



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Kelly Armstrong
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Wednesday, February 19, 2025

Governor's Conference Room or Microsoft Teams – 11:30 am

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I. Roll Call and Pledge of Allegiance

(approximately 11:35 am)

II. North Dakota Mill and Elevator – Vance Taylor and Cathy Dub

- A. Presentation of Q2 FY 2025 Operating Results (Attachment 1)
- B. **Consideration of Approval of Capital Project** (Attachment 2)
- C. Legislative Update
- D. Other Mill and Elevator Business

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

(approximately 12:00 pm)

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

- A. Presentation of Problem Loans as of January 31, 2025 – Kirby Evanger (Confidential Attachment 3)
- B. Presentation of Concentrations of Credit as of December 31, 2024 – Kirby Evanger (Confidential Attachment 4)
- C. Presentation of December 18, 19 2024 Confidential Committee and Advisory Board Meeting Minutes (Confidential Attachment 5)
- D. Other Bank of North Dakota Confidential Business

(approximately 12:45)

IV. Consideration of Waiver of the Exemption for Attorney Work Product that is Exempt under N.D.C.C. Section 44-04-19.1

- A. **Memo from Special Assistant Attorney General to the Industrial Commission (Confidential Attachment 6)**

Meeting Returns to Public Session

V. Action on Executive Session Items

(approximately 1:00)

VI. Bank of North Dakota – Don Morgan, Kelvin Hullet

- A. **Consideration for Approval of BND Officer Designation** – Don Morgan (Attachment 7)
B. Legislative Update – Kelvin Hullet
C. Presentation of December 18, 19 2024 Non-confidential Committee and Advisory Board Meeting Minutes (Attachment 8)
D. Other Bank of North Dakota Business

(approximately 1:30 pm)

VII. North Dakota Public Finance Authority – DeAnn Ament

- A. **Consideration of Approval of the Following Loans:**
i. City of Jamestown – Clean Water - \$2,790,000 (Attachment 9)
ii. City of New Town – Clean Water - \$5,114,000 (Attachment 10)
iii. City of New Town – Drinking Water - \$4,009,000 (Attachment 11)
B. Presentation of Memo of State Revolving Fund Loans Approved by PFA Advisory Committee: (Attachment 12)
i. City of Turtle Lake – Clean Water - \$452,000 (Attachment 13)
C. Legislative Update
D. Other Public Finance Authority Business

(approximately 1:45 pm)

VIII. North Dakota Building Authority – DeAnn Ament

- A. **Appointment of Authorized Officer of NDBA** (Attachment 14)
B. Other Building Authority Business

(approximately 2:00 pm)

IX. Department of Mineral Resources – Nathan Anderson, Ed Murphy

- A. Geological Survey Quarterly Report (Attachment 15)
- B. Presentation of DMR Geological Survey 2024 Strategic Plan Review (Attachment 16)
- C. **Consideration of Approval of Geological Survey proposed 2025 Strategic Plan** (Attachment 17)
- D. Legislative Update
- E. Other Department of Mineral Resources Business

(approximately 2:30 pm)

X. North Dakota Transmission Authority – Claire Vigesaa, Executive Director

- A. Presentation of NDTA Annual Report on Status of Electric Grid in North Dakota and Update on DOE Transmission and IIJA Grid Resiliency Grant Programs (Attachment 18)
- B. **Consideration of Commission Statement of Support for Transmission Development in North Dakota** (Attachment 19)
- C. Legislative Update
- D. Other Transmission Authority Business

(approximately 3:00 pm)

XI. Legal Update* – Phil Axt, Matt Sagsveen, David Garner

- A. Challenges to State Law:
 - i. NW Landowners v. State
- B. Challenges to Federal Rules:
 - i. EPA Mercury and Air Toxics Rule (DC Cir)
 - ii. EPA Carbon Rule (DC Cir)
 - iii. EPA Methane Tax Rule (DC Cir)
 - iv. EPA Methane OOOO Rule (DC Cir)
 - v. EPA PM2.5 Rule (DC Cir)
 - vi. EPA WOTUS Rule (DND)
 - vii. EPA/DOT Vehicle Mandate Rules (DC Cir; CA6)
 - viii. BLM Venting & Flaring Rule (CA8)
 - ix. BLM Conservation Rule (DND)
 - x. CEQ NEPA Phase 2 Rule (DND)
- C. Interventions to Defend Against Federal Actions:
 - i. DAPL Operation (DDC)
- D. Other Federal Actions of Concern:
 - i. BLM Resource Management Plan
- E. Other States' Actions of Concern:
 - i. Minnesota Carbon-Free Power Plan
 - ii. New York Climate Superfund Law

iii. State Tort Lawsuits Targeting Fossil Fuel Use

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

(approximately 3:30 pm)

XII. Office of the Industrial Commission – Karen Tyler, Jordan Kannianen

A. Consideration of January 28, 2025, Industrial Commission Meeting Minutes (Attachment 20)

B. Legislative Update

C. Other Office of Industrial Commission business

XIII. Adjournment

Next Meeting – March 25, 2025, 1:00 pm
Governor's Conference Room



North Dakota Mill

Quarterly Income Statement Summary

For the Six Months Ending Tuesday, December 31, 2024

	2nd Qtr			Fiscal Year 2025	Fiscal Year 2024	Change
	Dec 2024	Dec 2023	Change			
GROSS SALES	\$124,191,771	\$130,874,725	(\$6,682,953)	\$242,739,856	\$258,762,883	(\$16,023,028)
SALES DEDUCTIONS	(25,879,504)	(23,962,610)	(1,916,894)	(49,089,277)	(45,622,213)	(3,467,064)
NET SALES	<u>\$98,312,267</u>	<u>\$106,912,114</u>	<u>(\$8,599,847)</u>	<u>\$193,650,579</u>	<u>\$213,140,670</u>	<u>(\$19,490,091)</u>
COGS	<u>(\$77,748,961)</u>	<u>(\$89,513,023)</u>	<u>\$11,764,062</u>	<u>(\$154,082,466)</u>	<u>(\$177,287,175)</u>	<u>\$23,204,709</u>
GROSS MARGIN	<u>\$20,563,306</u>	<u>\$17,399,092</u>	<u>\$3,164,215</u>	<u>\$39,568,113</u>	<u>\$35,853,495</u>	<u>\$3,714,618</u>
Gross Margin	16.6%	13.3%	3.3%	16.3%	13.9%	2.4%
OPERATING EXPENSES						
PRODUCTION	(\$11,094,808)	(\$9,340,406)	(\$1,754,401)	(\$21,182,166)	(\$18,511,303)	(\$2,670,863)
QUALITY CONTROL	(405,252)	(393,322)	(11,929)	(747,172)	(726,658)	(20,514)
MARKETING	(832,293)	(684,227)	(148,067)	(1,549,873)	(1,354,871)	(195,002)
GENERAL & ADMIN	(1,483,369)	(1,448,298)	(35,071)	(3,044,218)	(2,915,293)	(128,926)
TOTAL OPERATING EXPENSES	<u>(\$13,815,722)</u>	<u>(\$11,866,253)</u>	<u>(\$1,949,469)</u>	<u>(\$26,523,430)</u>	<u>(\$23,508,124)</u>	<u>(\$3,015,305)</u>
per cwt production	\$2.85	\$2.67	\$0.18	\$2.83	\$2.70	\$0.13
OPERATING INCOME	<u>\$6,747,585</u>	<u>\$5,532,839</u>	<u>\$1,214,746</u>	<u>\$13,044,683</u>	<u>\$12,345,371</u>	<u>\$699,312</u>
OTHER INCOME	\$94,301	\$144,493	(\$50,192)	\$203,988	\$293,787	(\$89,798)
OTHER EXPENSES	(1,206,952)	(1,384,054)	177,102	(2,490,135)	(2,799,031)	308,896
NET INCOME	<u><u>\$5,634,934</u></u>	<u><u>\$4,293,278</u></u>	<u><u>\$1,341,656</u></u>	<u><u>\$10,758,537</u></u>	<u><u>\$9,840,127</u></u>	<u><u>\$918,410</u></u>
PRODUCTION - CWTS.						
SPRING WHEAT FLOUR	4,452,302	4,059,804	392,498	8,607,535	7,934,035	673,500
% to total	91.7%	91.5%	0.2%	91.9%	91.3%	0.6%
DURUM FLOUR/SEMO	400,956	378,675	22,281	754,206	757,688	(3,482)
% to total	8.3%	8.5%	(0.2%)	8.1%	8.7%	(0.6%)
TOTAL CWTS.	<u>4,853,258</u>	<u>4,438,480</u>	<u>414,778</u>	<u>9,361,741</u>	<u>8,691,723</u>	<u>670,017</u>
SALES - CWTS.						
SPRING WHEAT	4,445,067	4,065,213	379,854	8,653,549	7,963,752	689,797
% to total	91.7%	91.0%	0.7%	92.0%	91.3%	0.7%
DURUM & BLENDS	400,102	403,315	(3,213)	756,504	757,780	(1,276)
% to total	8.3%	9.0%	(0.7%)	8.0%	8.7%	(0.7%)
TOTAL CWTS.	<u>4,845,169</u>	<u>4,468,528</u>	<u>376,641</u>	<u>9,410,053</u>	<u>8,721,531</u>	<u>688,521</u>
BY-PRODUCTS	70,140	65,706	4,434	137,916	130,088	7,828
Price per ton	\$107.75	\$152.47	-\$44.72	\$99.18	\$152.71	-\$53.53



**North Dakota Mill
Review of Operations
2nd Quarter Ended 12/31/24**

SUMMARY

Activities in the 2nd Quarter of the year resulted in a profit of \$5,634,934 compared to \$4,293,278 last year. For the six months ending December there is a profit of \$10,758,537 compared to \$9,840,127 last year.

	<u>Quarter</u>		<u>Year to date</u>	
	<u>12/24</u>	<u>12/23</u>	<u>12/24</u>	<u>12/23</u>
Profits	\$5,634,934	\$4,293,278	\$10,758,537	\$9,840,127
Sales	124,191,771	130,874,725	242,739,856	258,762,883
Cwt. Shipped				
Spring	4,445,067	4,065,213	8,653,549	7,963,751
% to Total	91.7%	91.0%	92.0%	91.3%
Durum/Blends	<u>400,102</u>	<u>403,315</u>	<u>756,504</u>	<u>757,780</u>
Total	<u>4,845,169</u>	<u>4,468,528</u>	<u>9,410,053</u>	<u>8,721,531</u>
Bulk Shipments	4,038,831	3,690,392	7,860,949	7,270,533
% to Total	83.4%	82.6%	83.5%	83.4%
Bag Shipments	758,466	729,934	1,458,165	1,356,564
% to Total	15.6%	16.3%	15.5%	15.5%
Tote Shipments	47,872	48,202	90,939	94,434
% to total	1.0%	1.1%	1.0%	1.1%
Family Flour Shipments	147,882	120,572	291,464	248,776
% to Total	30.0%	2.7%	3.1%	2.9%
Organic Flour	25,312	19,380	61,416	43,919
% to Total	.5%	.4%	.6%	.5%

Wheat/Durum Bought				
Spring / Winter	9,720,660	8,125,295	18,408,738	16,614,071
Durum	<u>957,759</u>	<u>808,928</u>	<u>1,904,233</u>	<u>1,638,181</u>
Total	<u>10,678,419</u>	<u>8,934,223</u>	<u>20,312,971</u>	<u>18,252,252</u>

SALES

2nd Quarter

Sales for the 2nd quarter were \$124,191,771 compared to \$130,874,725 last year. Shipments of 4,845,169 cwts. are 376,641 cwts. above last year. Bag shipments for the 2nd quarter are 758,466 cwts., which is 3.9% above last year's 2nd quarter. Tote shipments for the 2nd quarter are 47,872 cwts., which is .7% below last year's 2nd quarter. Family flour shipments of 147,882 cwts. is 22.6% above last year's 2nd quarter. Organic flour shipments were 25,312 cwts., which is 30.6% above last year's 2nd quarter.

Year-to-Date

Sales for the six months ended in December were \$242,739,856 compared to \$258,762,883 last year, a decrease of 6.2%. For the first six months the average settled price of grain is \$1.56 per bushel less than last year. Shipments of 9,410,053 cwts. are 688,521 cwts. above last year, an increase of 7.9%. Year-to-date bag shipments are 1,458,165 cwts., an increase of 101,601 cwts. from last year. Tote shipments are 90,939 cwts., a decrease of 3,495 cwts. from last year. Family flour shipments for the six months ending are 291,464 cwts., an increase of 18.4%. Organic flour shipments of 61,416 cwts. is an increase of 39.8% from last year.

OPERATING COSTS

2nd Quarter

Operating costs for the 2nd quarter were \$13,815,722 compared to \$11,866,253 last year, an increase of 16.4%. Operating cost per cwt. of production was \$2.85 compared to \$2.67 last year, an increase of \$.18 per cwt.

Year-to-Date

Year-to-date operating costs are \$26,523,430 compared to \$23,508,124 last year, an increase of 12.8%. Operating cost per cwt. of production for the six months ending is \$2.83 compared to \$2.70 last year, an increase of \$.13 per cwt. Flour production increased 7.7% to 9,361,741 cwts.

PROFITS

2nd Quarter

Operating activity for the 2nd quarter led to a profit of \$5,634,934 compared to a profit of \$4,293,278 last year. Gross margins as a percent of gross sales for the quarter were 16.6% compared to 13.3% last year, an increase of 3.3%.

Year-to-Date

Operating activity for six months ending December led to a profit of \$10,758,537 compared to a profit of \$9,840,127 last year. Gross margins as a percentage of gross sales for the year are 16.3% compared to 13.9% last year, an increase of 2.4%.

RISK MANAGEMENT POSITION

The table below shows our hedge ratio by futures months going forward. While the mill does monitor and maintain the spring wheat hedges, it does remain at risk for fluctuations in the basis.

Position Report 31-Dec-24

Period	Hedge Ratio
Mar-25	1.1
May-25	1.0
Jul-25	1.1
Sep-25	1.1
Dec-25	1.0
Net Position	1.1

cc: Vance Taylor, President & CEO

Capital Project for Consideration**2/19/2025****Roll Chill Grinding, Corrugating and Roll Journal Machine****\$800,000**

Purchase and install a CNC roll grinding machine and a CNC roll corrugating machine. This will increase our ability to recondition the roll chills that are taken out of service during normal operation and will lessen our reliance on outside vendors supplying this service, saving on roll machining costs of approximately \$200,000 per year. The fabrication of the roll journals is a new undertaking for us to complete in-house, as we do not currently have this capability.

Purchasing and installing this new equipment will allow us to have the capabilities to complete all our own roll reconditioning in-house, without needing to rely on a third party to complete this work for us.

February 10, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its February 10, 2025 meeting, reviewed, discussed, and recommends approval of a \$2,790,000 Clean Water State Revolving Fund Program loan to the City of Jamestown.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

RESOLUTION APPROVING
LOAN FROM CLEAN WATER STATE REVOLVING FUND

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

WHEREAS, the Clean Water State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (NDPFA) and the Bank of North Dakota (the Trustee); and

WHEREAS, the City of Jamestown (the "Political Subdivision") has requested a loan in the amount of \$2,790,000 from the Program to close the existing municipal solid waste landfill Cell 4A and open a new Cell 4B in the north central portion of the approved project area; and

WHEREAS, the NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.
2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.
3. The Executive Director is authorized to fund the Loan from funds on hand in the Clean Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.
4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: February 19, 2025

Governor Kelly Armstrong, Chairman

Attest:

Karen Tyler, Executive Director
Industrial Commission of North Dakota

Industrial Commission
of North Dakota

Kelly Armstrong
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: February 4, 2025

Re: City of Jamestown
Clean Water State Revolving Fund

Purpose of the Project: The proposed project would close the existing Cell 4A and open a new Cell 4B in the northcentral portion of the approved project area. PFAS would continue to be trucked from the leachate pond to the lagoon.

