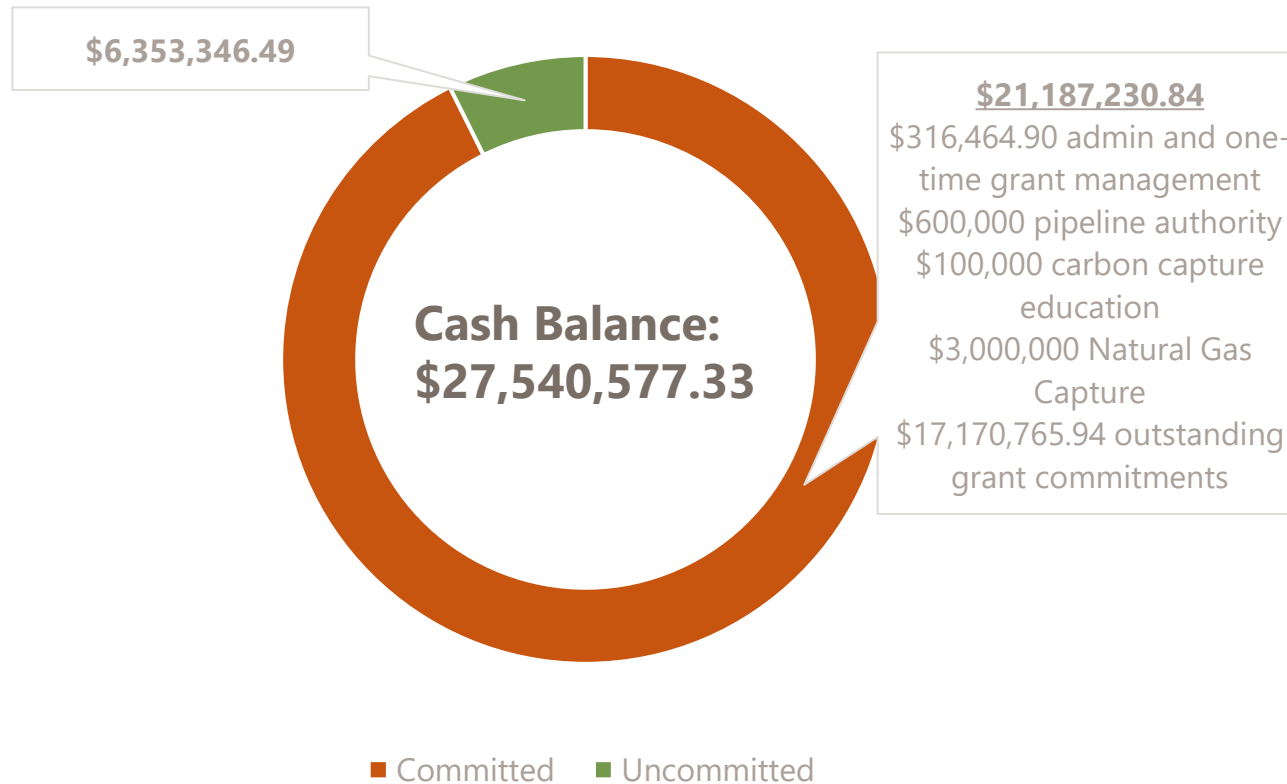


■ Leg. Directed ■ Remaining ■ Spent

OIL AND GAS RESEARCH FUND BALANCE

JUNE 24, 2024

Oil and Gas Research Fund



Funding Source:

- \$17.5 million oil production and extraction tax
- \$3 million SIIF for iPipe



116 Cumulative Projects



14 Active Projects



Cumulative Value:

- \$93.2 million granted
- \$530.5 million project value



BLUE COMPLY

May 24, 2024

Mr. Reice Haase, Deputy Executive Director
North Dakota Industrial Commission
ATTN: Oil and Gas Research Program
State Capitol – 14th Floor
600 East Boulevard Avenue, Department 405
Bismarck, ND 58505-0840

Re: Proposal Entitled “Well Site Thief Hatch Methane Detectors – Phase II”

Dear Mr. Haase:

On behalf of Blue Rock Solutions, LLC, dba Blue Comply, we are pleased to submit the original proposal in electronic format and two (2) copies as directed. Also enclosed with the paper copies is the \$100 Application Contribution. It is our hope that the proposed project will result in further development and commercialization of an alternate method to monitor fugitive emissions from oil and gas production site thief hatches that is more accurate, efficient and expedient than the current options available to oil and gas producers.

The Statement of Tax Liability as required:

Blue Rock Solutions, LLC does not have any tax liability owed to the State of North Dakota or any of its political subdivisions.

This transmittal letter represents a binding commitment by Blue Rock Solutions, LLC to complete the project described in this proposal. If you have any questions, please feel free to contact me at 701-361-0403, or by email at troy@bluecomply.com.

Respectfully submitted,

BLUE COMPLY

Troy D. Vareberg, PE

Oil and Gas Research Program
North Dakota Industrial Commission

Application

Project Title: Well Site Thief Hatch Methane Detectors – Phase II

Applicant: Blue Rock Solutions, LLC,
dba Blue Comply

Principal Investigators: Troy D. Vareberg, PE

Collaborators: Continental Resources

Date of Application: May 24, 2024

Amount of Request: \$450,000

Total Amount of Proposed Project:

\$900,000

Duration of Project: 18 months

Point of Contact (POC): Troy D. Vareberg, PE

POC Telephone: 701-347-1250

POC E-Mail Address: troy@bluecomply.com

POC Address: 1331 32nd Ave S, Suite 2
Fargo, ND 58103

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ABSTRACT

Objective:

This project is to further expand the capabilities of an existing methane detection device & associated software created in Phase I (Well Site Thief Hatch Methane Detectors), also known as Industrial Internet-of-Things Methane Sensing Apparatus (IMSA). This technology addresses the largest sources of methane leaks on an oil and gas production site - the storage tank thief hatches.

This shall increase the reliability of gas monitoring, shorten response time for repairs, reduce liability for potential EPA charges and help with the public's perception of the environmental impacts by reducing emissions.

Expected Results:

The outcome of this project is to achieve commercialization of the IMSA product. This can be accomplished by completing pilot projects with the Producers and fine tuning the product to their needs. Another result of this project is to learn more regarding quantification (estimation of gas being released). This will still be an exploratory idea but we will have narrowed down the pathway to estimating the gas. Evaluating other well site assets that this device could assist producers with detection and monitoring of methane gas emissions.

Duration:

The project shall last approximately (18) months. This will consist of approximately six (6) months of research and development of design updates based on field testing & Producer comments; (6) months of pilot projects to test design changes and (6) months of implementing changes and scaling up final production tasks.

Total Project Cost:

The total cost of the project is expected to be \$900,000. The amount requested from the NDIC Oil and Gas Commission is \$450,000.

Participants:

It is anticipated that all entities previously involved in Phase I Development will participate in the project. These participants include

Blue Rock Solutions, LLC, dba Blue Comply
Continental Resources, Inc.
College of Engineering - North Dakota State University
Methane Emissions Technology Evaluation Center - Colorado State University

PROJECT DESCRIPTION

Background:

With the ever-increasing scrutiny of the world's production of Greenhouse Gases (GHGs), industries are placing additional emphasis on following Environmental, Social and Governance (ESG) criteria. From the environmental standpoint, this translates to reductions of GHGs such as carbon dioxide and methane being released into the atmosphere.

In the oil and gas industry, one of the largest sources of GHG emissions stems from methane leaks on the thousands of production sites located throughout the United States. It has been well documented that methane leaks are 28 times more potent than emissions of carbon dioxide.

Prior to 2024, federal, state and local regulations required each production site to be inspected for methane leaks on a quarterly basis. This was accomplished through the utilization of hand-held gas detectors. At that time, actual monitoring techniques or steps were outlined under the Environmental Protection Agency (EPA) Method 21- Determination of Volatile Organic Compound Leaks. This process was very time-consuming and required personnel to be on the production site, in very close proximity to potential hazards.

In 2008, an alternate method of detection was accepted by the EPA which allows the use of Optical Gas Imaging (OGI) cameras in lieu of the hand-held gas detectors. This option allows a camera operator to survey the entire site from a few select "safe" locations in a shorter time span than the previously accepted gas detectors. However, it still requires personnel to physically travel to each site.

Additional alternate methods have been under development over the last few years. These include, but are not limited to stationary OGI cameras, lasers, satellites and networked point detectors. These developments have more recently been given a higher priority due to the passing of the Inflation Reduction Act. A new set of stringent regulations from the EPA has been outlined through the implementation of the Methane Emissions Reduction Program or MERP. Expanding on the previous OOOO and OOOOa (Quad O and Quad Oa), in 2023 the EPA drafted a new rule to Quad Ob for New Source Performance Standards (NSPS) which are rules that apply to well sites built or modified after December 6th, 2022. For oil & gas facilities that have excess of 25,000 tons of CO₂ equivalents, GHG reporting is a requirement under updated Subpart W. It will be the state's responsibility to set a plan that is equal or stronger than these EPA guidelines in Quad Oc for existing well sites built before December 6th, 2022. Transparency will also be targeted through the Super Emitter Program for events that exceed 100 kg/h. This all points to the need for more frequent and automated monitoring technology for oil & gas producers.

Project:

For this phase of the project, it is our main intent to continue refining the Industrial Internet-of-Things Methane Sensing Apparatus (IMSA) developed under Phase I. Demonstrations of the device to various producers resulted in multiple recommendations to improve the device and more effectively meet the Producers' requirements.

Prior Work (Phase I):

With the support of previous funding through the NDIC Oil & Gas Research Program, Blue Rock Solutions, LLC (Blue Comply) has spent the last two years finalizing the development and testing of a wireless methane detector with an integral hatch position monitor for oil and gas storage tank thief hatches. Results of these efforts include:

- Final design of wireless methane detection device that utilizes cellular communications.
- Award of US patent device design and utilization.
- Development of web-app dashboard to allow for monitoring and customization of device performance.
- Creation of device calibration procedures.
- Demonstrated the timely detection of methane emissions.
- Production of (25) fully functioning devices for use in field testing and pilot projects.
- Participation in a 12-week third party controlled blind test at the Methane Emission Technology Center (METEC), a nationally recognized facility supported by the oil and gas industry. (Refer to Figure 1)
- Commitment from (2) major oil producers for field testing opportunities.
- Presented final design to multiple producers and received feedback / recommendations on features and capabilities.
- Obtained initial summary reports from Underwriters Laboratories (UL) on feasibility of final design meeting requirements for being listed as Intrinsically Safe and Hazardous Location (CIDI) devices.



Figure 1: Typical Well Site Storage Tank with Device Installed

The following are the milestones that were not fully realized in Phase I:

- Full UL Listing for intrinsically Safe and Hazardous Location applications took longer than expected.
- Field Testing and Pilot Projects with actual Producers were delayed due to an opportunity for third party blind testing at METEC.

Objectives:

The primary objective of Phase II is to build on the Minimum Viable Product developed in Phase I to address recommendations and feedback received from Producers. Individual objectives include:

- Investigate and develop embedded system hardware to include industry standard wireless communication technologies/protocols, (i.e. WirelessHART, Bluetooth, LORAWAN), to allow for direct integration to existing and / or new Producer's SCADA systems.
- Investigate and develop additional power supply options to increase longevity through use of larger and higher capacity batteries, solar recharging and / or newly developed battery technologies.
- Build and deploy updated devices to various Producers as well as perform additional field testing at METEC (Methane Emissions Technology Evaluation Center – Colorado State University).
- Continue pursuit of Underwriters Laboratory and FCC certification for final products.
- Explore other target areas of methane emissions such as gas cooling compressors, compressor buildings, etc.
- Initiate research related to quantification (estimation of gas being released measured as standard cubic feet per minute).

Methodology:

Hardware Development

Modify existing circuit board, device housing assembly, and communication system using engineering optimization methods.

- Update circuit board to be compliant with Underwriters Laboratories initial report for intrinsically safe and hazardous location certification (ICECx/ATEX).
- Revise circuit design to reduce size and allow for more compact / efficient housing options.
- Incorporate network communication functionality into circuit board to directly interface with Producers' existing SCADA systems.
- Collaborate with sensor manufacturers to develop custom assembly to reduce cost and increase performance.

Firmware Development

Provide updates to the firmware to address recommendations from Producers.

- Develop machine learning algorithms to quantify emissions.
- Develop algorithms to differentiate between source point emissions from individual detection devices and larger site-wide emissions from a group of adjacent devices.
- Update algorithm to expand on existing process for determining thief hatch position and monitoring for emissions based on thief hatch position.

Software Development

Update communications protocol to expand on existing cellular communications and cloud-based technology.

- Update web-based application (dashboard) to expand on existing available information from the device and how it is displayed.
- Incorporate networking capabilities to allow for on-site direct communications of devices with Producer's SCADA systems.

Pilot Projects and Field Testing

Pilot projects and field testing shall continue in order to gain more feedback from various Producers and verify performance of any modifications.

- Bundling testing and calibration of updated devices shall be performed at North Dakota State University College of Engineering in Fargo, North Dakota.
- Pilot Projects are expected to be completed with the assistance of (2) major Producers in the Williston Basin and the Permian Basin.
- Additional field testing of devices developed under Phase II shall be performed at the Methane Emissions Technology Evaluation Center (METEC) facility at Colorado State University in Fort Collins, CO.

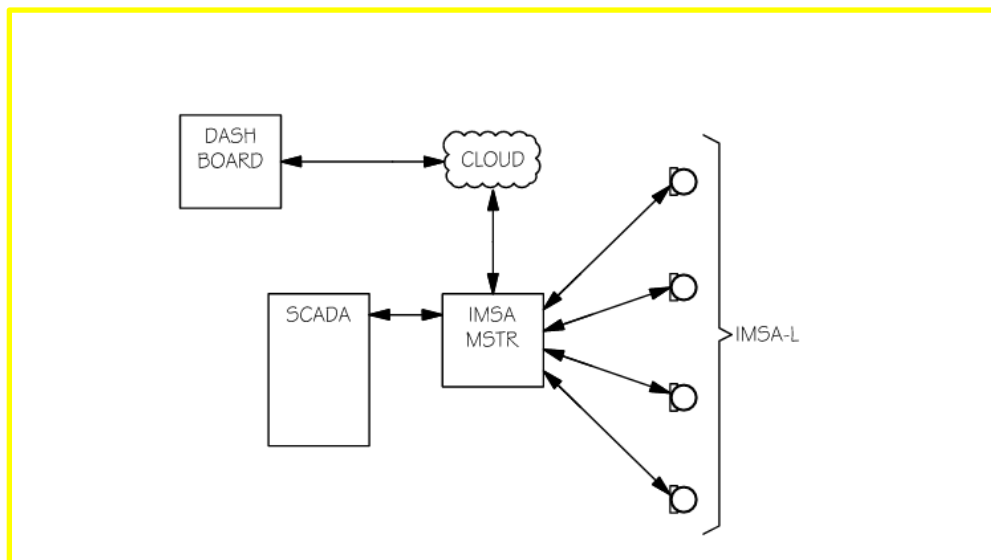


Figure 2: Topology of the proposed methane sensor communications.