Project Amount:

CWSRF Request/ Project Total	\$ 2,790,000
CWSRF Loan Forgiveness	(1,043,000)
CWSRF Net Loan	\$ 1,747,000

Population to Benefit from the Project: 15,849

Population Served by the System: 15,849

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

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 20 years. The City will issue revenue bonds payable with sanitation and solid waste fund revenues. This project is eligible for up to \$1,043,000 of emerging contaminant loan forgiveness (if it is available from EPA), so the net loan will be \$1,747,000. The net average annual payment for the revenue bonds will be \$102,198. The 110% coverage requirement will be \$112,418 and the required debt service reserve will be \$106,000.

The City's monthly residential cart rates are: \$15.85 for 35 gallons (559 users), \$18.60 for 65 gallons (2,357 users) and \$21.75 for 95 gallons (1,389 users). There are 802 multi-family and commercial users which pay by the yard and the number of times the container is picked up each week.

Sanitation & Solid Waste Fund:**Solid Waste Only
Unaudited**

	2021	2022	2023	Nov 2024
Interest Revenue	\$5,879	\$13,122	\$25,382	\$138,221
Operating Revenue	3,327,949	3,555,045	5,230,950	2,401,721
Operating Expenses	3,119,877	3,391,039	5,594,570	1,711,602
Net Operating Revenue	213,951	177,128	-338,238	828,340
Depreciation	685,616	688,630	679,760	205,560
Transfer In	2,532,090	1,600,670	243,255	-
Adjusted Net Operating Revenue	\$3,431,657	\$2,466,428	\$584,777	\$1,033,900
CWSRF Payments	\$277,105	\$340,910	\$333,560	\$240,944
Net Operating Coverage	1,238%	723%	175%	429%
Proforma CWSRF Payment	\$102,198	\$102,198	\$102,198	\$102,198
Proforma Net Operating Coverage	905%	557%	134%	301%

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

The City's outstanding indebtedness as of December 31, 2024:

	Original Debt	Outstanding Balance
Revenue Bonds:		
Water ¹	\$ 15,042,701	\$ 4,780,000
Sewer ¹	16,885,331	9,399,000
Solid Waste ¹	4,249,147	2,670,000
	<u>\$ 36,177,179</u>	<u>\$ 16,849,000</u>
Improvement Bonds:		
Water and Sewer ¹	\$ 13,249,509	\$ 6,712,000
Other	37,021,054	17,323,607
	<u>\$ 50,270,563</u>	<u>\$ 24,035,607</u>
Total Debt	<u>\$ 86,447,742</u>	<u>\$ 40,884,607</u>

¹ All payments have been made as agreed. The City has nine Clean Water SRF and twelve DWSRF loans with outstanding balances of \$23,561,000.

Per resident, the outstanding bond debt is \$2,580 and the average annual bond payment is \$403.

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

K-12 School Enrollment:

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

The City’s 2024 taxable valuation was \$55,652,032. This is an increase of \$8,196,370 over the 2020 taxable valuation.

Property Tax Collections as of December 31, 2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2024	\$6,588,067	\$960,344	15%
2023	\$6,343,919	\$6,213,833	98%
2022	\$6,013,735	\$5,964,374	99%
2021	\$5,744,114	\$5,734,617	100%

Special Assessment Collections as of December 31, 2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2024	\$3,086,650	\$360,298	12%
2023	\$2,933,865	\$2,851,465	97%
2022	\$2,791,009	\$2,763,694	99%
2021	\$2,870,385	\$2,854,055	99%

Mill Levy History:

Year	City	School	Park District	State and County	Total for Each Year
2024	118.38	102.00	46.60	69.58	336.56
2023	118.41	102.00	41.38	75.38	337.17
2022	117.92	102.00	40.20	71.98	332.10
2021	118.36	102.00	40.21	71.09	331.66
2020	117.95	100.00	39.36	67.33	324.64



Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: February 10, 2025

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

The City of Jamestown (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$2,790,000 loan of which \$1,043,000 will be loan forgiveness, for a total of \$1,747,000 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 close the existing sanitary landfill Cell 4A and open a new Cell 4B in the northcentral section of the approved project area. PFAS will continue to be transported by truck from the leachate pond to the lagoon.

The municipal securities to be acquired by the Authority will be revenue bonds payable with sanitation and solid waste fund revenues. The City’s average annual payment under the proposed loan will be approximately \$102,198 indicating a 110% net revenue coverage requirement of approximately \$112,418. The City will be required to deposit \$106,000 into a reserve fund with payments of \$21,200 per year for the first five years of the loan. Pro forma net operating coverage of the sanitation and solid waste fund was 9.05x, 5.57x, 1.34x and 3.01x for 2021-2024 (2024 is unaudited through November), respectively. The existing sanitation and solid waste revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2024, the City has outstanding Revenue Bonds of \$16,849,000, and outstanding Improvement Bonds of \$24,035,607. The City currently has nine CWSRF loans and twelve DWSRF loans with an outstanding combined total balance of \$23,561,000. 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: February 4, 2025

RE: City of Jamestown
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$2,790,000 loan to the City of Jamestown under the Clean Water State Revolving Fund (CWSRF). This project is eligible for \$1,043,000 of CWSRF loan forgiveness, making the net loan \$1,747,000. The entire cost of the project is \$2,790,000, with CWSRF financing the entire project.

The project will replace one of the existing lagoon cells with a new cell. The requested loan term is 20 years. The City will issue a revenue bond payable with sanitation and solid waste fund revenues. The annual payment will average \$102,198.

Debt Service Coverage:

Sanitation & Solid Waste Funds	2021	2022	2023	Projected
Operating Revenue	3,327,949	3,555,045	5,230,950	5,230,950
Interest Revenue	5,879	13,122	25,382	25,382
Operating Expenses	-3,119,877	-3,391,039	-5,594,570	-5,594,570
Net Operating Revenue	213,951	177,128	-338,238	-338,238
Plus: Transfers In	2,532,090	1,600,670	243,255	243,255
Plus: Depreciation	685,616	688,630	679,760	679,760
Adjusted Net Operating Income	3,431,657	2,466,428	584,777	584,777
Current Debt Service	277,105	340,910	333,560	333,560
Proposed Debt Service				102,198
Total Debt Service				435,758
Debt Service Coverage	1238%	723%	175%	134%

The City currently provides 4,305 residential sanitation carts which pay a monthly fee ranging from \$15.85 to \$21.75 depending on the cart size. The City also provides 802 multi-family or commercial sanitation carts which pay by the yard and frequency of collection. The existing revenues will generate sufficient net operating revenues to service both the new and existing debt.

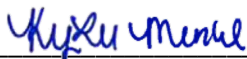
Outstanding Debt (as of December 31, 2024):

	Original Amount	Current Balance
Water Revenue Bonds	15,042,701	4,780,000
Sewer Revenue Bonds	16,885,331	9,399,000
Solid Waste Revenue Bonds	4,249,147	2,670,000
Water/Sewer Improvement Bonds	13,249,509	6,712,000
Other Improvement Bonds	37,021,054	17,323,607
	86,447,742	40,884,607

Average annual debt service requirements are estimated at \$6,382,574, which is an average of \$402.71 per resident.

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

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



Kylee Merkel
Business Banker

PERMIT DRAWINGS

Attachment 9E

FOR JAMESTOWN SANITARY LANDFILL EXPANSION PERMIT MODIFICATION SW - 213 JAMESTOWN, NORTH DAKOTA MARCH 2016

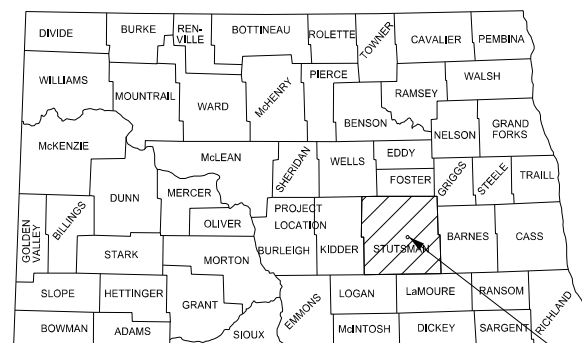


PLAN INDEX

- 1 COVER SHEET
- 2 VICINITY MAP
- 3 EXISTING CONDITIONS
- 4 BASE GRADES
- 5 LEACHATE COLLECTION SYSTEM
- 6 PERCHED WATER CORRECTIVE OPTIONS
- 7 FINAL COVER GRADES
- 8 GAS VENTING PLAN
- 9 STORM WATER MANAGEMENT PLAN
- 10 CROSS SECTIONS
- 11 CROSS SECTIONS AND DETAILS
- 12 DETAILS
- 13 DETAILS
- 14 DETAILS
- 15 DETAILS
- 16 DETAILS
- 17 LEACHATE AND STORMWATER POND DETAILS
- 18 LEACHATE LOADOUT DETAILS

CITY COUNCIL

Katie Andersen	MAYOR
Ramone Gumke	MEMBER
Charlie Kourajian	MEMBER
Steve Brubakken	MEMBER
Dan Buchanan	MEMBER
Jeff Fuchs	ADMINISTRATOR



SKETCH MAP OF NORTH DAKOTA

PROJECT
LOCATION

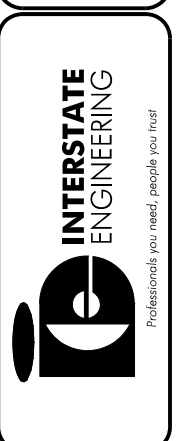
THESE DRAWINGS ARE INTENDED FOR USE AS PERMIT DRAWINGS ONLY AND SHALL NOT BE USED FOR CONSTRUCTION. CONTRACT DOCUMENTS (DRAWINGS AND SPECIFICATIONS) WILL BE PREPARED PRIOR TO CONSTRUCTION.

PRELIMINARY

Revision No.	Date	By	Description

JAMESTOWN SANITARY LANDFILL, SW-213 PERMIT MODIFICATION JAMESTOWN, NORTH DAKOTA	
Project No.: J0900112	Date: 3/18/2016
Drawn By: DJH	Checked By: CEM
COVER SHEET	

Interstate Engineering, Inc.
P.O. Box 2034
1903 12th Avenue Southwest
Jamestown, ND 58402-2034
Ph (701) 252-0234
Fax (701) 252-0203
www.interstateeng.com
Other offices in North Dakota, Montana and South Dakota



1

SHEET NO.

February 10, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its February 10, 2025 meeting, reviewed, discussed, and recommends approval of a \$5,114,000 Clean Water State Revolving Fund Program loan to the City of New Town.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

RESOLUTION APPROVING
LOAN FROM CLEAN WATER STATE REVOLVING FUND

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

WHEREAS, the Clean Water State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (NDPFA) and the Bank of North Dakota (the Trustee); and

WHEREAS, the City of New Town (the "Political Subdivision") has requested a loan in the amount of \$5,114,000 from the Program for phase two replacement of water mains, sanitary sewer mains and storm water infrastructure; and

WHEREAS, the NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.
2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.
3. The Executive Director is authorized to fund the Loan from funds on hand in the Clean Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.
4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: February 19, 2025

Governor Kelly Armstrong, Chairman

Attest:

Karen Tyler, Executive Director
Industrial Commission of North Dakota

Industrial Commission
of North Dakota

Kelly Armstrong
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: February 5, 2025

Re: City of New Town
Clean Water State Revolving Fund

Purpose of the Project: Phase 2 replacement of water mains, sanitary sewer mains and storm water infrastructure.

Project Amount:

CWSRF Request	\$ 5,114,000
DWSRF Request	4,009,000
DWR Cost Share	3,206,000
Project Total	\$12,329,000

Population to Benefit from the Project: 2,764; \$4,461/person

Population Served by the System: 2,764

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

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. The City of New Town will issue revenue bonds payable with city sales tax fund revenues. Enterprise fund revenues will serve as a secondary pledge of security. The average annual payment for the revenue bonds will be \$214,147. The 110% coverage requirement will be \$235,562 and the required debt service reserve will be \$226,600.

City Sales Tax:

The City collects a 2% sales tax and 1% is dedicated to the proposed CWSRF and DWSRF projects.

	2024	2023	2022	2021	2020
City Sales Tax	\$2,050,885	\$1,852,040	\$935,855	\$608,275	\$801,839
1% of City Sales Tax	\$1,025,442	\$926,020	\$467,928	\$304,138	\$400,920
Proforma Debt Payments	\$594,970	\$594,970	\$594,970	\$594,970	\$594,970
Excess City Sales Tax	\$430,472	\$331,050	-\$127,042	-\$290,832	-\$194,050

Sewer Rates:

	Gallons	Base Charge
Class 1	0-20,000	\$ 6.00
Class 2	20,001-50,000	\$ 15.75
Class 3	50,001 and up	\$ 45.50
Usage	75% of water	\$2.60/1,000 gallons

Enterprise Fund:

	Unaudited			
	2021	2022	2023	2024
Interest Revenue	\$3,589	\$-	\$3,637	\$9,731
Operating Revenue	2,581,639	2,648,404	2,605,661	2,760,712
Operating Expenses	2,830,958	2,683,671	2,906,634	2,069,432
Net Operating Revenue	-245,731	-35,267	-297,336	701,010
Depreciation	873,606	873,606	909,854	-
Adjusted Net Operating Revenue	\$627,876	\$838,339	\$612,518	\$701,010
Bond Payments	\$487,967	\$487,342	\$471,367	\$370,667
Net Operating Coverage	129%	172%	130%	189%

The existing excess sales tax will be sufficient to meet the 110% net operating coverage.

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

	Original	Outstanding
	<u>Debt</u>	<u>Debt</u>
Revenue Bonds ¹	\$7,857,000	\$5,205,223
Sales Tax Revenue Bonds ¹	5,075,000	4,726,247
	<u>\$12,932,000</u>	<u>\$9,931,470</u>

¹ All payments have been made as agreed. The City has one CWSRF and two DWSRF loans with an outstanding balance of \$7,266,247.

With average annual debt payments of \$1,001,322, including the proposed debt, the annul debt per resident is \$362.

The City of New Town is located in Mountrail County. Based on the 2020 census, the total population is 2,764; this is an increase of 839 from the 2010 census. The largest employers in the City are Three Affiliated Tribes with 1,700 employees, which includes Four Bears Casino & Lodge which they own, and New Town Public Schools employs approximately 98.

K-12 School Enrollment:

				Projected
2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
951	987	942	950	961

The City's 2024 taxable valuation was \$10,089,752. This is an increase of \$1,846,232 over the 2020 taxable valuation.

Property Tax Collections 12/31/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2024	\$477,447	\$25,203	5%
2023	\$487,269	\$447,864	92%
2022	\$484,322	\$477,797	99%

No special assessments were certified for collection in the last three years.

Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2024	47.32	56.60	1.09	2.21	10.88	118.10
2023	54.87	51.05	1.20	2.16	11.11	120.39
2022	55.46	45.09	1.20	12.17	9.41	123.33
2021	56.61	40.07	1.19	15.78	10.82	124.47
2020	54.26	35.06	1.20	32.54	5.91	128.97



Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: February 10, 2025

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

The City of New Town (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$5,114,000 loan under the Clean Water State Revolving Fund Program (“CWSRF Program”). The CWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various wastewater treatment projects and landfill projects as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The City intends to use the proceeds for Phase 2 replacement of water mains, sanitary sewer mains and storm water infrastructure.

The municipal securities to be acquired by the Authority will be revenue bonds payable with city sales tax fund revenues and enterprise fund revenues will serve as a secondary pledge of security. The City’s average annual payment under the proposed loan will be approximately \$214,147 indicating a 110% net revenue coverage requirement of approximately \$235,562. The City will be required to deposit \$226,600 into a reserve fund with payments of \$45,320 per year for the first five years of the loan. The City collects a 2% sales tax and 1% is dedicated to the CWSRF project. Net operating coverage of the Enterprise Fund was 1.29x, 1.72x, 1.30x and 1.89x for 2021-2024, respectively. The existing sales tax revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2024, the City has outstanding Revenue Bonds of \$5,205,223, and outstanding Sales Tax Revenue Bonds of \$4,726,247. The City currently has one CWSRF loans and two DWSRF loans with an outstanding combined total balance of \$7,266,247. 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.

Attachment 10D

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: February 6, 2025

RE: City of New Town
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$5,114,000 loan to the City of New Town under the Clean Water State Revolving Fund (CWSRF). This entire cost of the project is \$12,329,000 with Drinking Water State Revolving Fund (DWSRF) providing a \$4,009,000 loan and Department of Water Resources providing a \$3,206,000 cost share grant. The project is Phase 2 of a water main, sanitary sewer main and storm water replacement project.

The City will issue revenue bonds payable with city sales tax collections. In addition, the City will pledge enterprise fund revenues as a secondary repayment source. The annual payment will average \$214,147. The requested loan term is 30 years.

City Sales Tax Collections:

The City collects 2% for city sales tax, with 1% dedicated to repayment of the CWSRF and DWSRF loans. Existing sales tax collections will generate sufficient revenues to service both the existing and proposed CWSRF and DWSRF loans.

	2020	2021	2022	2023	2024
2% Sales Tax Collections	801,839	608,275	935,855	1,852,040	2,050,884
1% Dedicated to SRF Loans	400,920	304,138	467,928	926,020	1,025,442
Proposed Debt Service	594,970	594,970	594,970	594,970	594,970
Excess Sales Tax	-194,050	-290,832	-127,042	331,050	430,472
Proposed Debt Service Coverage	67%	51%	79%	156%	238%

Debt Service Coverage:

Enterprise Fund	2021	2022	2023
Operating Revenue	2,581,639	2,648,404	2,605,661
Interest Revenue	3,589	0	3,637
Operating Expenses	-2,830,958	-2,683,671	-2,906,634
Net Operating Revenue	-245,730	-35,267	-297,337
Add: Depreciation	873,606	873,605	909,854
Adjusted Net Operating Income	627,876	838,338	612,517
Current Debt Service	487,967	487,342	471,637
Debt Service Coverage	129%	172%	130%


The City water and sewer systems currently serve a population of 2,764. Monthly sewer rates consist of a base charge starting at \$6.00 as well as a usage charge of \$2.60 per 1,000 gallons. The usage charge is assessed on 75% of the water usage.

Outstanding Debt (as of December 31, 2024):

	Original Amount	Current Balance
Water Revenue Bonds	7,857,000	5,205,223
Sewer Revenue Bonds	5,075,000	4,726,247
	12,932,000	9,931,470

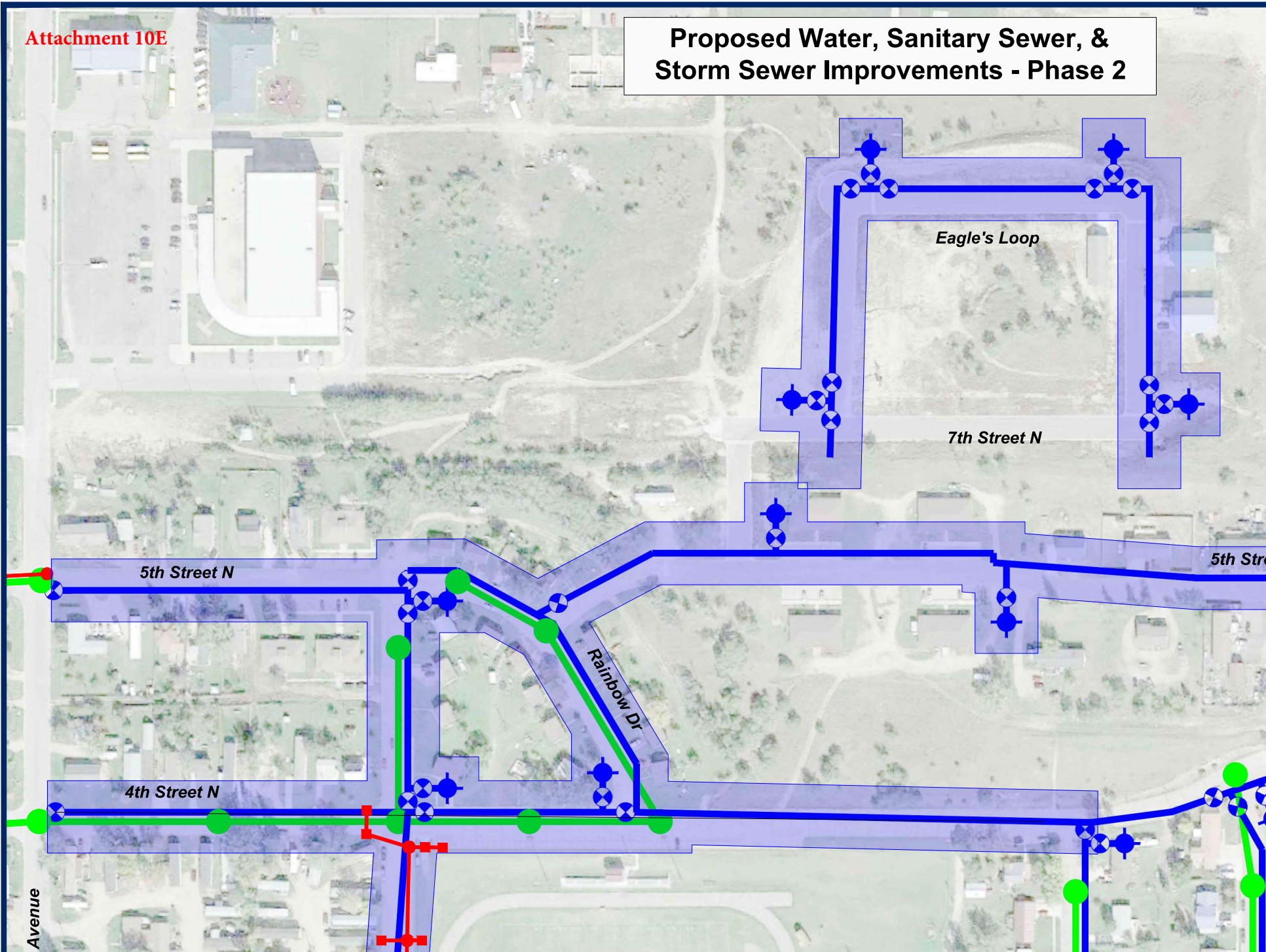
Average annual debt service requirements are estimated at \$1,001,322, which is an average of \$362.27 per resident. Historical census populations for the City were 2,764 in 2020, 1,925 in 2010 and 1,367 in 2000. The largest employers in the City are Three Affiliated Tribes, Four Bears Casino & Lodge and New Town Public School District.

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

Proposed Water, Sanitary Sewer, & Storm Sewer Improvements - Phase 2



February 10, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its February 10, 2025 meeting, reviewed, discussed, and recommends approval of a \$4,009,000 Drinking Water State Revolving Fund Program loan to the City of New Town.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

RESOLUTION APPROVING
LOAN FROM DRINKING WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Drinking Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4, 61-28.1, and 61-28.2; and

WHEREAS, the State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (the "NDPFA") and the Bank of North Dakota (the "Trustee"); and

WHEREAS, the City of New Town (the "Political Subdivision") has requested a loan in the amount of \$4,009,000 from the Program for Phase 2 replacement of water mains, sanitary sewer mains and storm water infrastructure; and

WHEREAS, NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.
2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.
3. The Executive Director is authorized to fund the Loan from funds on hand in the Drinking Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.
4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: February 19, 2025

Governor Kelly Armstrong, Chairman

Attest:

Karen Tyler, Executive Director
Industrial Commission of North Dakota

Industrial Commission
of North Dakota

Kelly Armstrong
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: February 5, 2025

Re: City of New Town
Drinking Water State Revolving Fund

Purpose of the Project: Phase 2 replacement of water mains, sanitary sewer mains and storm water infrastructure.

Project Amount:

DWSRF Request	\$ 4,009,000
CWSRF Request	5,114,000
DWR Cost Share	3,206,000
Project Total	\$12,329,000

Population to Benefit from the Project: 2,764; \$4,461/person

Population Served by the System: 2,764

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

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The City of New Town will issue revenue bonds payable with city sales tax fund revenues. Enterprise fund revenues will serve as a secondary pledge of security. The average annual payment for the revenue bonds will be \$167,931. The 110% coverage requirement will be \$184,724 and the required debt service reserve will be \$177,650.

City Sales Tax:

The City collects a 2% sales tax and 1% is dedicated to the proposed CWSRF and DWSRF projects.

	2024	2023	2022	2021	2020
City Sales Tax	\$2,050,885	\$1,852,040	\$935,855	\$608,275	\$801,839
1% of City Sales Tax	\$1,025,442	\$926,020	\$467,928	\$304,138	\$400,920
Proforma Debt Payments	\$594,970	\$594,970	\$594,970	\$594,970	\$594,970
Excess City Sales Tax	\$430,472	\$331,050	-\$127,042	-\$290,832	-\$194,050

Water Rates:

	Gallons	Base Charge
Class 1	0-20,000	\$ 50.00
Class 2	20,001-50,000	\$ 110.00
Class 3	50,001 and up	\$ 300.00
Usage		\$8.25/1,000 gallons

Enterprise Fund:

	Unaudited			
	2021	2022	2023	2024
Interest Revenue	\$3,589	\$-	\$3,637	\$9,731
Operating Revenue	2,581,639	2,648,404	2,605,661	2,760,712
Operating Expenses	2,830,958	2,683,671	2,906,634	2,069,432
Net Operating Revenue	-245,731	-35,267	-297,336	701,010
Depreciation	873,606	873,606	909,854	-
Adjusted Net Operating Revenue	\$627,876	\$838,339	\$612,518	\$701,010
Bond Payments	\$487,967	\$487,342	\$471,367	\$370,667
Net Operating Coverage	129%	172%	130%	189%

The existing excess sales tax will be sufficient to meet the 110% net operating coverage.

The City's outstanding indebtedness as of December 31, 2024:

	Original	Outstanding
	<u>Debt</u>	<u>Debt</u>
Revenue Bonds ¹	\$7,857,000	\$5,205,223
Sales Tax Revenue Bonds ¹	<u>5,075,000</u>	<u>4,726,247</u>
	<u>\$12,932,000</u>	<u>\$9,931,470</u>

¹ All payments have been made as agreed. The City has one CWSRF and two DWSRF loans with an outstanding balance of \$7,266,247.

With average annual debt payments of \$1,001,322, including the proposed debt, the annual debt per resident is \$362.

The City of New Town is located in Mountrail County. Based on the 2020 census, the total population is 2,764; this is an increase of 839 from the 2010 census. The largest employers in the City are Three Affiliated Tribes with 1,700 employees, which includes Four Bears Casino & Lodge which they own, and New Town Public Schools employs approximately 98.

K-12 School Enrollment:

2021-2022	2022-2023	2023-2024	2024-2025	Projected 2025-2026
951	987	942	950	961

The City's 2024 taxable valuation was \$10,089,752. This is an increase of \$1,846,232 over the 2020 taxable valuation.

Property Tax Collections 12/31/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2024	\$477,447	\$25,203	5%
2023	\$487,269	\$447,864	92%
2022	\$484,322	\$477,797	99%

No special assessments were certified for collection in the last three years.

Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2024	47.32	56.60	1.09	2.21	10.88	118.10
2023	54.87	51.05	1.20	2.16	11.11	120.39
2022	55.46	45.09	1.20	12.17	9.41	123.33
2021	56.61	40.07	1.19	15.78	10.82	124.47
2020	54.26	35.06	1.20	32.54	5.91	128.97



45 South 7th Street
Suite 2950
Minneapolis, MN 55402

612.338.3535
612.338.7264 Fax
www.pfm.com

Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: February 10, 2025

RE: Marketplace Analysis - Drinking Water State Revolving Fund Program
City of New Town

The City of New Town (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$4,009,000 loan under the Drinking Water State Revolving Fund Program (“DWSRF Program”). The DWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various water treatment, distribution, and storage facilities as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The City intends to use the proceeds for Phase 2 replacement of water mains, sanitary sewer mains and storm water infrastructure.

The municipal securities to be acquired by the Authority will be revenue bonds payable with city sales tax fund revenues and enterprise fund revenues will serve as a secondary pledge of security. The City’s average annual payment under the proposed loan will be approximately \$167,931 indicating a 110% net revenue coverage requirement of approximately \$184,724. The City will be required to deposit \$177,650 into a reserve fund with payments of \$35,530 per year for the first five years of the loan. The City collects a 2% sales tax and 1% is dedicated to the CWSRF project. Net operating coverage of the Enterprise Fund was 1.29x, 1.72x, 1.30x and 1.89x for 2021-2024, respectively. The existing sales tax revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2024, the City has outstanding Revenue Bonds of \$5,205,223, and outstanding Sales Tax Revenue Bonds of \$4,726,247. The City currently has one CWSRF loans and two DWSRF loans with an outstanding combined total balance of \$7,266,247. 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 DWSRF Program, the City will benefit substantially from the subsidized fixed rate loans made under the Program. Consequently, no other financing mechanism can provide a greater cost advantage than that offered by the DWSRF Program.

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: February 6, 2025

RE: City of New Town
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$4,009,000 loan to the City of New Town under the Drinking Water State Revolving Fund (DWSRF). This entire cost of the project is \$12,329,000 with Clean Water State Revolving Fund (CWSRF) providing a \$5,114,000 loan and Department of Water Resources providing a \$3,206,000 cost share grant. The project is Phase 2 of a water main, sanitary sewer main and storm water replacement project.

The City will issue revenue bonds payable with city sales tax collections. In addition, the City will pledge enterprise fund revenues as a secondary repayment source. The annual payment will average \$167,931. The requested loan term is 30 years.

City Sales Tax Collections:

The City collects 2% for city sales tax, with 1% dedicated to repayment of the CWSRF and DWSRF loans. Existing sales tax collections will generate sufficient revenues to service both the existing and proposed CWSRF and DWSRF loans.