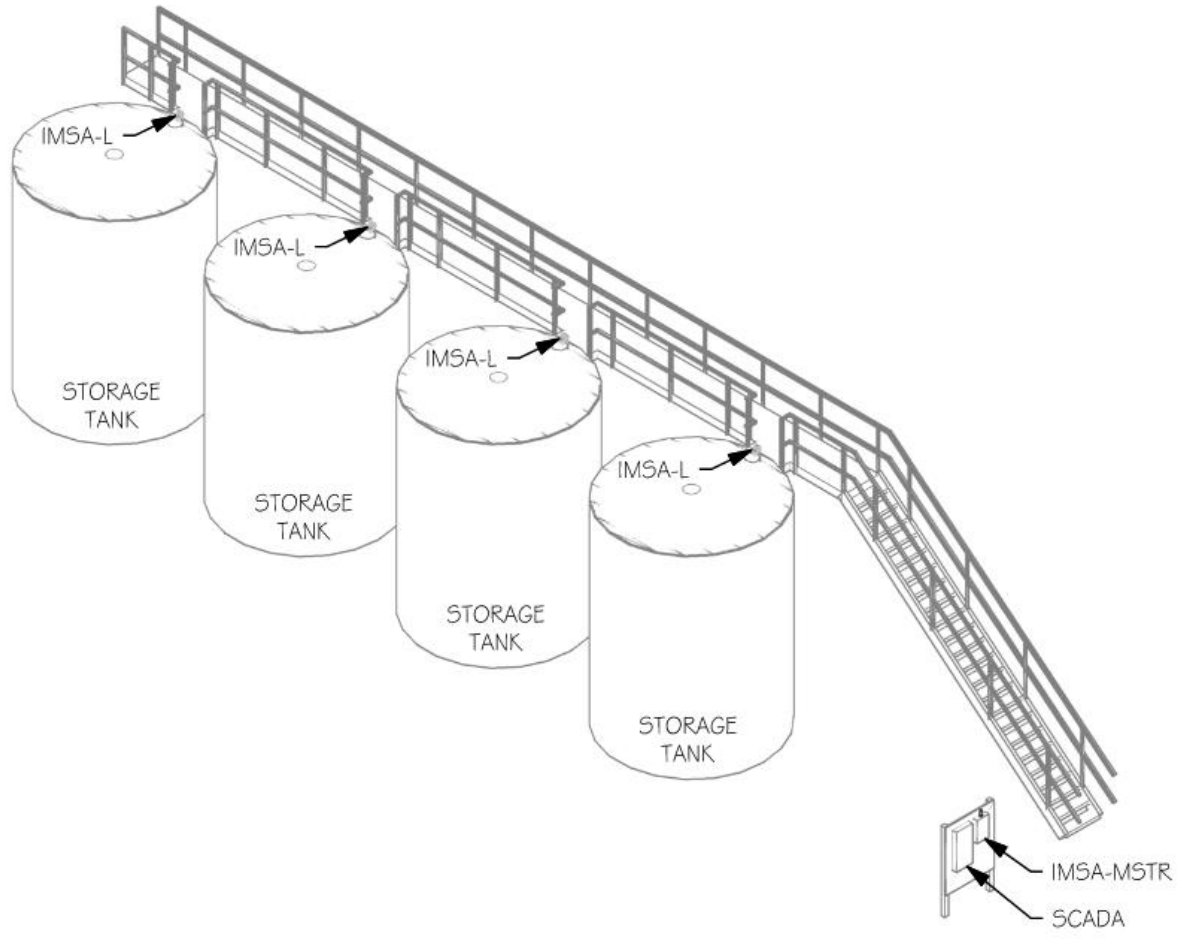


Figure 3: Methane Sensor and Master Controller Layout

Anticipated Results:

The goals of this project include:

- Develop a wireless network communications system that allows direct interface with Producer’s SCADA system.
- Optimize power supply selection based on final device configuration.
- Conduct additional field tests to validate updated device capabilities and configuration.
- Demonstration of how the proposed system will detect leaks and emissions at a much faster rate than traditional monitoring and how that will reduce emissions from oil and gas production sites.
- Progress on development of quantification of gas emissions.

Resources / Facilities:

Blue Comply currently has an office facility in Fargo, North Dakota and a staff of (4) engineers. In addition, the following resources are planned for use on this project.

Hardware / Software Revisions:	Blue Comply TBD North Dakota Company
Circuit Board Fabrication:	TBD North Dakota Company
Engineering Support:	Vareberg Engineering, Ltd.
Field Testing:	METEC, Fort Collins, Colorado
Pilot Projects:	Continental Resources – 2 Williston Basin sites
Device Testing and Calibration:	NDSU College of Engineering, Fargo, North Dakota Blue Comply

Techniques to Be Used, Their Availability and Capability:

Phase II is based on utilizing pre-existing methane detection devices and supplementing with automation and communication capabilities. The basic components are commercially available and already meet anticipated performance specifications. Each newly created device shall be intrinsically safe and shall be suitable for the environment for which they are installed.

Environmental and Economic Impacts while Project is Underway:

It is anticipated that there will be little to no environmental or economic impacts during this phase of the project.

Ultimate Technological and Economic Impacts:

Automation in the oil and gas production industry is beginning to take hold and is showing great promise for increasing production, safety and reliability. Phase II is an expansion of these capabilities by automating a historically time-consuming process of monitoring gas emissions.

Lessons learned from this phase of the project shall also help accelerate the growth of utilizing additional sensors throughout an entire production site. While localized sensors are not the ultimate answer to tackling the fugitive emission problem, it is another tool for Producers to use in a broader, all-encompassing program. Incorporating the information provided by these sensors into a Producer's SCADA infrastructure can only enhance the reporting efficiency of Greenhouse Gas emissions and reduce Waste Emission Charges.

Why the Project is Needed:

This Project is needed to help develop economically and technically feasible alternatives to the existing time consuming and costly options of monitoring for fugitive gas emissions. With constantly increasing pressure from government agencies and the general public, high-level monitoring and control of fugitive emissions will become a necessity. Newly enacted regulations, specifically the Waste Emission Charges, found within the Inflation Reduction Act legislation will be imposing penalties on Producers that do not properly monitor and control fugitive emissions.

STANDARDS OF SUCCESS

With the well-documented detrimental effects of greenhouse gases on the environment, along with the increase in ESG legislation and criteria, any reduction of fugitive emissions from oil well production sites would be considered a success.

As a result of this project, it will be technically feasible to significantly reduce the overall leakage or emissions from each site. Such a reduction will have definite financial benefit for the Producers in both increased revenue and lowered maintenance / remediation costs. Producers could also use the results of this project to expand on the use of “big data” to predict and address failures before they occur.

The successful completion of this project will also help keep the State of North Dakota at the forefront of the US Energy arena and help with the Governor’s goal of carbon neutrality by 2030. Continued development in the areas of gas monitoring, emission control and remediation could have a profound impact in North Dakota, the Bakken and throughout the United States.

With approximately 19,000 active wells currently in North Dakota and plans to more than double that quantity, the devices developed under this Project have the potential of capturing nearly 200,000 tonnes of methane annually. That is equivalent to the removal of nearly 1,000,000 passenger cars from the roads annually.

BACKGROUND/QUALIFICATIONS

Blue Comply

Blue Rock Solutions, LLC, dba Blue Comply is a North Dakota company specializing in custom engineering solutions for the energy and industrial sectors. It was founded by the partners of Vareberg Engineering, Ltd. as an entity dedicated to product design and development:

Troy D. Vareberg, PE received his B.S. degree from North Dakota State University (NDSU) in Electrical and Electronics Engineering (1990). He has been involved with electrical design in the built environment since 1985, including (4) years as the primary electrical engineer for the Department of Energy at Ames Laboratory in Ames Iowa. He has been the President of Vareberg Engineering, Ltd. since its inception in 1997. In that time, he been involved in the design of well production sites for the past 17 years. Primarily, design has included power systems and control system wiring for more than 190 well sites throughout the Williston and Powder River Basin. Additionally, his expertise includes the analysis and documentation of more than 600 well sites for electrical deficiencies and arc flash hazards.

Emmy L. Vareberg, PE earned her B.S. degree from North Dakota State University (NDSU) in Industrial Engineering and Management (1993). With over two decades of experience in the design consulting field since 1997, she has continually demonstrated her expertise and leadership. Currently serving as the Vice President of Vareberg Engineering, Ltd., Emmy oversees project management for various endeavors while also handling the day-to-day operations. In addition to her professional responsibilities, she actively contributes to the engineering community as a member of the North Dakota Board of Professional Engineers and Land Surveyors (NDPELS). She remains deeply connected to her alma mater, NDSU, by serving on the College of Engineering Advisory and Advancement Board.

Cooper Bierscheid earned his B.S. degree from North Dakota State University in Manufacturing Engineering. After spending time as a capital project engineer at 3M, he founded his first company, Protosthetics in 2014. He later co-founded Fargo Additive Manufacturing Equipment 3D (FAME 3D) in 2019 which acquired the assets of LulzBot, Fargo 3D Printing Repair, and Protosthetics. In 2024, he joined Blue Comply as the Director of Product.

Nile J. Morecraft, PE earned his B.S. degree from South Dakota State University (SDSU) in Electrical Engineering (2017) as well as his M.S. degree from Montana State University (MSU) in Electrical Engineering (2024). He has been involved in the electrical consulting field since 2017 which included the design of electrical power distribution systems, and control system wiring infrastructure for oil production well sites. For his master's thesis, he developed a new design method and current control strategy for fast charging Lithium-Ion batteries which was implemented in hardware using the LLC resonant power converter topology.

Vareberg Engineering

Vareberg Engineering, Ltd. is a reputable North Dakota company specializing in electrical engineering design services catering to both local and regional clients. Established with a commitment to excellence, Vareberg Engineering has successfully undertaken projects across 42 states, showcasing its versatility and proficiency. With a diverse portfolio spanning various industries including oil & gas, hospitality, education (both secondary and higher), industrial, healthcare, commercial, government and retail facilities, Vareberg Engineering has earned a reputation for delivering innovative solutions tailored to each client's needs. The company's electrical services encompass a wide spectrum, including the design of power distribution, control systems, lighting, life safety, and communications infrastructure.

Continental Resources

Continental Resources is a major energy producer in the United States. They are known for operating their company at the highest ethical and environmental standards. With their numerous assets in the Bakken (and elsewhere), they are always eager to step up to the forefront and participate in the development of additional tools for the monitoring of fugitive gases. This has been demonstrated already with continuous reductions in Greenhouse Gas emissions from their sites over the last 5 years.

Methane Emissions Technology Evaluation Center

The Methane Emissions Technology Evaluation Center (referred to as METEC) is a unique and renowned test and research facility for emissions leak detection and quantification (LDAQ) technology development, field demonstration, hands-on LDAQ equipment training, and protocol and best practices development. The METEC facility is operated by the Energy Institute at Colorado State University (CSU) and is located on CSU's foothills campus.

The five-year METEC 2.0 project funded by the Department of Energy, will extend the life and capability of DOE-funded assets that have been developed at the METEC facility since 2016 to speed deployment of next-generation leak detection and quantification technology solutions.

North Dakota State University

North Dakota State University is a distinguished land grant institution, which holds the prestigious R1 research classification located in Fargo, North Dakota. Within its academic landscape, the College of Engineering at NDSU offers a rich array of opportunities, boasting 13 majors and 19 graduate programs in 8 distinct departments. The engineering programs and research initiatives are geared toward addressing the evolving needs of society.

Chad A. Ulven received his B.S. degree in Mechanical Engineering from NDS (2001) and M.S. and Ph.D. degrees in Materials Engineering from the University of Alabama at Birmingham (2003 & 2005). He has been a faculty member in the Mechanical Engineering Department at NDSU since August of 2005. He has been involved in the research of polymer matrix composites (PMCs) for various commercial and defense applications for the past 18 years. He has co-authored 6 book chapters, 70 journal articles, and over 100 conference papers related to PMCs. He has been a co-author of 5 patent applications which have led to 2 patents awarded and 2 spin-out companies

(c2renew inc. and c2sensor corp.). Most recently he was awarded a multi-million-dollar research project to help develop advanced composite material 3D printers for Army applications.

Benjamin D. Braaten received the Ph.D. degree in electrical and computer engineering from NDSU (2009). During the 2009 Fall semester, he held a Postdoctoral Research position at the South Dakota School of Mines and Technology in Rapid City, SD. He is currently a Professor in the Department of Electrical and Computer Engineering, North Dakota State University. His research knowledge includes printed antennas, conformal self-adapting antennas, microwave devices, topics in EMC, wireless sensing technology and methods in computational electromagnetics. Dr. Braaten received the College of Engineering and Architecture Graduate Researcher of the Year Award. He also serves as an Associate Editor for the IEEE Antennas and Wireless Propagation Letters and the IET Microwaves, Antennas and Propagation journal.

MANAGEMENT

The Project Manager, Troy Vareberg, will be working directly with all parties to guarantee objectives and milestones are met. During the design phase, bi-weekly meetings shall be held to review the progress of each participant. Short-term and long-term schedules shall be adjusted (accelerated or extended) as needed for the project to continue towards the desired outcomes. Tasks shall be assigned to each participant and documented for review at the subsequent meeting. Any deviations from the schedule (planned or unplanned) and /or assigned tasks will be discussed among all participants and either resolved or adopted in a timely manner.

During the continued testing and pilot project phases, the Project Manager will coordinate the installation of the sensors with METEC, Continental Resources, EOG Resources and other Producers. Team members from Blue Comply and each Producer shall then meet on-site on a monthly basis to inspect the installed devices to verify proper performance and to verify their capabilities to withstand the various environmental factors found on site.

All parties of the team will also have access to data obtained and transmitted via the system in order to monitor the site in real time and develop methods to collect and interpret data.

For documentation of project progress, the Project Manager shall file quarterly reports to indicate current status, milestones met, deviations from timeline, necessary adjustments and projections for the next report. Within each quarterly report, the progress of the project shall be evaluated based on the following:

- Were milestones met?
- Were there any unanticipated roadblocks in the process of meeting those milestones?
- What lessons were learned to help reduce any future roadblocks?
- Are costs in line with the published grant application?
- With the results obtained to this date, does the project continue to present itself as a viable solution to effectively monitor methane gas leaks?

BUDGET

Project Associated Expense	Total Costs	NDIC Share	Applicant Share (Cash)	Applicant Share (In-kind)	Other Project Sponsor Share
Power Supply Refinement	\$150,000	\$75,000	\$37,500	\$37,500	\$0
Comm and Data Integration	\$150,000	\$75,000	\$37,500	\$37,500	\$0
Additional Monitoring Points	\$100,000	\$50,000	\$25,000	\$25,000	\$0
Emission Quantification	\$250,000	\$125,000	\$62,500	\$62,500	\$0
Field Testing (METEC/Producers)	\$100,000	\$50,000	\$25,000	\$25,000	\$0
Certifications (UL/FCC)	\$150,000	\$75,000	\$37,500	\$37,500	\$0
TOTAL	\$900,000	\$450,000	\$225,000	\$225,000	\$0

CONFIDENTIAL INFORMATION

There is currently no confidential information related to this project.

PATENTS/RIGHTS TO TECHNICAL DATA

A patent was issued by the United States Patent & Trade Office for the methane detection devices being utilized for this project.

STATUS OF ONGOING PROJECTS

This project (Phase I) previously received funding from the NDIC - OGRF that was in place from June 1, 2022 through May 31, 2024.

APPENDIX A
LETTERS OF SUPPORT

Please see the attachments.



May 15, 2024

Troy Vareberg
Blue Comply
1331 32nd Avenue South
Fargo, ND 58103

Subject: Well Site Fugitive Emissions Monitoring Devices

Dear Mr. Vareberg,

This letter serves to confirm Continental Resources' support for Blue Comply's efforts to develop an offering of well site fugitive emissions monitoring devices that would enable early detection of fugitive emissions from select sources. Such devices could have the potential for reducing fugitive emissions from common sources by facilitating rapid response and repair programs, ultimately minimizing site emissions.

Continental Resources remains committed to maintaining and improving industry best practices for minimizing emissions and look forward to exploring reasonable and practical solutions with Blue Comply.

A handwritten signature in black ink, appearing to read "Kevin Turner".

Kevin Turner
Emissions Program Manager
Continental Resources

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on June 26th, 2024 beginning at 12:00 p.m.

Governor's Conference Room – State Capitol

Present: Governor Doug Burgum, Chairman
Attorney General Drew H. Wrigley
Agriculture Commissioner Doug Goehring (via Teams)

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 12:05 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 May 28, 2024 Industrial Commission meeting minutes.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Industrial Commission approve the May 28, 2024 meeting minutes.

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

Mr. Reice Haase presented for consideration of approval a contract for administrative management and technical support for Lignite Research, Development and Marketing Program.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Industrial Commission approves the updated contract with the Lignite Energy Foundation for Lignite Research, Development and Marketing Program consulting services and authorizes the Office of the Industrial Commission to execute the contract for consulting services.

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

Under other business, Ms. Tyler presented for consideration of approval the legislatively directed 4% salary increase for the Office of the Industrial Commission employees.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the legislatively directed 4% salary increase for the Office of the Industrial Commission employees.

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

Under other business, Attorney General Wrigley presented for consideration of approval to remove “Interim” from Ms. Karen Tyler’s title and name her the new Executive Director of the Industrial Commission.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Industrial Commission appoint Ms. Karen Tyler as the Executive Director of the Industrial Commission.

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

NORTH DAKOTA MILL AND ELEVATOR

Ms. Karen Tyler presented for consideration of approval the North Dakota Mill and Elevator Profit Transfers.

The memo reads as follows:

“North Dakota Century Code § 54-18-19 and 54-18-21 state the following:

54-18-19. Transfer of North Dakota mill and elevator profits to general fund. The industrial commission shall transfer to the state general fund fifty percent of the annual earnings and undivided profits of the North Dakota mill and elevator association after any transfers to other state agricultural-related programs. The moneys must be transferred on an annual basis in the amounts and at the times requested by the director of the office of management and budget.

54-18-21. Annual transfer. Within thirty days after the conclusion of each fiscal year, the industrial commission shall transfer five percent of the net income earned by the state mill and elevator association during that fiscal year to the agricultural products utilization fund.

Mill management is planning to close their books on July 22, 2024, and is proposing to make the transfers no later than July 24, 2024. Therefore, we are requesting that the Industrial Commission authorize the transfer of 50% of the Mill FY 2024 profits to the General Fund and the 5% of net income to the Agricultural Products Utilization Fund utilizing unaudited numbers by no later than July 24, 2024, with Mill management reporting the amount of the transfers to the Commission at their July 30, 2024, meeting.

We would propose the following action by the Commission:

Approval of the authorization to transfer 5% of the net income earned by the Mill for fiscal year 2024 to the Agricultural Products Utilization Fund (APUF) and transfer to the General Fund 50% of the annual earnings and undivided profits of the Mill after any transfers to other state agricultural-related programs per the request of the Office of Management and Budget Director noting that the transfers will be based on unaudited year-end results and reserving the right to adjust the transfer numbers once the year-end results have been audited. Further approval that Mill management report the amount of the transfers to the Commission at the July 30, 2024 meeting.”