	2020	2021	2022	2023	2024
2% Sales Tax Collections	801,839	608,275	935,855	1,852,040	2,050,884
1% Dedicated to SRF Loans	400,920	304,138	467,928	926,020	1,025,442
Proposed Debt Service	594,970	594,970	594,970	594,970	594,970
Excess Sales Tax	-194,050	-290,832	-127,042	331,050	430,472
Proposed Debt Service Coverage	67%	51%	79%	156%	238%

Debt Service Coverage:

Enterprise Fund	2021	2022	2023
Operating Revenue	2,581,639	2,648,404	2,605,661
Interest Revenue	3,589	0	3,637
Operating Expenses	-2,830,958	-2,683,671	-2,906,634
Net Operating Revenue	-245,730	-35,267	-297,337
Add: Depreciation	873,606	873,605	909,854
Adjusted Net Operating Income	627,876	838,338	612,517
Current Debt Service	487,967	487,342	471,637
Debt Service Coverage	129%	172%	130%

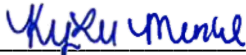
The City water and sewer systems currently serve a population of 2,764. Monthly water rates consist of a base charge starting at \$50.00 as well as a usage charge of \$8.25 per 1,000 gallons.

Outstanding Debt (as of December 31, 2024):

	Original Amount	Current Balance
Water Revenue Bonds	7,857,000	5,205,223
Sewer Revenue Bonds	5,075,000	4,726,247
	12,932,000	9,931,470

Average annual debt service requirements are estimated at \$1,001,322, which is an average of \$362.27 per resident. Historical census populations for the City were 2,764 in 2020, 1,925 in 2010 and 1,367 in 2000. The largest employers in the City are Three Affiliated Tribes, Four Bears Casino & Lodge and New Town Public School District.

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

Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

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

From: DeAnn Ament, Executive Director

Date: February 21, 2025

Re: Turtle Lake, Clean 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 Turtle Lake's Clean Water State Revolving Fund application for a \$452,000 loan towards a \$1,620,500 project. CDBG is providing a \$1,168,500 grant. The project will rehabilitate the manholes to eliminate infiltration and inflow and install three blocks of new sanitary sewer main. This will ensure services are properly connected to the main line, making maintenance easier and more efficient. The requested term for the loan is 30 years. The City will issue revenue bonds payable with sewer user fee revenue.

The Public Finance Authority's Advisory Committee approved these loans at their February 10, 2025, meeting.

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: February 7, 2025

Re: City of Turtle Lake
Clean Water State Revolving Fund Program Loan

Purpose of the Project: Rehabilitate the manholes to eliminate infiltration and inflow and install three blocks of new sanitary sewer main. This will ensure services are properly connected to the main line, making maintenance easier and more efficient.

Project Amount:

CWSRF Request	\$ 452,000
CDBG Grant	1,168,500
Total Project	\$ 1,620,500

Population to Benefit from the Project: 537; \$3,018/resident

Population Served by the System: 537

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

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. The City will issue revenue bonds payable with sewer user fees. The average annual payment will be \$18,931. The reserve requirement will be \$20,140 and the 110% coverage requirement will be \$20,824.

The City has 341 sewer connections which each pay a monthly sewer base rate of \$5.25. The City anticipates raising the sewer monthly base rate \$5.75 to \$11, which would annually generate approximately \$34,320.

Sewer Fund:

	2021	2022	2023	2024
Operating Revenue	\$22,428	\$21,997	\$21,328	\$21,263
Operating Expenses	13,691	24,281	4,975 ¹	16,078 ²
Net Operating Revenue (Expense)	8,737	-2,284	16,354	5,185
Proforma Rate Increase	23,529	23,529	23,529	23,529
Adjusted Net Operating Revenue	\$32,266	\$21,245	\$39,883	\$28,714
Proforma CWSRF Payment	\$18,931	\$18,931	\$18,931	\$18,931
Proforma Net Operating Coverage	170%	112%	211%	152%

¹ Adjusted for \$37,253 CWSRF PAR grant expenses.

² Adjusted for \$133,149 of engineering expenses and \$12,529 of equipment expenses.

With the anticipated rate increase, the sewer fund net operating revenues should be sufficient to meet the 110% net operating coverage.

The City is responsible for forty percent of the McLean Sheridan Rural Water District shared water tower financed through the Drinking Water SRF. The City’s outstanding balance is \$136,000.

The average annual debt payments are \$49,615 which is \$92 per resident.

The City of Turtle Lake is located in McLean County and is 62 miles north of Bismarck. Based on the 2020 census, the total population was 542; this is a decrease of 39 from the 2010 census. The largest employer is Community Hospital (medical) with 62 employees, Turtle Lake-Mercer School has 39 employees and Northland Community Health (medical clinic) employs 18.

Turtle Lake-Mercer Enrollment:

			Current	Projected
2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
166	169	183	177	177

The City’s 2024 taxable valuation was \$1,474,312. This is an increase of \$217,454 from the 2020 taxable valuation.

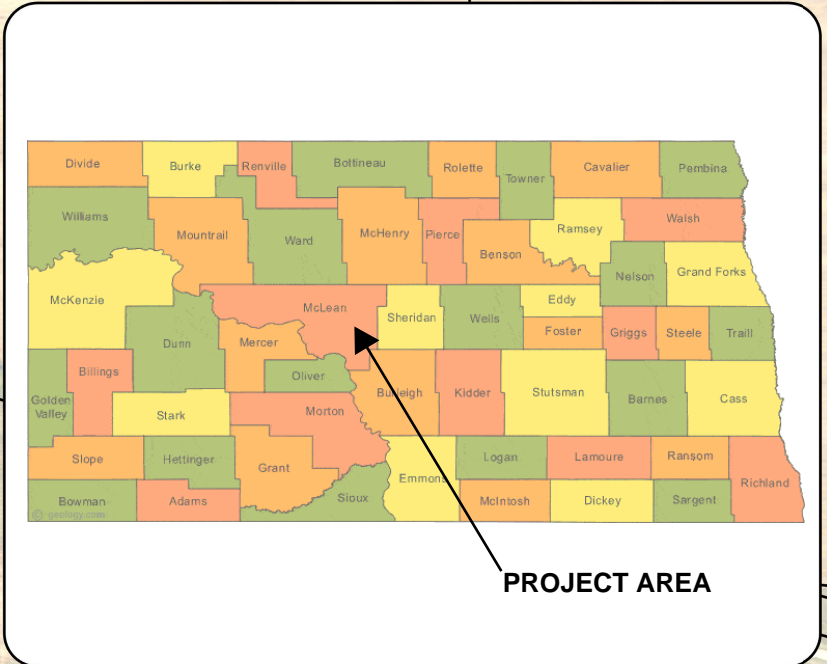
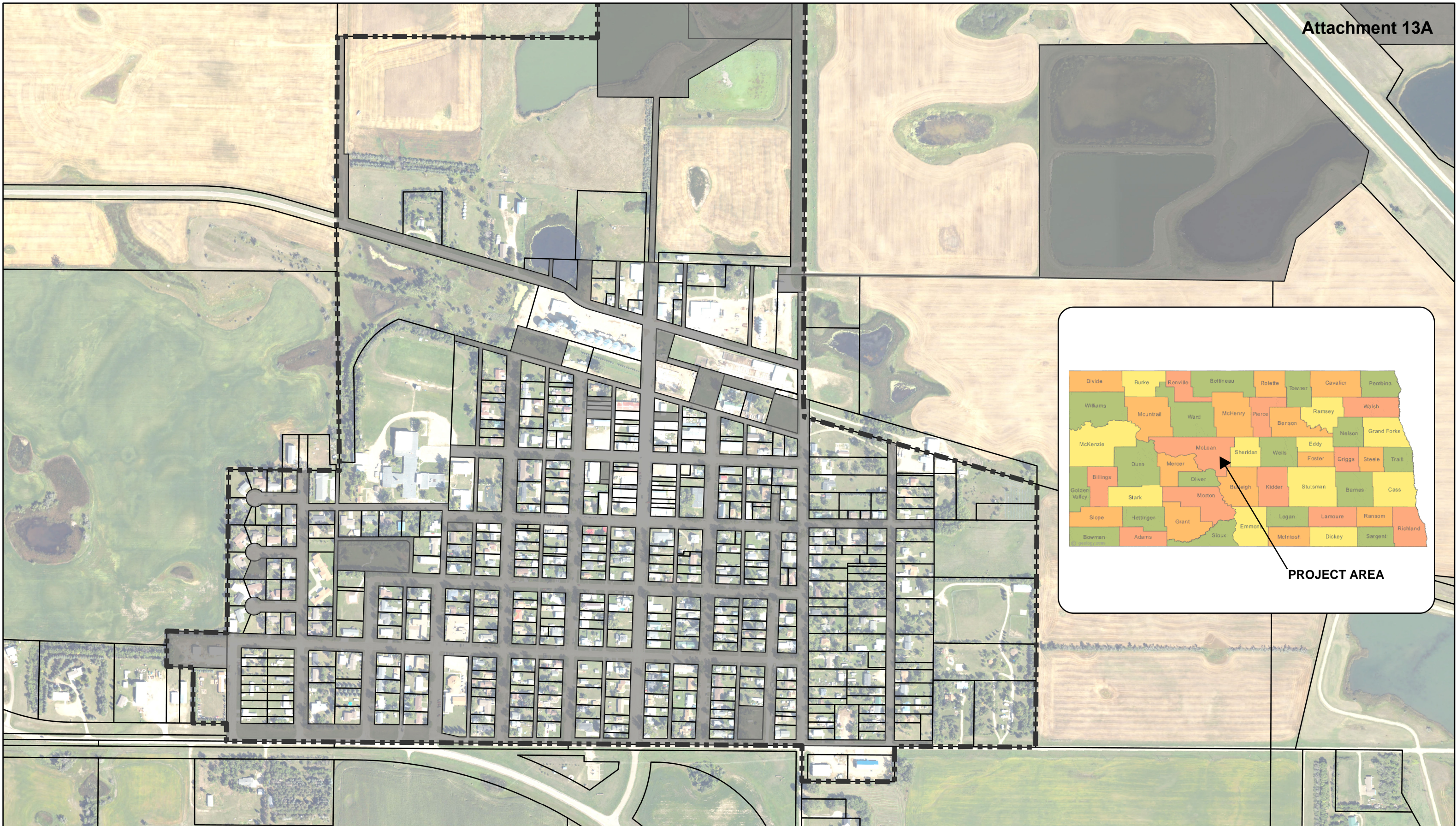
Property Taxes Levied & Collected 12/31/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2024	\$109,350	\$27,606	25%
2023	\$88,835	\$86,365	97%
2022	\$64,699	\$63,929	99%

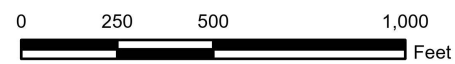
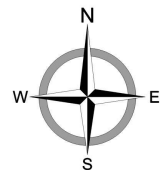
There were no special assessments levied in the last three years.

City of Turtle Lake Mill Levy History:



Year	City	School	Park District	State and County	Other	Total for Each Year
2024	80.71	85.62	12.67	83.04	11.23	273.27
2023	74.27	85.85	12.88	79.96	11.17	264.13
2022	54.25	88.67	12.44	81.36	11.18	247.90
2021	51.59	81.47	12.06	81.67	11.34	238.13
2020	50.05	81.51	11.93	83.82	11.48	238.79



**SANITARY SEWER IMPROVEMENTS
TURTLE LAKE, NORTH DAKOTA**



Legend

-  Corporate Limits
-  City, County State Right-of-Way / Easement / Property Owned By City



Industrial Commission of North Dakota



Kelly Armstrong
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

INDUSTRIAL COMMISSION OF NORTH DAKOTA DESIGNATION OF AUTHORIZED OFFICERS

WHEREAS, the Industrial Commission of North Dakota, acting as the North Dakota Building Authority (the Commission), pursuant to and in accordance with N.D.C.C. Chapter 54-17.2, has issued evidences of indebtedness, and

WHEREAS, the Commission has previously named Susan Sisk, Director of the Office of Management and Budget, DeAnn Ament, Executive Director of the Public Finance Authority and Karen Tyler, Industrial Commission Executive Director as its Authorized Officers: and

WHEREAS, Joe Morrissette was named Director of the Office of Management and Budget on December 15, 2025;

THEREFORE, BE IT RESOLVED:

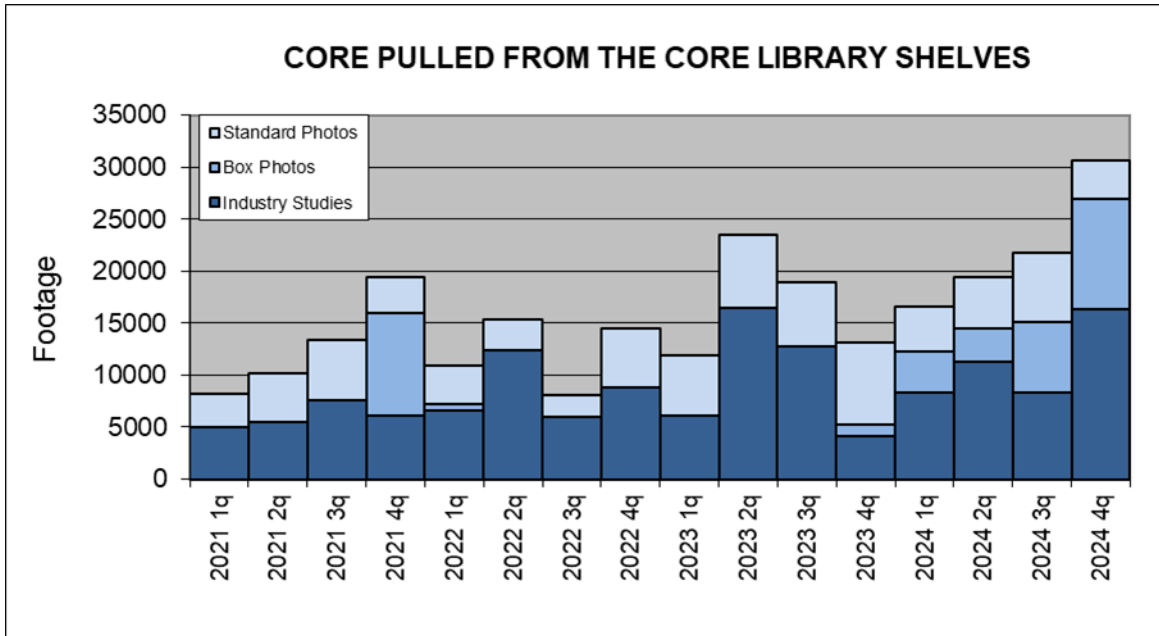
1. The Commission names Joe Morrissette and renames DeAnn Ament and Karen Tyler as its Authorized Officers to do all things necessary and convenient jointly or severally to carry out and perform the obligations of the Commission as required under any outstanding North Dakota Building Authority documents and as set out in N.D.C.C. Chapter 54-17.2 effective February 19, 2025.