Governor Burgum noted that Cash Management should look at this process as there may be a smarter and more efficient way of doing this in the future.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Industrial Commission authorize the transfer of 5% of the net income earned by the Mill for fiscal year 2024 to the Agricultural Products Utilization Fund (APUF) and transfer to the General Fund 50% of the annual earnings and undivided profits of the Mill after any transfers to other state agricultural-related programs per the request of the Office of Management and Budget Director noting that the transfers will be based on unaudited year-end results and reserving the right to adjust the transfer numbers once the year-end results have been audited. Further approval that Mill management report the amount of the transfers to the Commission at the July 30, 2024 meeting.

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

NORTH DAKOTA PIPELINE AUTHORITY

Mr. Justin Kringstad gave a presentation of the Pipeline Authority Report on Midstream and Project Updates. Some projects that were highlighted were the Dakota Natural Gas: Existing LDC Service, the Wahpeton Expansion Project, the Viking Fargo Expansion, and the TC Energy / Kinder Morgan: Bakken xPress project. The full report and project highlights can be found on the website.

Mr. Kringstad gave a presentation of an overview of Pipeline Authority's Pipeline Project Capacity Acquisition Authority. The three driving forces for new gas pipelines are supply push, demand pull, and system reliability/security. Mr. Kringstad gave a project example case that gave best case/worst case, most desirable/least desirable scenarios on Capacity release. The full report and project example case can be found on the website.

BANK OF NORTH DAKOTA

Mr. Todd Steinwand presented for consideration of approval his Letter of Resignation and Appointment of Interim Bank President/CEO.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Industrial Commission accept the retirement resignation letter of Todd Steinwand, Bank of North Dakota President and CEO effective July 2, 2024, and further moved that the Industrial Commission appoint BND Chief Financial Officer Rob Pfennig as interim President and CEO, acting in such capacity, with such authority, and with the requisite compensation until such time as the position is permanently filled.

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

Mr. Kelvin Hullet and Ms. Kaylen Hausauer presented for consideration of approval a Pilot Program on Rural Workforce Initiative to Support Housing.

The memo reads as follows:

“Bank of North Dakota (BND) is proposing to create a pilot program to address workforce housing needs in rural North Dakota communities. The program is designed to support projects that are challenged because of the disproportionate costs comparable to attainable market rents. BND is requesting the authority to contribute up to \$10 million of capital to the program.

While evaluating the issues and concerns work force housing projects are running into, it became apparent that an interest buydown program, which would allow for a reduced debt service obligation, did not fully meet the need. Various financial situations were analyzed to determine the projects need an alternative form of financial assistance to bring projects to fruition.

BND has met with various other state entities including HFA, HHA, and the DOC to determine the proposed program is not duplicating other available resources. Through these meetings, it has been determined the proposed program fulfills an unmet need.

BND shall develop program guidelines and administer the program. BND will work with the ND Housing Initiative Advisory Committee to jointly address workforce housing issues.”

Rural Workforce Initiative to Support Housing (R-WISH)

Purpose: To support rural communities with construction of market rate housing for workforce when a company is locating or expanding in a community of 20,000 and under in population. The program is designed to enable projects that are challenged because of the disproportionate costs comparable to attainable market rents to move forward; project must demonstrate that traditional financing terms are unfeasible. BND shall have the ability to utilize up to \$10MM of its capital for the program. BND shall develop and administer the program. Program guideline changes are approved by the BND Investment Committee.

Program Parameters

1. The project must show evidence of supporting local financial institution market rate financing with market rental rates. BND must be a participant in the local financial institution financing.
2. In order to qualify for this program, the project must access other available funding options first.
3. The community must be experiencing a period of rapid growth due to a new company locating in the community or a local company expanding by more than 10 FTE's. Funding may be utilized for:
 - a. New multi-family and 1-4 family housing projects
 - b. Rehab of existing multi-family and 1-4 family housing if more cost effective than new construction
4. The community must support the project through one or more of the following:
 - a. A local development corporation providing direct funding
 - b. In-kind contributions such as land, property, or infrastructure
 - c. Future dedicated tax programs

- d. The community share of the interest buydown may be included as a part of the community's support
5. The company that is expanding in the community must contribute to the project costs and may include:
 - a. Providing direct equity to the project
 - b. An in-kind contribution of product or labor
 - c. Other support that helps to lower the overall project cost or provide financial assurance during the term of the loan
6. The maximum amount the R-WISH program may contribute to a project is the lesser of:
 - a. 20% of the project costs
 - b. The matching contribution from the company
 - c. With a maximum of \$3,500,000

*Funds from the program may be provided in the form of various financial instruments including but not limited to convertible debt, subordinated debt, loan, etc.

**Funds from the program may be further limited so the resulting debt service coverage ratio is acceptable.

***In the event profitability exceeds original projections and excess cash flow is present, an agreement may be implemented amongst the program provider and other parties as to how to how earnings may be split. Any earnings distributed to the program provider will be received and applied as a reduction to the program's original contribution.

****If the project is sold, the R-WISH funds may be required to be returned to the fund.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission authorize the Bank of North Dakota to utilize up to \$10 million of bank capital for a lending program (Rural Workforce Initiative to Support Housing, R-WISH) developed and administered by the bank to be utilized to support rural communities with construction of market rate housing for workforce when a company is locating or expanding in a community of 20,000 and under in population, in circumstances when housing projects are challenged because of the disproportionate costs of construction compared to attainable market rents, and when the project can demonstrate it meets the parameter set forth under the program, including the demonstration that traditional financing terms are unfeasible.

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

Mr. Todd Steinwand presented for consideration of approval of Amendments to the General Loan Policy.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accept the recommendation of the BND Advisory Board and approve General Loan Policy changes related to loan approval authority for the Financial Institutions Market Manager, requirements of borrowers related to environmental questionnaires, BND Rural Workforce Initiative to Support Housing (R-WISH) program, and loan amount for the Bulk Propane Storage Tank Revolving Loan Fund.

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

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

- i. April 17 and 18, 2024 Nonconfidential Committee and Advisory Board Minutes

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, 44-04-18.4, 44-04-19.1, 44-04-19.2, the Industrial Commission enter into executive session for the purposes Bank of North Dakota confidential business and attorney consultation.

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 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.

After the Bank of North Dakota executive session, the Commission will meet in executive session for attorney consultation regarding those items listed on the agenda. Only Commission members, their staff, Commission staff, and Commission attorneys 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 1 hour.

The executive session began at approximately 1:35 p.m.

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

Todd Steinwand, BND
Kelvin Hullet, BND
Kirby Evanger, BND
Rob Pfennig, BND
Craig Hanson, BND

Kaylen Hausauer, BND

Others in attendance

Nathan Svihovec	Governor's Office
Jace Beehler	Governor's Office
Karen Tyler	Industrial Commission Office
Reice Haase	Industrial Commission Office
Brenna Jessen	Industrial Commission Office
Erin Stieg	Industrial Commission Office

ATTORNEY CONSULTATION EXECUTIVE SESSION

Industrial Commission Members Present

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

BND Members Present

Brent Lawrence, Winthrop & Weinstine
Tom Boyd, Winthrop & Weinstine
Tom Walker, Winthrop & Weinstine

Others in attendance

Nathan Svihovec	Governor's Office
Jace Beehler	Governor's Office
Claire Ness	Attorney General'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 approximately 3:23 p.m. and the Commission reconvened in open session.

During the Bank of North Dakota executive session, the Commission made a motion related to approval of two loan applications.

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

During the Attorney Consultation executive session, the Commission consulted with its attorneys regarding the Minnesota Renewable Energy Standard and the Newly Created Carbon Free Standard under Minnesota Statute Chapter 216B.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Commission approve its comment letter regarding the Minnesota Renewable Energy Standard and authorizes the Office of the Industrial Commission to submit its comment letter to the Minnesota Public Utilities Commission.

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

During the Attorney Consultation executive session, the Commission also consulted with its attorney regarding an NDPERS matter related to contribution limits under IRC 401(a)(17)

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

Ms. Karen Tyler presented for consideration of approval the Reappointment of Advisory Committee Member Linda Svihovec for term ending July 1, 2027.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accept the recommendation of the PFA Executive Director and reappoint Linda Svihovec to the PFA Advisory Committee for a term ending July 1, 2027.

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

NORTH DAKOTA HOUSING FINANCE AGENCY

Ms. Tyler presented for consideration of approval the Reappointment of Advisory Board Members Lisa Rotvold and Larry Nygaard for terms ending July 1, 2027.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accept the recommendation Interim Executive Director and approve the reappointment of Lisa Rotvold and Larry Nygaard for three-year terms on the Housing Finance Agency Advisory Board ending July 1, 2027, and also reappoint Lisa Rotvold as Vice-Chair of the Advisory Board.

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

Ms. Jennifer Hendrson presented for consideration of approval of Issuance not to exceed \$16,500,000 Multifamily Tax-Exempt Revenue Bonds for Lashkowitz Riverfront 4 LLLP.

The memo reads as follows:

“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 will have two series, a short term and long term. The total aggregate amount not to exceed a total principal amount of \$16,500,000. 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 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.

The operative documents for the tax-exempt transaction are:

- a. A resolution authorizing the issuance of tax-exempt multifamily revenue bonds Series 2024 A and Series 2024B, in an aggregate principal amount not to exceed \$16,500,000
- b. Trust Indenture
- c. Financing Agreement
- d. Regulatory Agreement

The Commission, by executing the authorizing resolution, is approving the operative documents in their respective current forms and authorizing the Executive Director and Chief Financial Officer (Authorized Officers) to execute the documents in their respective current forms with such changes as are consistent with the parameters set forth in the authorizing resolution and approved by the Authorized Officers, such approval being evidenced by an Authorized Officer's execution of the documents."

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the issuance of multifamily tax-exempt revenue bonds Lashkowitz Riverfront 4 Series 2024A and 2024 B, in an aggregate amount not to exceed \$16,500,000.

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

A RESOLUTION WAS MADE

STATE OF NORTH DAKOTA
NORTH DAKOTA HOUSING FINANCE AGENCY
MULTIFAMILY REVENUE BONDS
(LASHKOWITZ RIVERFRONT 4)
SERIES 2024A

STATE OF NORTH DAKOTA
NORTH DAKOTA HOUSING FINANCE AGENCY
MULTIFAMILY REVENUE BONDS
(LASHKOWITZ RIVERFRONT 4)
SERIES 2024B

A RESOLUTION AUTHORIZING THE ABOVE CAPTIONED INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,500,000; APPROVING THE FORM OF CERTAIN FINANCING DOCUMENTS AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Industrial Commission of North Dakota (the “Commission”) acting in its capacity as 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 provide financing, directly or indirectly, of construction, permanent and combined construction and permanent loans for the acquisition, construction, refurbishing, reconstruction, construction or improvement of multifamily residential housing in which at least twenty percent of the units are held for occupancy by persons or families of low and moderate income; and

WHEREAS, the Agency intends to issue its Multifamily Revenue Bonds (Lashkowitz Riverfront 4), Series 2024A, and its Multifamily Revenue Bonds (Lashkowitz Riverfront 4), Series 2024B (the “Bonds”), in an aggregate principal amount not to exceed \$16,500,000, the proceeds of which will be used to finance a loan for the acquisition, construction and equipping of Lashkowitz Riverfront 4, an 83unit multifamily residential rental project (the “Project”); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”), between the Agency and Wilmington Trust, National Association, in its capacity as trustee (the “Trustee”), which will be in substantially the form attached hereto as Attachment A, whereby the Agency would be authorized to issue the Bonds subject to the terms, conditions and limitations established herein and in the Indenture; and

WHEREAS, the Bonds will be sold and delivered to ORIX Public Finance, LLC (the “Purchaser”) in the manner, at the purchase price and on the terms and conditions set forth in the Indenture; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Bond Loan”) to Lashkowitz Riverfront Four, LLLP, a North Dakota limited liability limited partnership, or another affiliate thereof (the “Borrower”), pursuant to a Financing Agreement, by and among the Agency, the Trustee, and the Borrower (the “Financing Agreement”), which will be in substantially the form attached hereto as Attachment B; and

WHEREAS, the interest on the Tax-Exempt Bonds is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the “Code”), and to ensure that the Tax-Exempt Bonds maintain their tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), which will be in substantially the form attached hereto as Attachment C; and

NOW, THEREFORE, BE IT RESOLVED:

1. **Findings.** The Commission hereby finds and determines that:
 - a. the Project financed through the issuance of the Bonds constitutes a “multifamily housing facility” within the meaning of Sections 54-17-07.2 and 54-17-07.3(3) of the Act; and
 - b. the Bond Loan will provide the Borrower with financing for the acquisition, construction, refurbishing, reconstruction, construction or improvement of the Project; and

- (c) that the Project will be of public use and will provide a public benefit.
2. **Approval of Indenture.** The Indenture is hereby approved in the form hereinabove described, and the Executive Director, the Director of Planning and Housing Development or the Chief Financial Officer of the Agency (each, including any individual authorized to act on his or her behalf, an "Authorized Officer") is hereby authorized and directed to execute and deliver the Indenture, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Indenture, and any other Authorized Officer is hereby authorized and directed to attest thereto.
 3. **Authorization and Sale of Bonds.** The issuance, sale and delivery of the Bonds to ORIX Public Finance, LLC (the "Purchaser") are hereby authorized and approved. The final principal amount and terms of the Bonds shall be determined by any Authorized Officer, subject to the following conditions:
 - a. The Bonds shall not be general obligations of the Commission or the Agency but shall be limited obligations payable solely and only from moneys pledged under the Indenture as required by the Financing Agreement.
 - b. The Bonds shall mature no later than July 1, 2054, bear interest at a fixed rate or rates not to exceed 12% per annum, be in an aggregate principal amount not to exceed \$16,500,000, be sold to the Purchaser at not less than 100% of the principal amount thereof and have the other terms and provisions (including provisions with respect to the redemption of the Bonds prior to maturity, if any) as described to the Commission and definitively set forth in the Indenture upon execution and delivery as aforesaid in Section 2 hereof.
 - c. The Bonds shall be executed and delivered substantially in the forms set forth in the Indenture, with such additions, omissions and changes as are required or permitted by the Indenture.
 - d. The Bonds shall be executed in the name of the Commission by the manual or facsimile signature of each of the members of the Commission, with the official seal of the Commission (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, and attested by the manual or facsimile signature of any Authorized Officer, and their execution shall evidence their approval of the final terms thereof. Such Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.
 4. **Approval of Financing Agreement.** The Financing Agreement is hereby approved in the form hereinabove described, and any Authorized Officer is hereby authorized to execute and deliver the Financing Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Financing Agreement.
 5. **Approval of Regulatory Agreement.** The Regulatory Agreement is hereby approved in the form hereinabove described, and any Authorized Officer is hereby authorized to execute and deliver the Regulatory Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

6. **Ratification of Prior Actions.** All action previously taken by the officers, members or staff of the Agency within the authority granted herein, with respect to the Indenture, the Financing Agreement, the Bonds, and the Regulatory Agreement is approved, and a public hearing with respect to the issuance of the Tax-Exempt Bonds is hereby approved, confirmed and ratified.
7. **Execution of Tax Documents.** Any Authorized Officer is hereby authorized to execute certifications as to the Agency's reasonable expectations regarding the amount and use of the proceeds of the Tax-Exempt Bonds, to file related forms with the Internal Revenue Service and to execute appropriate land use restriction agreements to comply with the Internal Revenue Code of 1986, as amended, particularly Sections 142 and 148 thereof.
8. **Additional Actions Authorized.** Any Authorized Officer and any other officer, employee, agent, members or staff of the Agency, acting alone or acting with others, are each hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Indenture, the Financing Agreement, or the Regulatory Agreement, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof.
9. **Authorization of Authorized Officers.** Any Authorized Officer is hereby authorized to deliver an Agency Certificate, or such other document as may be necessary or appropriate, at the time of issuance of the Bonds which cures ambiguities, defects or omissions herein, corrects or supplements any provision herein, lessens the obligations of the Agency hereunder, or adds to the rights or options of the Agency, all in furtherance of the purposes and programs of the Agency.
10. **Effective Date.** This Resolution shall become effective immediately.

Ms. Henderson presented for consideration of approval of Issuance not to exceed \$6,000,000 Multifamily Taxable Revenue Bonds for Lashkowitz Riverfront 9, LLLP.

The memo reads as follows:

"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 9 percent transaction includes 27 units financed using the 9 percent competitive credits and a taxable bond issuance. The 4 percent transaction, for which tax-exempt bonds will be issued, will consist of 83 units and comprise floors 2-4. 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.