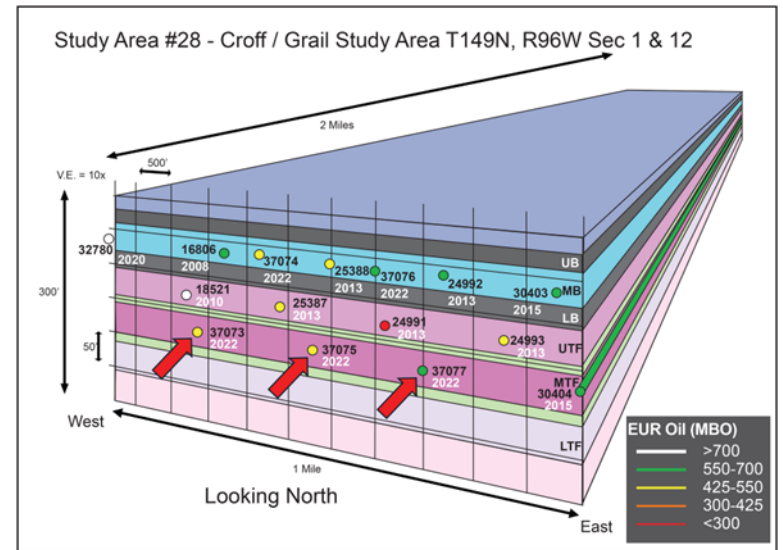
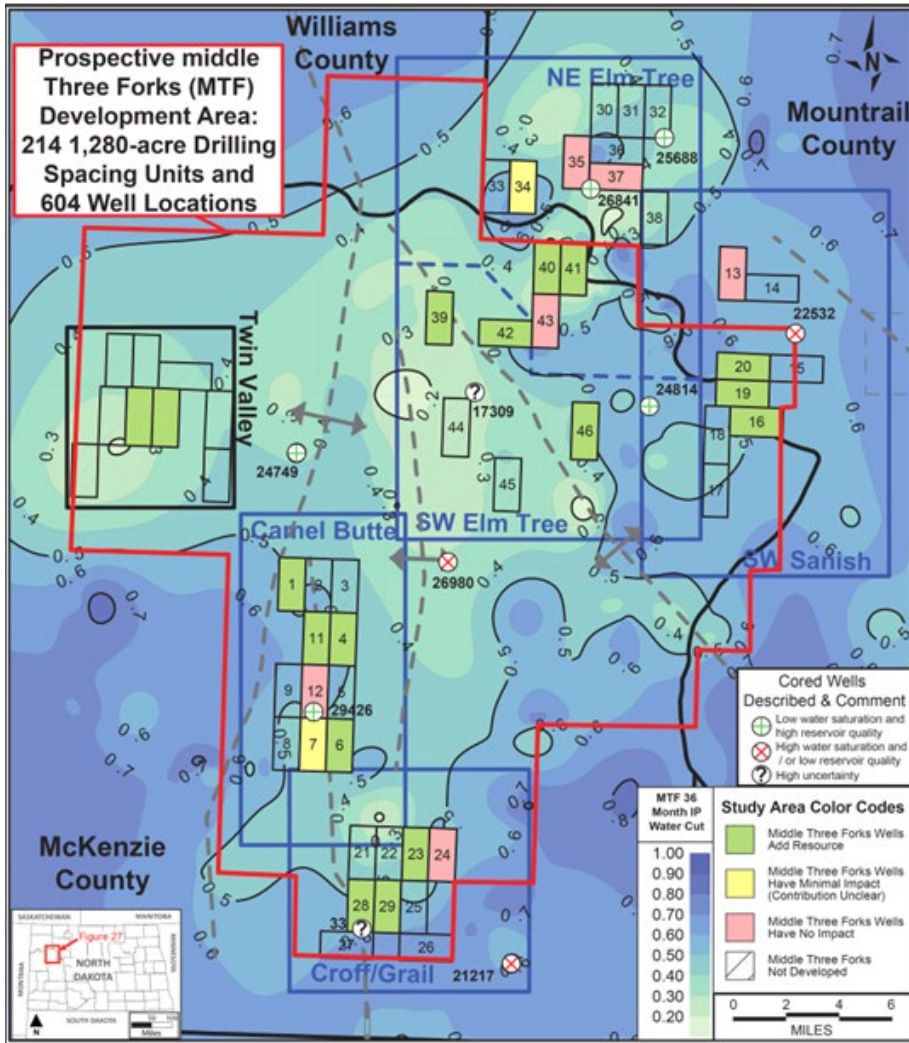
Dated this 19th day of February, 2025.

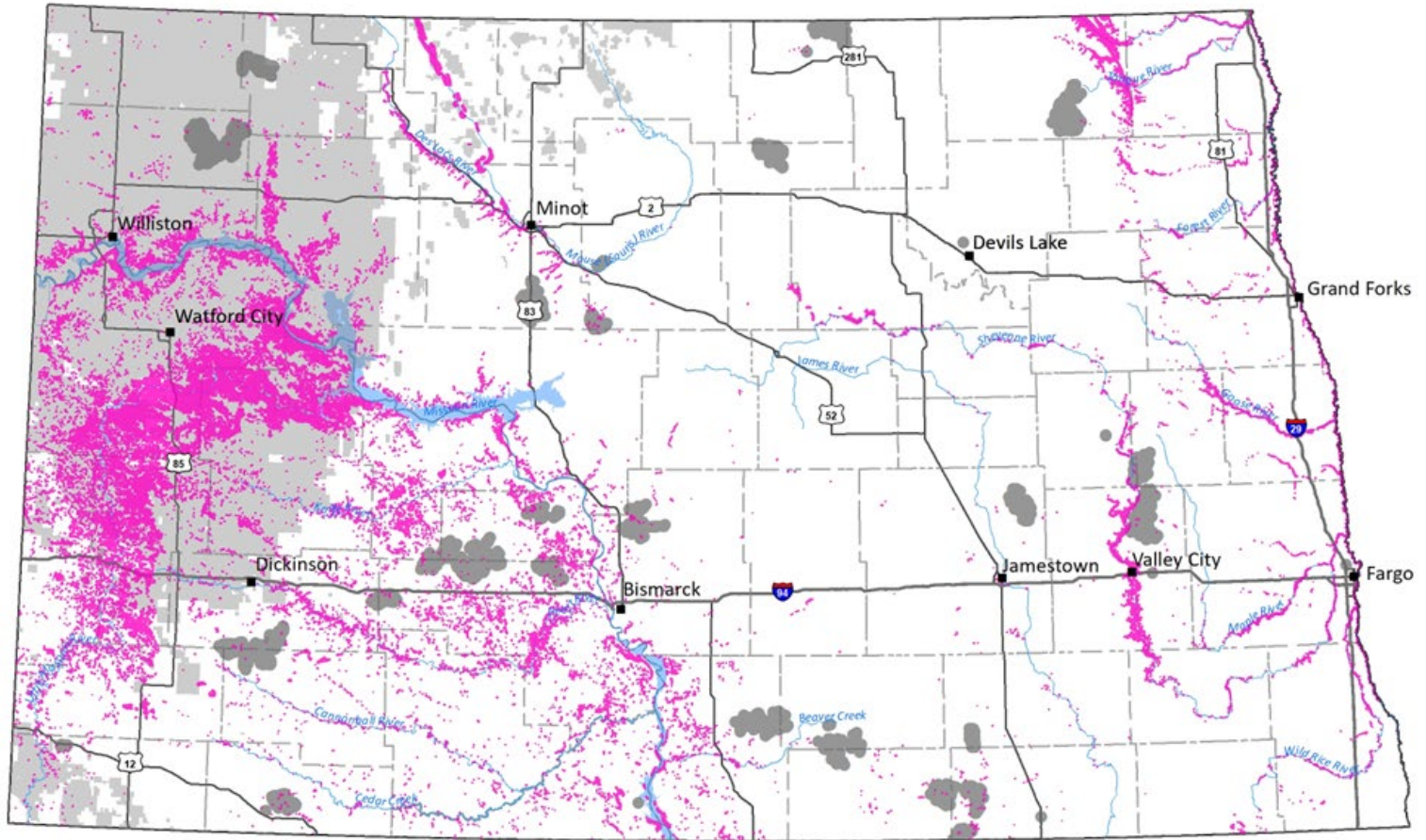
INDUSTRIAL COMMISSION OF NORTH DAKOTA

Kelly Armstrong, Governor and Chairman

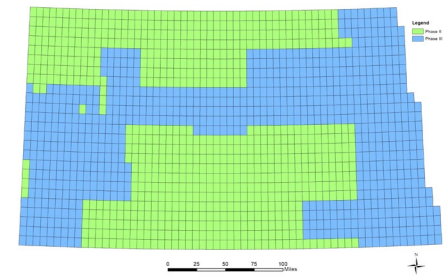
Karen Tyler, Executive Director

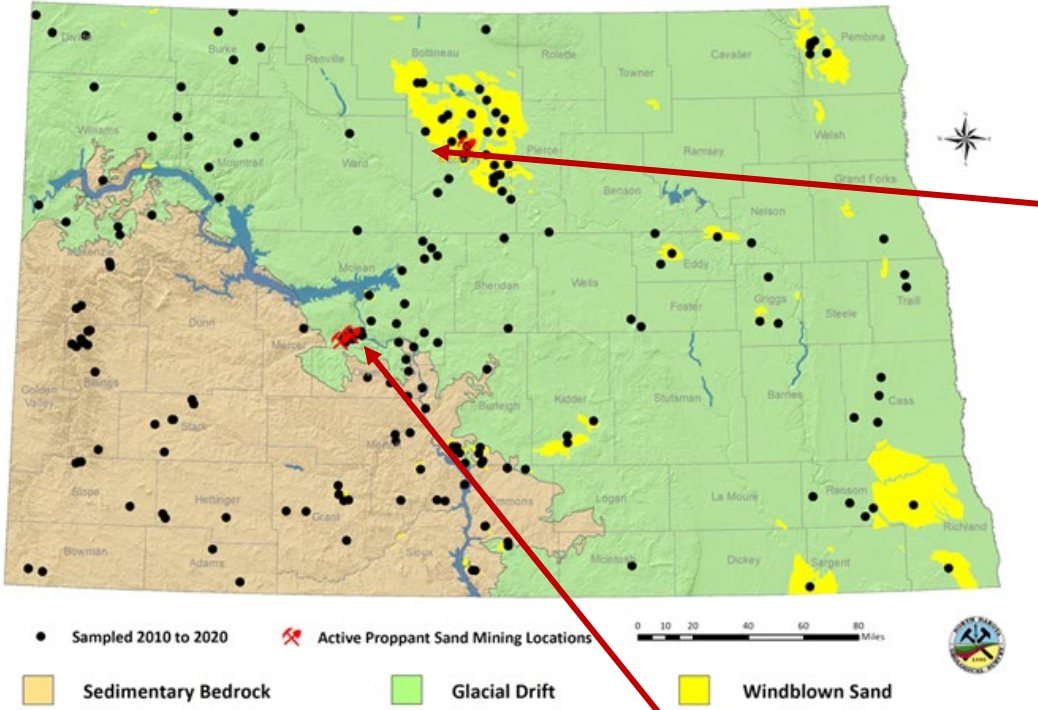


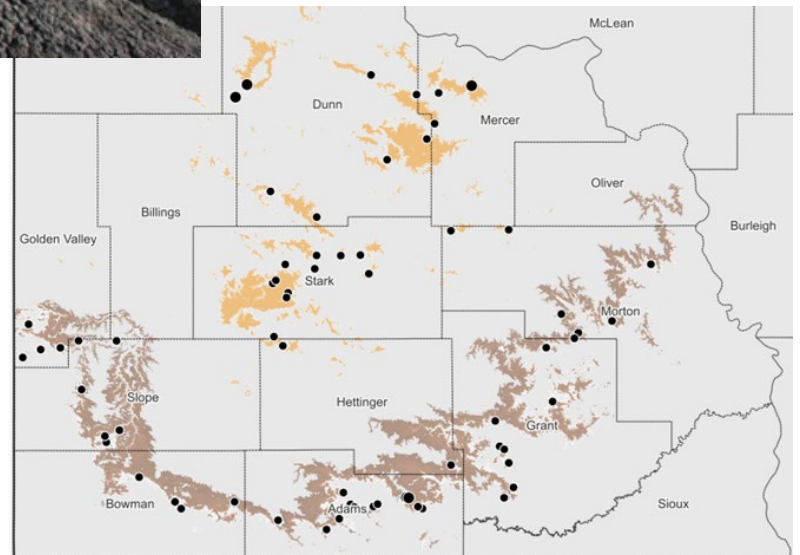


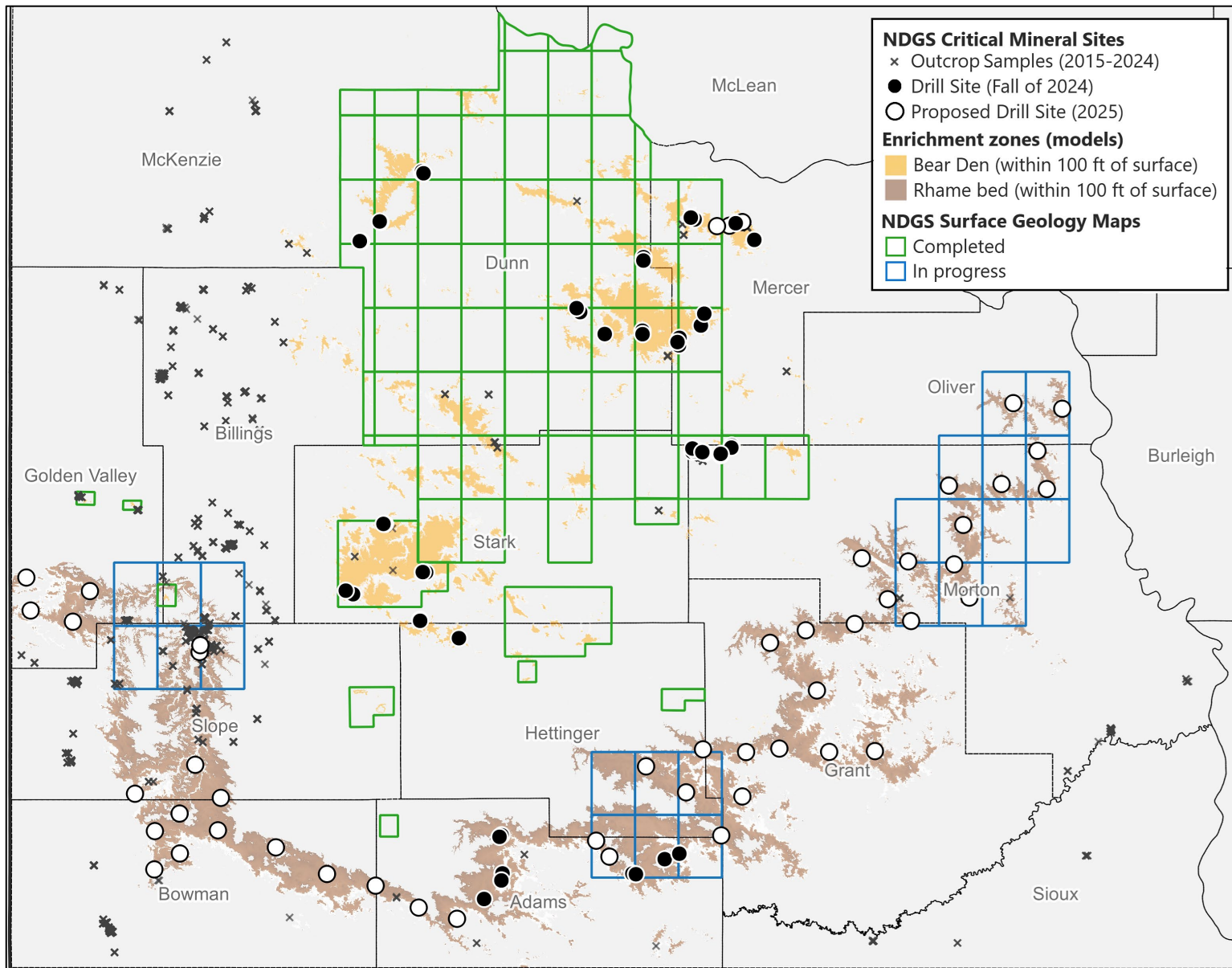


- Landslide Deposits
- Oil/Gas Field
- Water
- Wind Turbines











North Dakota Industrial Commission

Claire Vigesaa – Executive Director
ND Transmission Authority
February 19, 2025

TOPICS...