The operative documents for the taxable bond transaction are:

- a. A resolution authorizing the issuance of tax-exempt multifamily revenue bonds Series 2024 A and Series 2024B, in an aggregate principal amount not to exceed \$6,000,000
- b. Trust Indenture
- c. Financing Agreement

The Commission, by executing the authorizing resolution, is approving the operative documents in their respective current forms and authorizing the Executive Director and Chief Financial Officer (Authorized Officers) to execute the documents in their respective current forms with such changes as are consistent with the parameters set forth in the authorizing resolution and approved by the Authorized Officers, such approval being evidenced by an Authorized Officer's execution of the documents.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the issuance of multifamily revenue bonds Lashkowitz Riverfront 9 Series 2024A and 2024 B, in an aggregate amount not to exceed \$6,000,000.

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

A RESOLUTION WAS MADE

STATE OF NORTH DAKOTA
NORTH DAKOTA HOUSING FINANCE AGENCY
MULTIFAMILY REVENUE BONDS
(LASHKOWITZ RIVERFRONT 9)
SERIES 2024A

STATE OF NORTH DAKOTA
NORTH DAKOTA HOUSING FINANCE AGENCY
MULTIFAMILY REVENUE BONDS
(LASHKOWITZ RIVERFRONT 9)
SERIES 2024B

A RESOLUTION AUTHORIZING THE ABOVE CAPTIONED INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000; APPROVING THE FORM OF CERTAIN FINANCING DOCUMENTS AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Industrial Commission of North Dakota (the "Commission") acting in its capacity as 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 provide financing, directly or indirectly, of construction, permanent and combined construction and permanent loans for the acquisition,

construction, refurbishing, reconstruction, construction or improvement of multifamily residential housing in which at least twenty percent of the units are held for occupancy by persons or families of low and moderate income; and

WHEREAS, the Agency intends to issue its Multifamily Revenue Bonds (Lashkowitz Riverfront 9), Series 2024A, and its Multifamily Revenue Bonds (Lashkowitz Riverfront 9), Series 2024B (the “Bonds”), in an aggregate principal amount not to exceed \$6,000,000, the proceeds of which will be used to finance a loan for the acquisition, construction and equipping of Lashkowitz Riverfront 9, a 27unit multifamily residential rental project (the “Project”); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”), between the Agency and Wilmington Trust, National Association, in its capacity as trustee (the “Trustee”), which will be in substantially the form attached hereto as Attachment A, whereby the Agency would be authorized to issue the Bonds subject to the terms, conditions and limitations established herein and in the Indenture; and

WHEREAS, the Bonds will be sold and delivered to ORIX Public Finance, LLC (the “Purchaser”) in the manner, at the purchase price and on the terms and conditions set forth in the Indenture; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Bond Loan”) to Lashkowitz Riverfront Nine, LLLP, a North Dakota limited liability limited partnership, or another affiliate thereof (the “Borrower”), pursuant to a Financing Agreement, by and among the Agency, the Trustee, and the Borrower (the “Financing Agreement”), which will be in substantially the form attached hereto as Attachment B.

NOW, THEREFORE, BE IT RESOLVED:

1. **Findings.** The Commission hereby finds and determines that:
 - a. the Project financed through the issuance of the Bonds constitutes a “multifamily housing facility” within the meaning of Sections 54-17-07.2 and 54-17-07.3(3) of the Act; and
 - b. the Bond Loan will provide the Borrower with financing for the acquisition, construction, refurbishing, reconstruction, construction or improvement of the Project; and(c) that the Project will be of public use and will provide a public benefit.
2. **Approval of Indenture.** The Indenture is hereby approved in the form hereinabove described, and the Executive Director, the Director of Planning and Housing Development or the Chief Financial Officer of the Agency (each, including any individual authorized to act on his or her behalf, an “Authorized Officer”) is hereby authorized and directed to execute and deliver the Indenture, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Indenture, and any other Authorized Officer is hereby authorized and directed to attest thereto.
3. **Authorization and Sale of Bonds.** The issuance, sale and delivery of the Bonds to ORIX Public Finance, LLC (the “Purchaser”) are hereby authorized and approved. The final principal amount and terms of the Bonds shall be determined by any Authorized Officer, subject to the following conditions:

- a. The Bonds shall not be general obligations of the Commission or the Agency but shall be limited obligations payable solely and only from moneys pledged under the Indenture as required by the Financing Agreement.
- b. The Bonds shall mature no later than July 1, 2054, bear interest at a fixed rate or rates not to exceed 12% per annum, be in an aggregate principal amount not to exceed \$6,000,000, be sold to the Purchaser at not less than 100% of the principal amount thereof and have the other terms and provisions (including provisions with respect to the redemption of the Bonds prior to maturity, if any) as described to the Commission and definitively set forth in the Indenture upon execution and delivery as aforesaid in Section 2 hereof.
- c. The Bonds shall be executed and delivered substantially in the forms set forth in the Indenture, with such additions, omissions and changes as are required or permitted by the Indenture.
- d. The Bonds shall be executed in the name of the Commission by the manual or facsimile signature of each of the members of the Commission, with the official seal of the Commission (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, and attested by the manual or facsimile signature of any Authorized Officer, and their execution shall evidence their approval of the final terms thereof. Such Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.
4. **Approval of Financing Agreement.** The Financing Agreement is hereby approved in the form hereinabove described, and any Authorized Officer is hereby authorized to execute and deliver the Financing Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Financing Agreement.
5. **Approval of Regulatory Agreement.** The Regulatory Agreement is hereby approved in the form hereinabove described, and any Authorized Officer is hereby authorized to execute and deliver the Regulatory Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.
6. **Ratification of Prior Actions.** All action previously taken by the officers, members or staff of the Agency within the authority granted herein, with respect to the Indenture, the Financing Agreement, and the Bonds is approved.
7. **Additional Actions Authorized.** Any Authorized Officer and any other officer, employee, agent, members or staff of the Agency, acting alone or acting with others, are each hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Indenture, the Financing Agreement, or the Regulatory Agreement, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof.
8. **Authorization of Authorized Officers.** Any Authorized Officer is hereby authorized to deliver an Agency Certificate, or such other document as may be necessary or appropriate, at the time of issuance of the Bonds which cures ambiguities, defects or omissions herein, corrects or supplements any provision herein, lessens the obligations of the Agency hereunder, or adds to

the rights or options of the Agency, all in furtherance of the purposes and programs of the Agency.

9. **Effective Date.** This Resolution shall become effective immediately.

Commissioner Goehring left the meeting at this time.

OUTDOOR HERITAGE FUND

Mr. Reice Haase gave a presentation of the Outdoor Heritage Fund Project Management and Financial Report. The Outdoor Heritage Fund currently has 67 active projects. There has been a total of 232 cumulative projects since the inception of the program, with a cumulative value of \$85.5 million granted and \$222.4 million in project value. The Outdoor Heritage Fund currently has \$4,887,500 available to fund new projects.

Mr. Bob Kuylen presented for consideration of approval the Grant Round 24 Recommended Awards:

- i. 24 (A) North Dakota Forest Service: ND Statewide Windbreak Renovation Initiative 4.0, \$900,000
- ii. 24-5 (C) City of Belfield: Belfield Dam Improvement, \$145,125
- iii. 24-10 (A) North Dakota Natural Resources Trust: Bakken Development and Working Lands Program III, \$1,625,000
- iv. 24-12 (B) North Dakota Natural Resources Trust: Badlands Restoration Project, \$77,000
- v. 24-13 (C) North Dakota Wildlife Federation: North Dakota Prescribed Fire Program for Ranchland Enhancement, \$200,000
- vi. 24-15 (D) Sunset Park District 1: PreK Park Enhancement, \$10,000
- vii. 24-16 (A) McLean County Water Resource District: Painted Woods Lake Flood Protection & Recreation Project, \$1,000,000

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission accepts the recommendations of the Outdoor Heritage Fund Advisory Board, approves the following projects, and authorizes the Office of the Industrial Commission to enter into contracts for the following projects:

24-2 (A) North Dakota Forest Service: ND Statewide Windbreak Renovation Initiative 4.0, \$900,000

24-5 (C) City of Belfield: Belfield Dam Improvement, \$145,125

24-10 (A) North Dakota Natural Resources Trust: Bakken Development and Working Lands Program III, \$1,625,000

24-12 (B) North Dakota Natural Resources Trust: Badlands Restoration Project, \$77,000

24-13 (C) North Dakota Wildlife Federation: North Dakota Prescribed Fire Program for Ranchland Enhancement, \$200,000

24-15 (D) Sunset Park District 1: PreK Park Enhancement, \$10,000

24-16 (A) McLean County Water Resource District: Painted Woods Lake Flood Protection & Recreation Project, \$1,000,000

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

Mr. Kuylen presented for consideration of approval a project amendment to 022-222 scope of work adjustment.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission accepts the recommendations of the Outdoor Heritage Fund Advisory Board and authorizes the Office of the Industrial Commission to enter into a contract amendment for Contract 022-222, authorizing the replacement of the earthen fishing pier task with the addition of hard substrate material for the boat ramp and parking area.