- ❑ Resilience of the Electric Grid in North Dakota
 - ❑ 2025 Report
- ❑ IIJA Grid Resilience Grant Activity

RESILIENCE OF THE ELECTRIC GRID IN ND

- ❑ The ND Transmission shall deliver a written report on the status of the resilience of the electric grid to the legislative council and the industrial commission by Sept 1, 2022 and annually thereafter.

- ❑ Also, serves as a section of the North Dakota State Energy Security Plan

THREATS TO THE ELECTRIC GRID IN ND

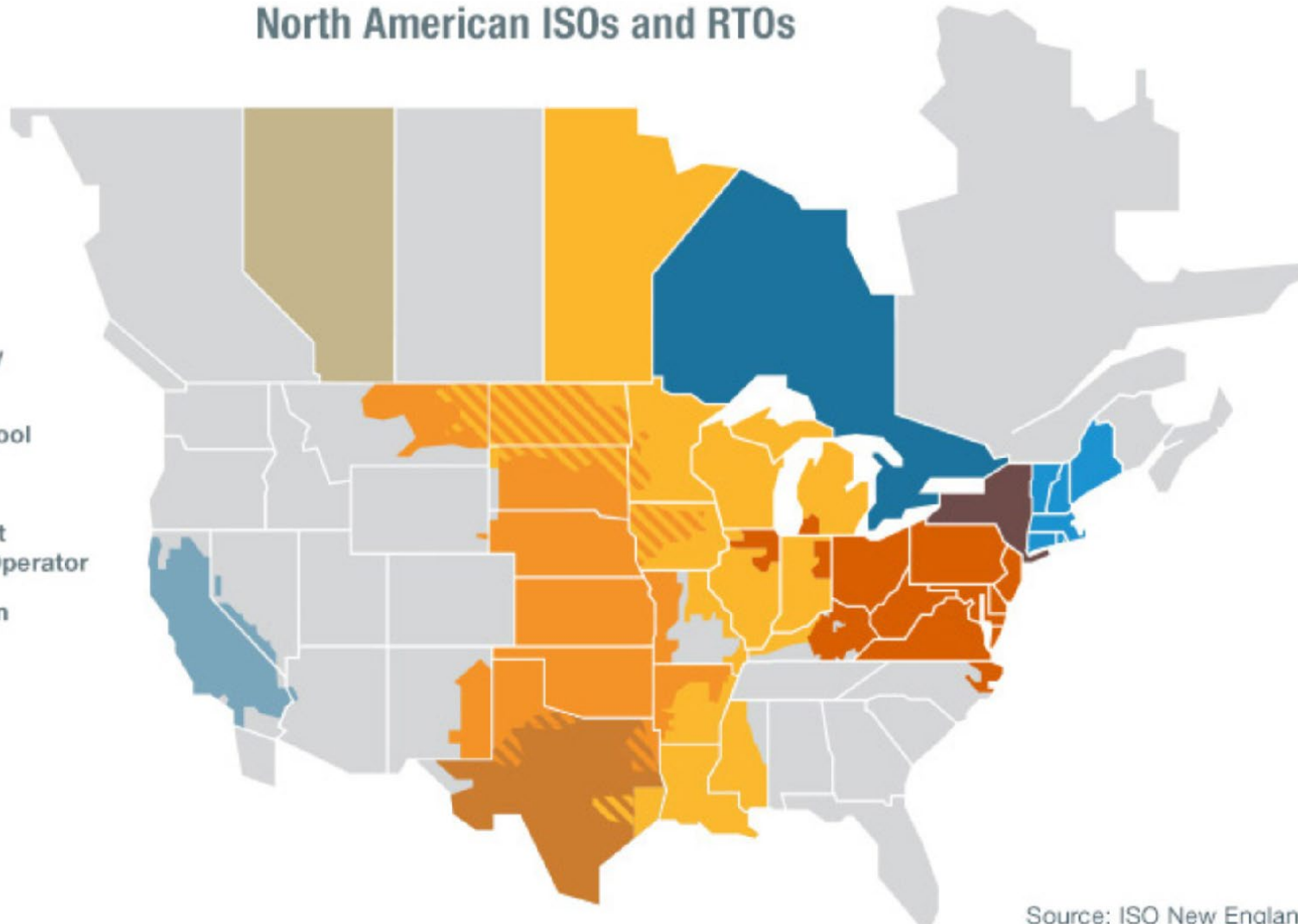
- Extreme Weather Events
- Changing Generation Fuel Mix
- Resource Adequacy (**Public Policy**)
- Supply Chain Interruptions
- Aging Infrastructure
- Physical Attacks
- Cyber Attacks

REGIONAL TRANSMISSION ORGANIZATIONS (PLANNERS)

EXT DS64749.AI

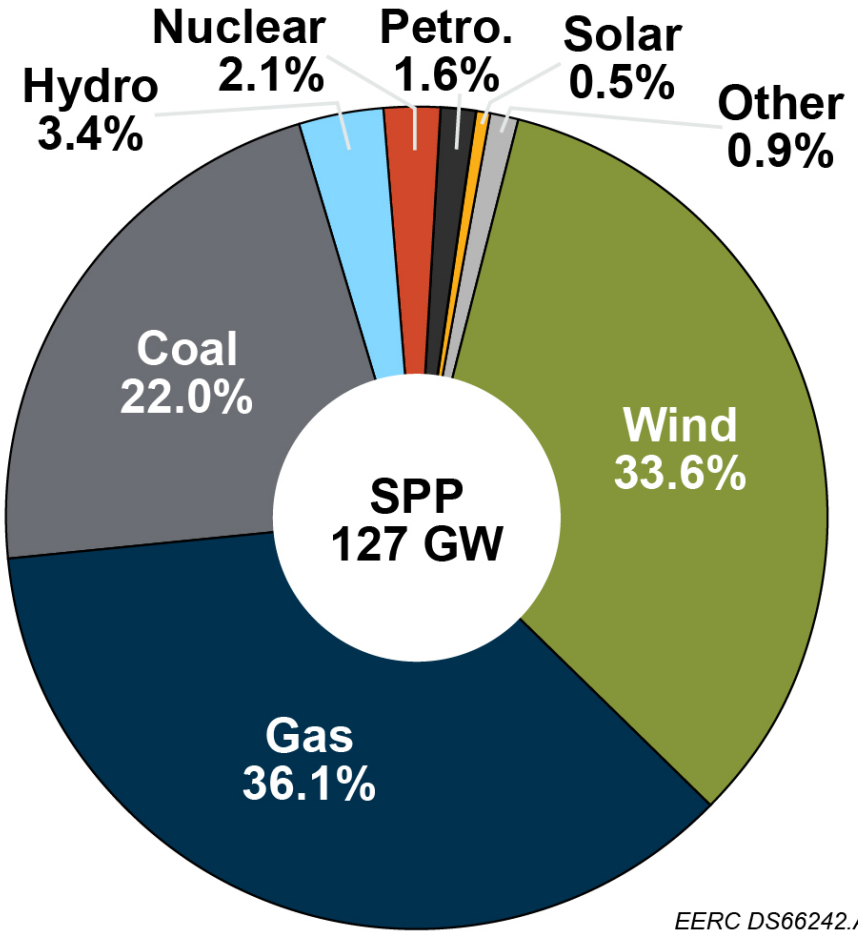
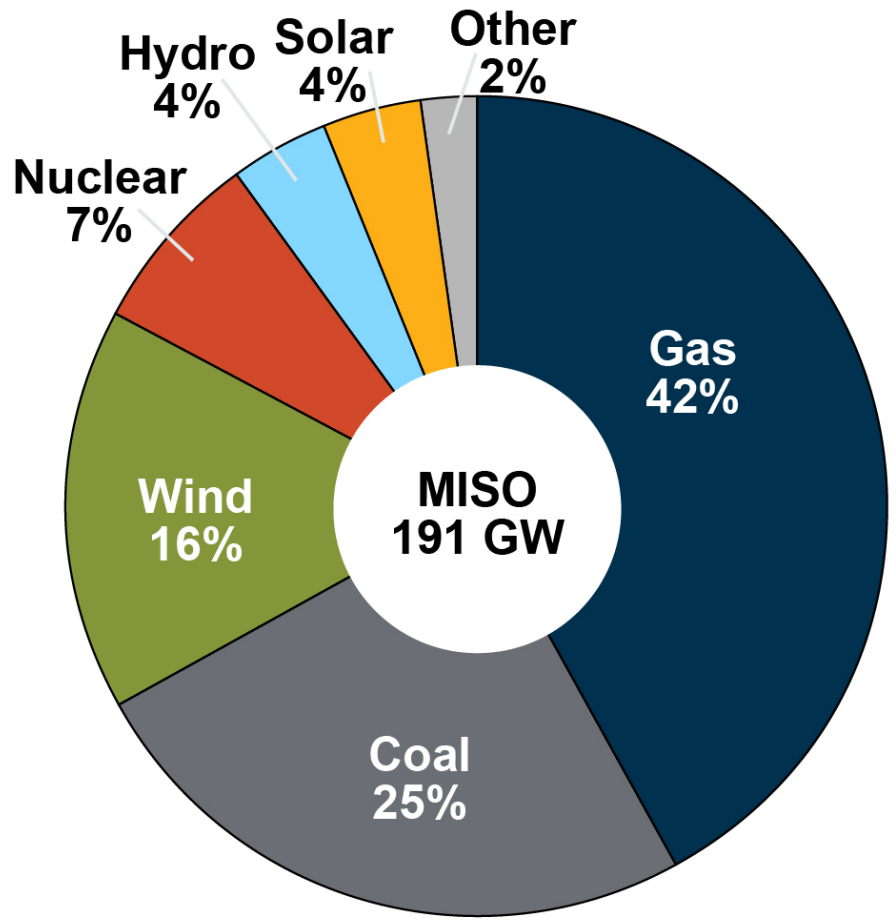
North American ISOs and RTOs

- California ISO
- Alberta Electric System Operator
- Electricity Reliability Council of Texas
- Southwest Power Pool
- Midcontinent ISO
- Ontario Independent Electricity System Operator
- PJM Interconnection
- New York ISO
- ISO New England



Source: ISO New England

FUEL MIX – MISO & SPP



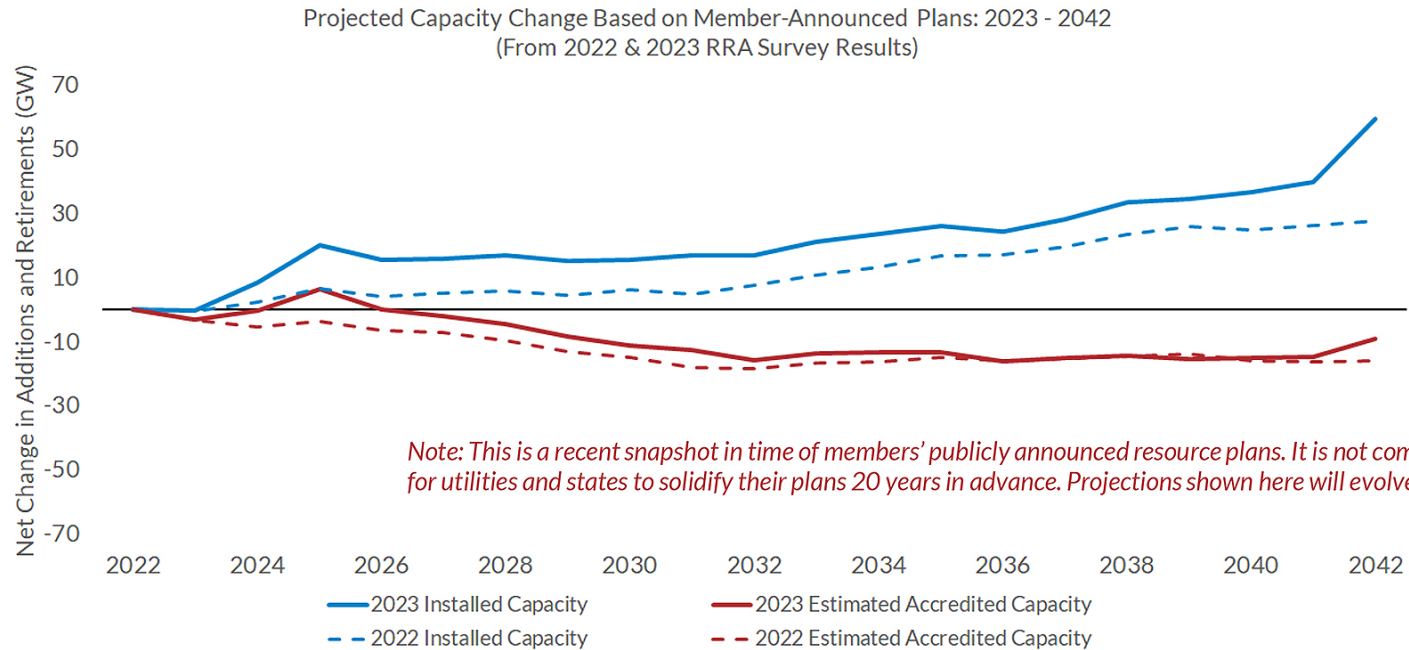
EERC DS66242.AI

RTO PLANNING

- Reliability
- Congestion Relief – Economic Relief
- Generation Interconnections
- Transmission Service Requests
- New Load Requests

CAPACITY TRENDS IN MISO

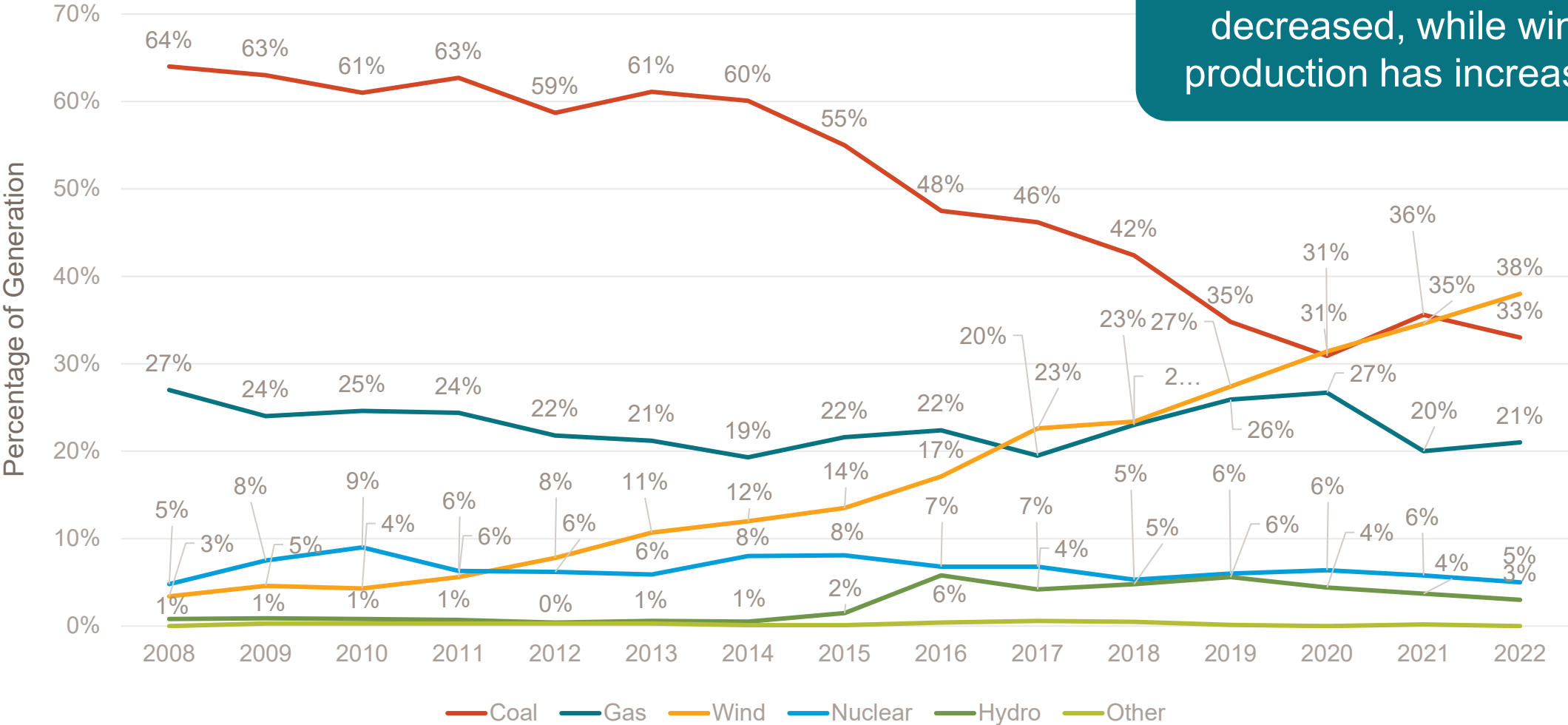
KEY INSIGHT 2: The MISO region shows year-over-year growth and acceleration in planned additions which coincides with delays to some planned coal and gas retirements, resulting in a slightly improved near-term capacity picture



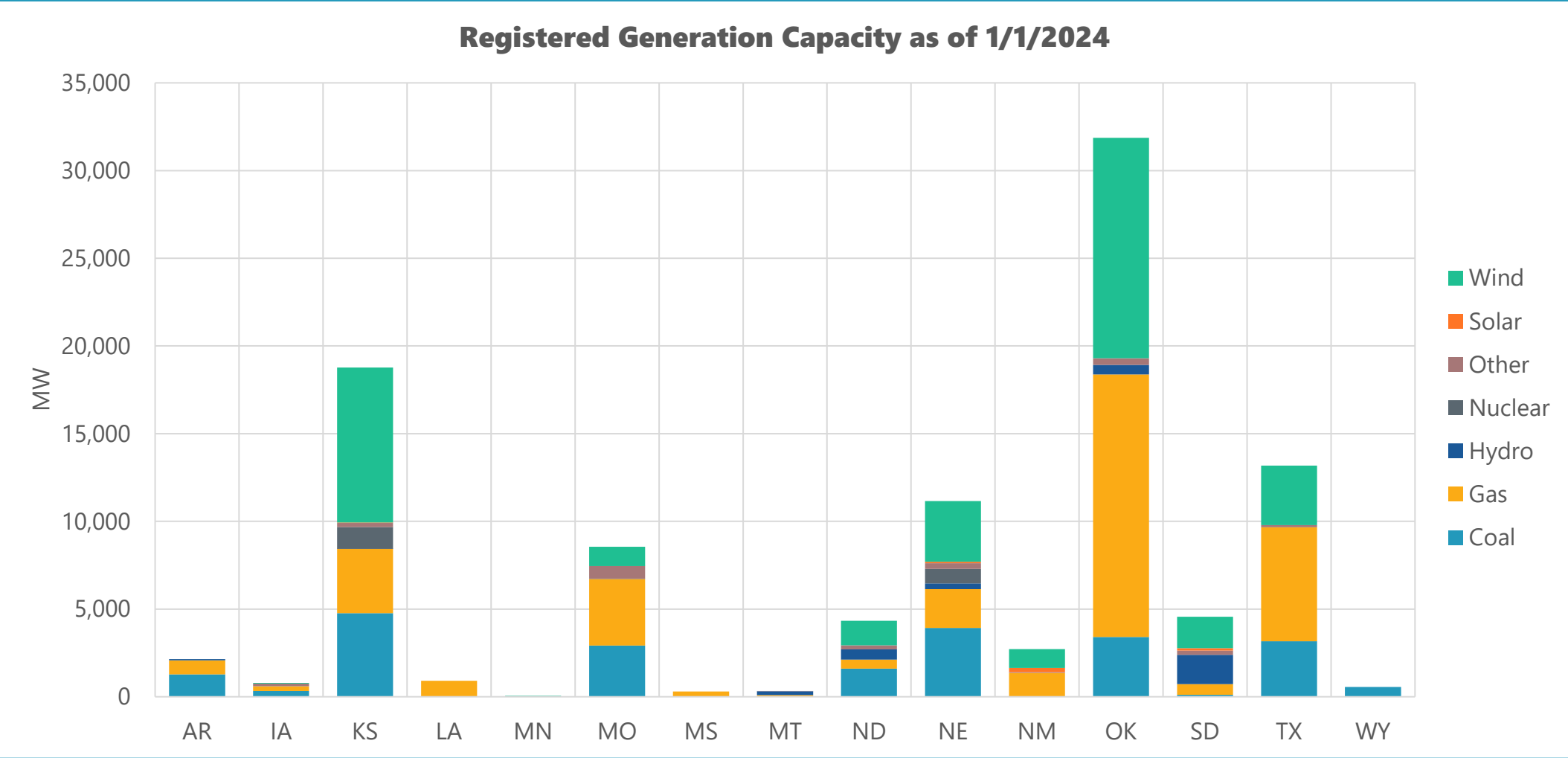
EXT DS66243.PSD

SPP'S EVOLVING ENERGY MIX

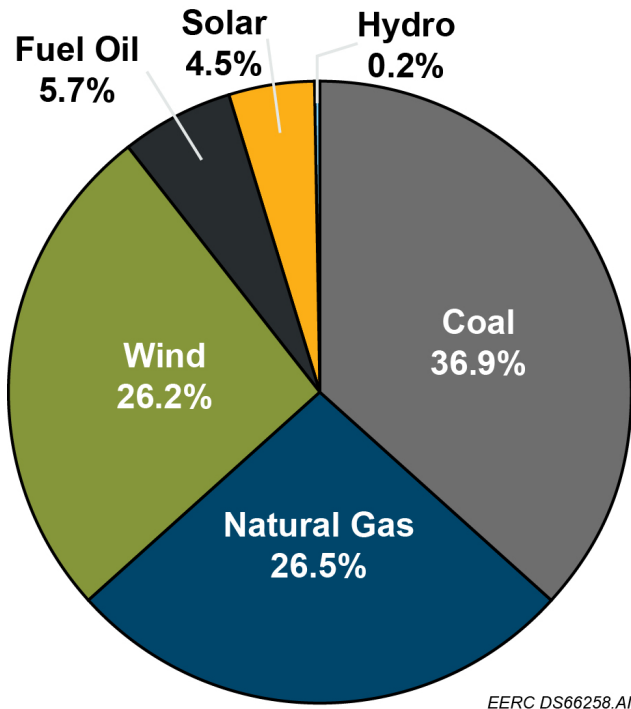
Coal production has decreased, while wind production has increased



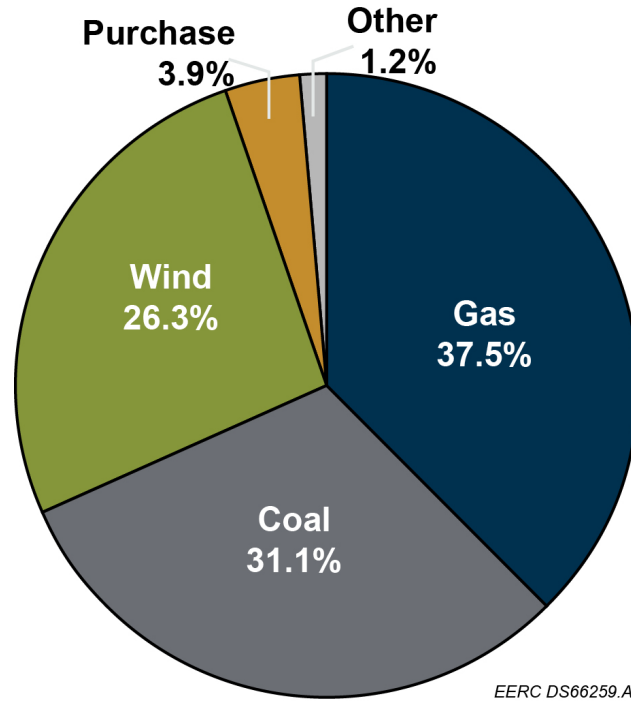
SPP GENERATION CAPACITY BY STATE



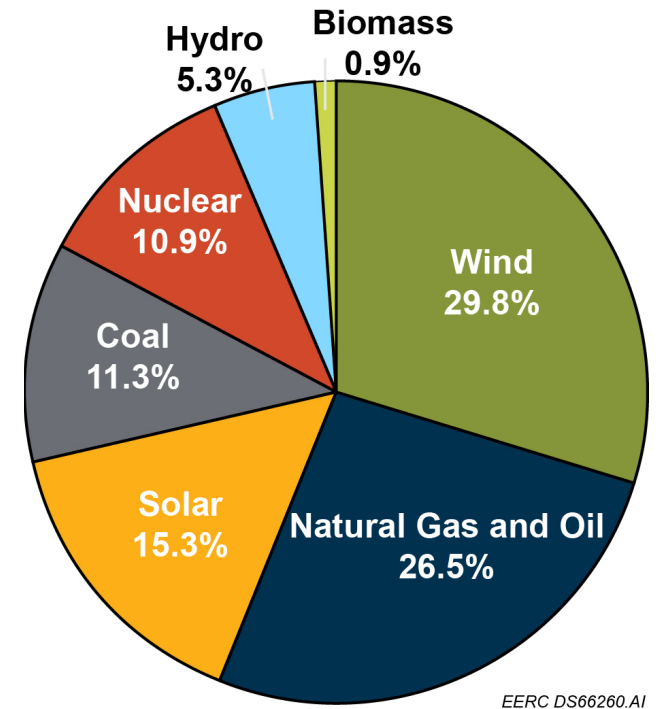
NORTH DAKOTA UTILITIES FUEL MIX



Otter Tail Power Company

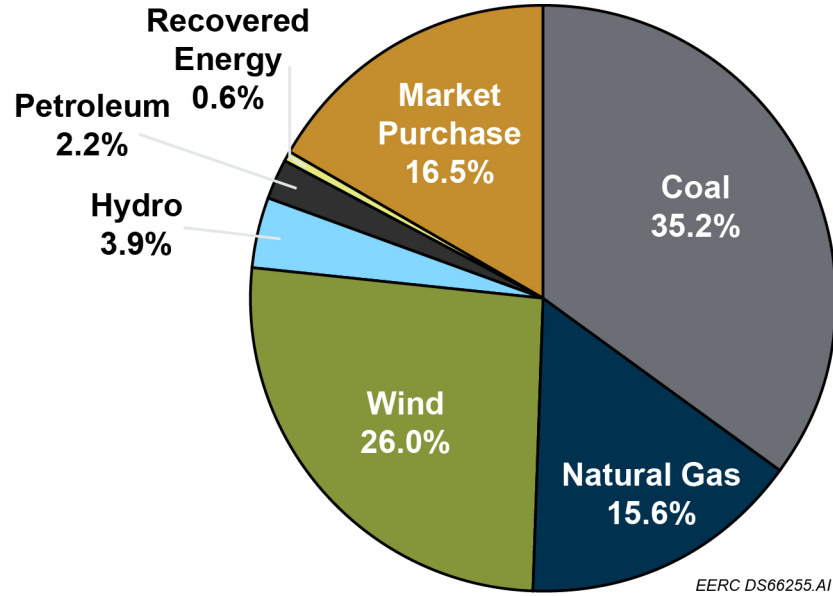


Montana Dakota Utilities

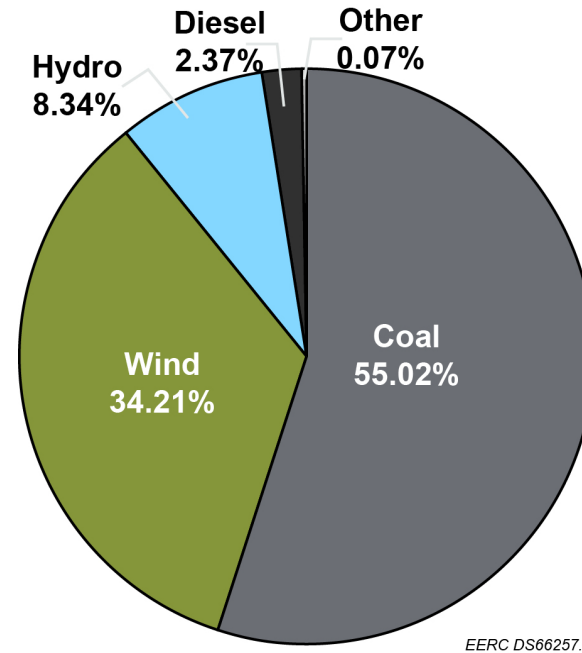


Xcel Energy

NORTH DAKOTA UTILITIES FUEL MIX



Basin Electric Power Cooperative



Minnkota Power Cooperative

CHALLENGES

- Unprecedented Demand Growth
- Transmission Planning – Complex at Best
- Energy Policy & Long-term Planning/Investment
- Landowner Fatigue - Siting
- Supply Chain Management

FERC FORECASTED PEAK

Five-Year Load Growth Up Five-Fold to 128 Gigawatts

THE ERA OF FLAT POWER DEMAND IS BEHIND US ...

Over the past two years, the 5-year load growth forecast has increased by almost a factor of five, from 23 GW to 128 GW, including Grid Strategies' estimate of recent update reports.

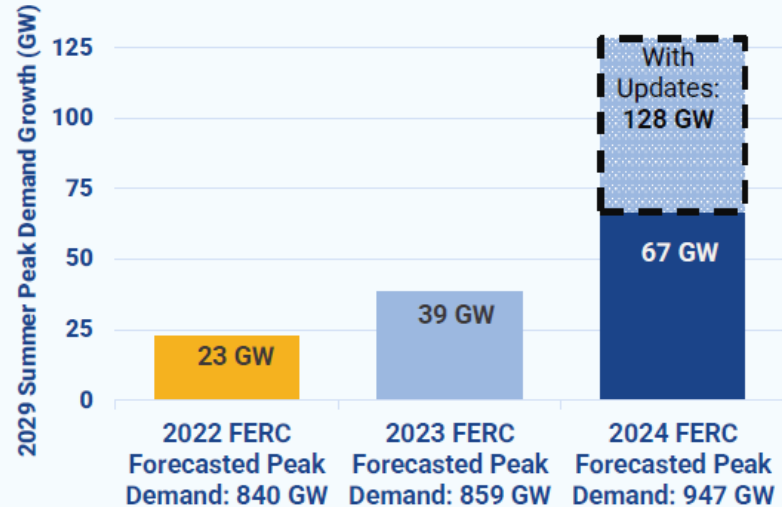
- The official nationwide forecast of electricity demand shot up from 2.8% to 8.2% growth over the next five years to 66 GW through 2029 -- but with an additional 61 GW of growth in preliminary updates, **nationwide electric demand is forecast to increase by 15.8% by 2029.**
- While some of the additional growth merely reflects corrections to last year's incomplete forecast update, major changes have occurred in several regions. In particular, Texas (ERCOT) has recently added about 37 GW to its 2029 forecast -- **resulting in an updated forecast of 43 GW in load growth through 2029.**

The main drivers are investment in data centers and manufacturing. High-end sector forecasts suggest current load forecasts may not have caught up with growth.