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

Governor Burgum presented a Resolution of Appreciation for Mr. Bob Kuylen.

A RESOLUTION WAS MADE

Resolution of Appreciation

- Whereas,** Robert “Bob” Kuylen has admirably served the State of North Dakota since his appointment to the Outdoor Heritage Fund Advisory Board on September 12th, 2013; and
- Whereas,** Bob has been dedicated to the Outdoor Heritage Fund’s mission to enhance conservation practices in this State by providing access for sportsmen and women, supporting agricultural stewardship, enhancing wildlife habitat, and creating outdoor recreation opportunities; and
- Whereas,** During Bob’s tenure with the Board, over \$85.5 million of Outdoor Heritage Fund dollars was invested in North Dakota, yielding private sector matches of over \$222.4 million toward this purpose; and
- Whereas,** Since his election as Chairman of the Outdoor Heritage Fund Advisory Board on June 7th, 2019, Bob has skillfully led the Board with a courteous and respectful spirit, leading to the resourceful investment of Outdoor Heritage Fund dollars in projects which benefit every county and numerous communities in the State; and
- Whereas,** Bob’s dedication to the Outdoor Heritage Fund Advisory Board and to the State of North Dakota will leave a lasting legacy for all citizens of our state and is deserving of recognition.

Now, therefore, the North Dakota Outdoor Heritage Fund Advisory Board hereby expresses deep gratitude to Bob Kuylen for his 11 years of service to the citizens of North Dakota.

Adopted this 26th day of June, 2024.

Under other business, Mr. Bob Kuylen introduced Mr. Tyler Dokken to the Commission. Mr. Dokken was voted in by the Members of the Outdoor Heritage Fund Advisory Board as the new Chairman.

DEPARTMENT OF MINERAL RESOURCES

Mr. Mark Bohrer presented for consideration the following case:

- i. Order No. 33618 issued in Case No. 30958 regarding an application of Continental Resources, Inc. for an authorization to drill a saltwater disposal well in Williams County, ND.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approves Order No. 33618 issued in Case No. 30958 granting the application of Continental Resources, Inc. pursuant to NDAC §43-02-03-88.1 and authorizing the drilling of the Sleipnir SWD salt water disposal from a surface hole location in the NENW Section 3, T.155N., R.97W., to a bottom hole location in the NENW Section 3, T.155N., R.97W., Dollar Joe Field, Williams County, ND, in the Dakota group pursuant to NDAC Chapter 43-02-05, and providing such other and further relief.

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

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

Wilson M. Laird Core and Sample Library

During the first quarter of 2024, one oil company geologist, geologists from the Geological Survey, EERC, professors from NDSU and Moorhead State, and graduate students from UND and Colorado School of Mines studied 8,350 feet of core. A total of 4,359 feet of core was photographed generating 6,103 standard photographs and 3,932 feet of core was photographed with a tripod generating 311 photographs for the subscription site.

Core Photographs as Sampling Guides

Since we began posting core photographs 20 years ago, companies have been using them to identify cores that they wanted to study and sample in the core library. Occasionally, companies that do not have the opportunity to travel to the core library have used those photographs to identify where they want rock samples taken for testing or for creating thin sections. That information is sent to one of our core library technicians who pulls the core, identifies the part of the core to sample, obtains the rock

sample, and then send it to the company. In exchange, the company provides us with a copy of the test results.

Brenna Formation Maps

The Geological Survey has recently published a series of drill hole location, depth, and thickness maps on the Brenna Formation, the lower of the two glacial lake clays, in the Red River Valley.

The full report can be found on the website.

LEGAL UPDATE

A. Litigation Update

- i. Northwest Landowners v. NDIC – summary judgement on Friday
- ii. NDIC v. DOI Quarterly Federal Lease Sales – next scheduled update in August
- iii. BLM Conservation and Landscape Rule – Filed lawsuit on Friday
- iv. BLM Venting and Flaring – Prelim injunction had in front of Judge Trainor.
- v. EPA Greenhouse Gas Rule – 22 States challenging the rule
- vi. EPA MATS Rule – ND Leading 23 state coalition – EPA pushing back to July

B. Federal Regulatory Update

- i. There were no Federal Regulatory Updates presented.

Being no further business, Governor Burgum adjourned the meeting of the Industrial Commission at 4:25 p.m.

North Dakota Industrial Commission

Brenna Jessen, Recording Secretary

Reice Haase, Deputy Executive Director

Karen Tyler, Executive Director

Minutes of a Special Meeting of the Industrial Commission of North Dakota

Held on July 2nd, 2024 beginning at 9:00 a.m.

Governor's Conference Room – State Capitol

Present: Governor Doug Burgum, Chairman
Attorney General Drew H. Wrigley
Agriculture Commissioner Doug Goehring

Other attendees included Executive Director Karen Tyler, Brenna Jessen, Erin Stieg, Jace Beehler and a member of the media.

Governor Burgum called the meeting of the Industrial Commission to order at approximately 9:05 a.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.

Ms. Karen Tyler presented for consideration of approval changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn Stat. 216B.1691 – Request for Approval to Submit Reply to Comments.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission authorize counsel to provide any necessary and appropriate replies to comments submitted to the MN Public Utilities Commission regarding proposed rulemaking related to Changes to Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. 216B.1691, with such replies to be circulated to the Industrial Commission for review and signature and due to MPUC by July 10, 2024.

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

Ms. Tyler provided a review of the process utilized by the BND President/CEO search committee to carry out the search, which resulted in two finalists presented to the Commission for final interviews.

The following individuals were voting members on the search committee:

- Tammy Miller, North Dakota Lt. Governor
- Claire Ness, North Dakota Attorney General Deputy Director
- Tom Bodine, North Dakota Agriculture Commissioner Deputy Director
- Brenda Foster, BND Advisory Board Member
- Karl Bollingberg, BND Advisory Board Chair

Non-voting members of the search committee were Karen Tyler, NDIC Executive Director and Lori Leingang, BND CAO.

The first interview with candidate finalist Kelvin Hullet started at approximately 9:15 a.m.

The first interview concluded at approximately 10:25 a.m. and the Commission took a break until 11:00 a.m.

The meeting reconvened at 11:03 a.m.

The second interview with candidate finalist Don Morgan started at approximately 11:05 a.m.

The second interview concluded at approximately 12:00 p.m and the Commission took a break until 12:15 p.m.

The Commission members held a discussion regarding the two final candidates.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission offer Mr. Don Morgan the position of Bank of North Dakota President and CEO with a start date no later than August 1, 2024, and authorize the Industrial Commission Executive Director to negotiate and initiate an employment agreement with Mr. Morgan.

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

The Commission members shared their gratitude for all candidates that took the time to apply to such an important position for the State of North Dakota. Governor Burgum specifically shared his gratitude to the two finalists for their willingness and courage to continue through a public interview process.

Discussion was had around challenges that arise with the requirement to make public the finalists for these executive positions and the impact the public nature of the process has on candidates.

With no further business, Governor Burgum adjourned the meeting at 12:40 p.m.

North Dakota Industrial Commission

Brenna Jessen, Recording Secretary

Reice Haase, Deputy Executive Director

Karen Tyler, Executive Director

Industrial Commission of North Dakota



Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Memorandum

TO: Governor Doug Burgum, Chairman FR: Karen Tyler, Executive Director
Attorney General Drew H. Wrigley
Agriculture Commissioner Doug Goehring

DT: July 30, 2024 RE: Agency Leader Salary Increases

Senate Bill 2015 adopted by the 2023 Legislative Assembly states in part:

The 2023-25 biennium compensation adjustments for permanent state employees are to average 6 percent per eligible employee for the first fiscal year of the biennium **and are to average 4 percent per eligible employee for the second year of the biennium**. The increases for the first year of the biennium are to be given beginning with the month of July 2023, to be paid in August 2023, **and for the second year of the biennium are to be given beginning with the month of July 2024, to be paid in August 2024**. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.

The Industrial Commission Agency Directors continue to lead with excellence and a dedicated commitment to serving North Dakota citizens and businesses, and supporting the Industrial Commission in executing on its vast portfolio of responsibilities. I am recommending the following salary increases effective July 1, 2023:

	<u>Current</u>	<u>4%</u>	<u>New</u>
DeAnn Ament	136,213	5,448	141,661
Dave Flohr	162,912	6,516	169,428
Vance Taylor	379,881	15,195	395,076

Thank you for your consideration.

KT