- Data center growth forecasts vary, with some tech industry analysts anticipating growth of 65 GW, while updated utility forecasts suggest over 90 GW.
- Manufacturing demand forecasts are unavailable -- indicators suggest up to 20 GW growth.
- Other sources of load growth, including electrification, could be another 20 GW.

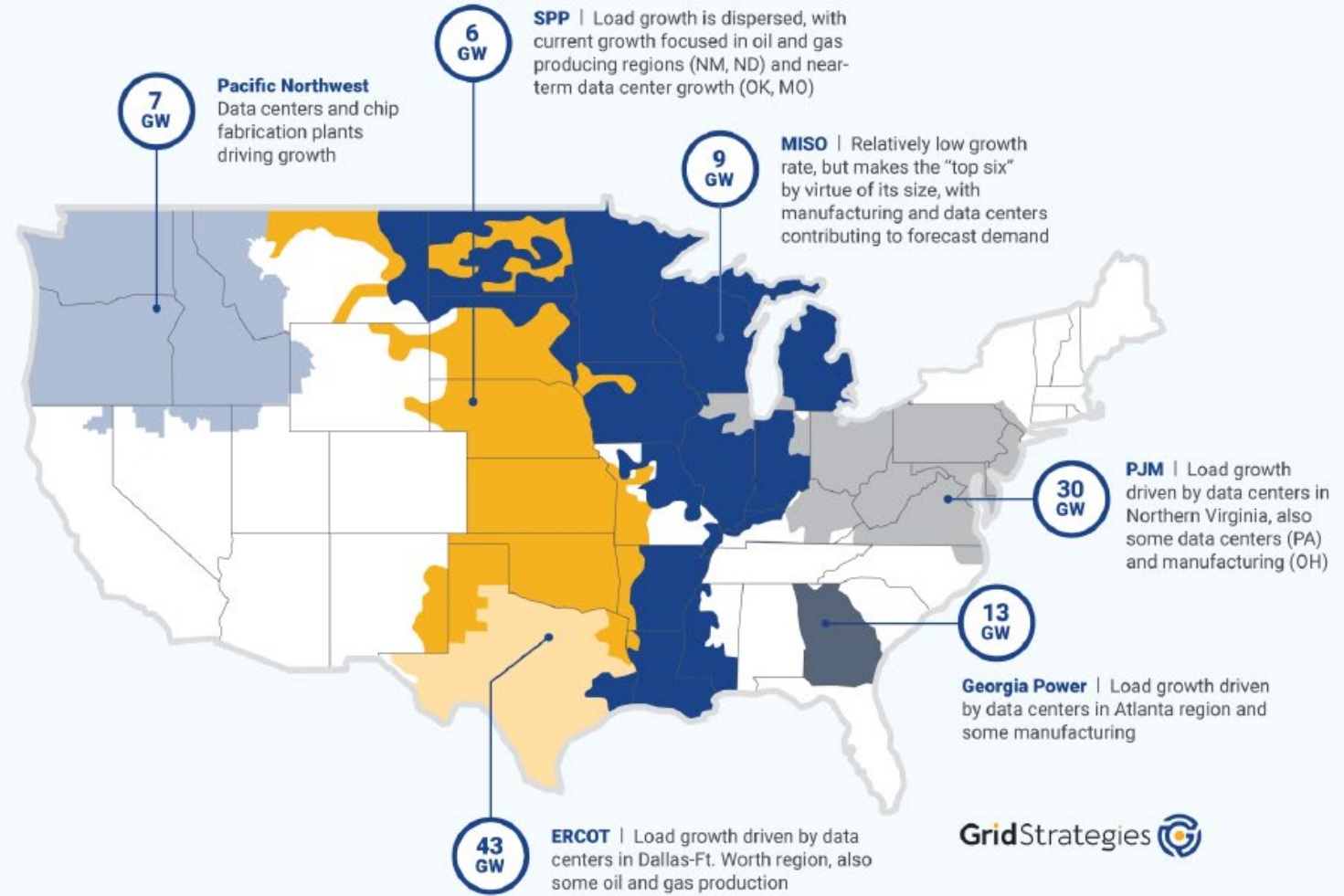
AND THE FORECASTS ARE MORE SHOCKING ...

5-year Nationwide Growth Forecast



NATIONAL LOAD GROWTH PROJECTIONS

Six Regions Driving Load Growth Through 2029



2024 MIDWEST RELIABILITY ORGANIZATION WINTER ASSESSMENT

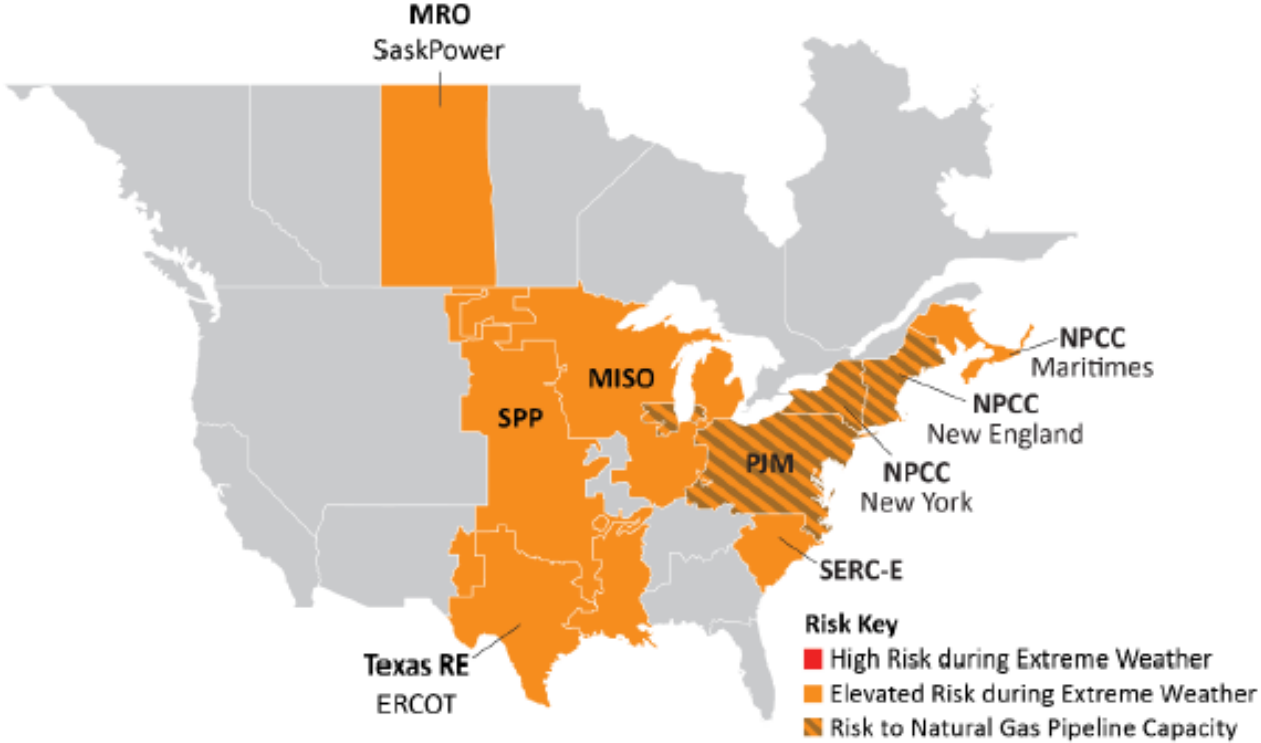


Figure 1: Winter Reliability Risk Area Summary

Seasonal Risk Assessment Summary	
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in above-normal conditions
Normal	Sufficient operating reserves expected

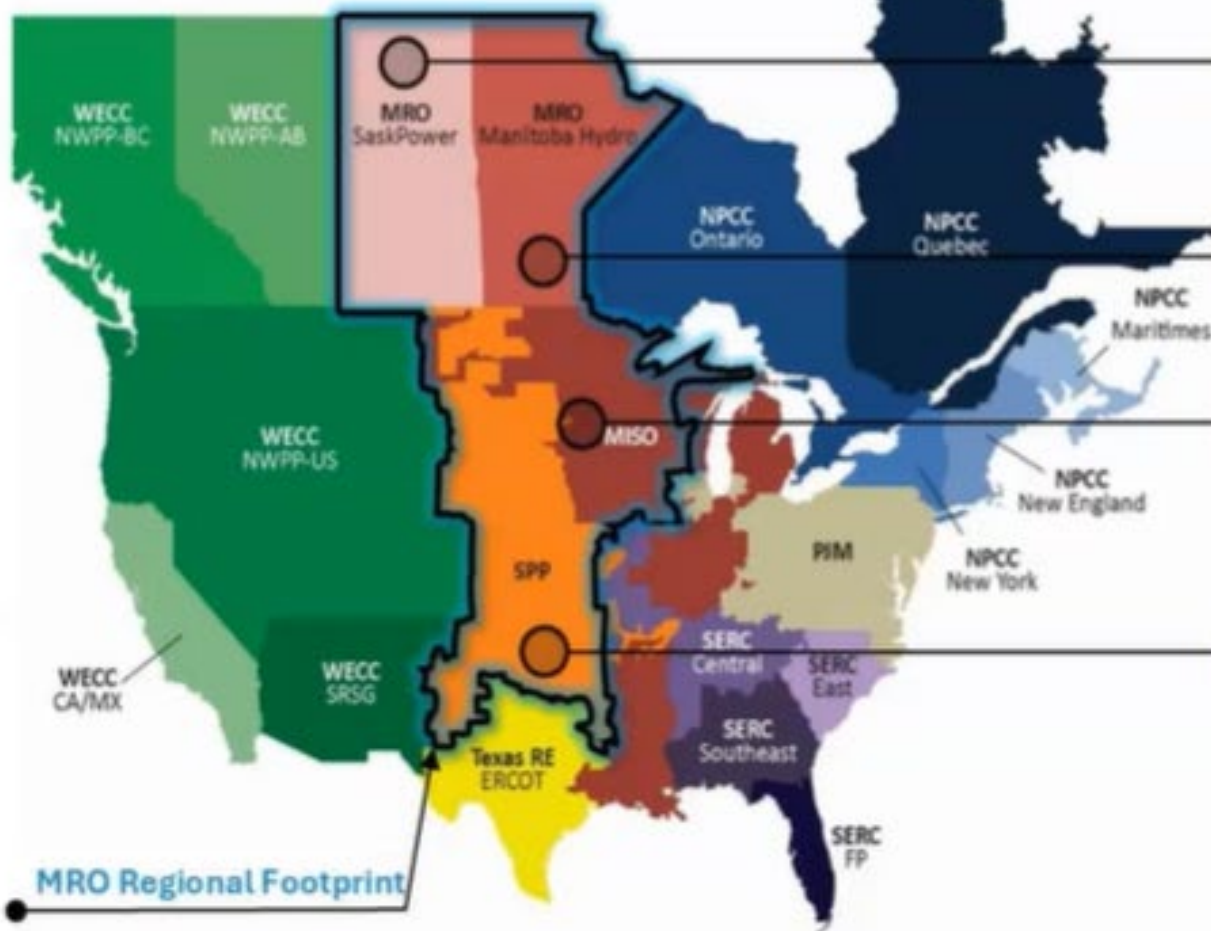


MIDWEST RELIABILITY ORGANIZATION

2024 Regional Winter Assessment

A comprehensive evaluation of resource and transmission system adequacy, emerging trends, and projected reliability concerns for the bulk power system in MRO's regional footprint for the upcoming winter season.

NERC Assessment Areas



Key Findings

SaskPower

Sufficient capacity for normal peak demand with typical maintenance and forced outages. Extreme winter weather combined with generation/transmission outages could result in energy shortfalls.

Manitoba Hydro

Resources are sufficient to meet reserve margin requirements under normal and extreme winter conditions.

Midcontinent ISO (MISO)

Sufficient capacity for normal peak demand with typical maintenance and forced outages. Extreme winter weather combined with generation and transmission outages could result in energy shortfalls.

Southwest Power Pool (SPP)

Sufficient capacity for normal peak demand with typical maintenance and forced outages. Extreme winter weather combined with major generation and transmission tie-line outages could result in energy shortfalls. Interruptions in fuel supply could also pose challenges for SPP this winter season.

Reliability Trends

- Higher penetrations of intermittent resources require conventional generators to cycle more, causing component fatigue and forced generation outages.
- Protection system misoperations are a leading cause of events in the MRO region and are being monitored.
- Weather-related issues are leading contributors to sustained transmission outages in winter.

Recommendations

Industry:

- Review NERC alerts related to cold weather preparedness and participate in MRO's voluntary Generator Winterization Program.
- Maintain situational awareness of unplanned generation outages and low wind forecasts and employ operating mitigations when needed during extreme weather conditions to ensure resource adequacy.
- Develop methods to ensure sufficient generation resource availability before the winter season, particularly when a substantial portion of capacity relies on intermittent fuel sources.

State and Provincial Regulatory Agencies:

- State and provincial regulators should assist grid operators prior to, and during, the winter season by supporting requested environmental and transportation waivers, as well as public appeals for electric load and natural gas conservation.

RECOMMENDATIONS

- Strengthen Resource Adequacy
- Enhance Infrastructure Resilience
- Centralize Supply Chain Management
- Implement Cybersecurity Measures
- Prioritize Maintenance of Aging Infrastructure
- Establish Continuous Resilience Assessment

DOE Transmission Grants

- ❑ Minnesota Power Allete – HVDC Modernization \$ 50.0 million
- ❑ MISO/SPP (Joint Target Interconnection Queue) \$464.0 million
- ❑ North Plains Connector (Grid United-MN Power) \$700.0 million
 - ❑ TSED Grant Mott Community Center \$ 14.3 million
 - ❑ TSED Grant Amidon Fire Hall \$.7 million
- ❑ MDU (Hettinger to Elgin 115kV upgrade) \$ 15.6 million
- ❑ Otter Tail Power (System automation) \$ 19.6 million

IIJA Grid Resilience Formula Grant

- ❑ IIJA NDTA Formula Grant FY22/23* \$ 7.5 million
- ❑ IIJA NDTA Formula Grant FY24* \$ 3.8 million
- ❑ Application submitted for FY25* \$ 3.6 million
- ❑ One more potential app for FY26

*Plus 15% State Match

- ❑ Requesting 15% State Match for FY24/FY25/FY26
 - ❑ Est \$583,000/yr or \$1,750,000 total

Grant Awards FY22/FY23/FY24

<input type="checkbox"/> Capital Electric Cooperative	\$ 321,930
<input type="checkbox"/> Otter Tail Power Company	\$4,432,088
<input type="checkbox"/> Northern Plains Electric Cooperative	\$ 586,000
<input type="checkbox"/> McKenzie Electric Cooperative	\$2,843,075
<input type="checkbox"/> Burke-Divide Electric Cooperative	\$ 550,000
<input type="checkbox"/> City of Lakota	\$1,707,109
<input type="checkbox"/> Verendrye Electric Cooperative	\$ 314,250
<input type="checkbox"/> KEM Electric Cooperative	\$ 620,000
<input type="checkbox"/> City of Valley City	\$1,053,000

N O R T H
Dakota

Be Legendary.