

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on October 31, 2023 beginning at 8:00 a.m.

Governor's Conference Room – State Capitol

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

Also Present: This meeting was open through Microsoft Teams so not all attendees are known.
Agency representatives joined various portions of the meeting.

Governor Burgum called the meeting of the Industrial Commission to order at approximately 8:03 a.m.

OFFICE OF THE INDUSTRIAL COMMISSION

Ms. Karen Tyler presented for consideration of approval the October 4, 2023 Industrial Commission meeting minutes.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the October 4, 2023 Industrial Commission 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 special grant round for legislative-directed Carbon Capture Utilization Education and Marketing project.

The memo reads as follows:

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

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

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

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

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

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission authorizes a special grant round of the combined Renewable Energy, Lignite Research and Oil and Gas Research Councils for the purpose of soliciting proposals to conduct carbon capture and utilization education and marketing, during which the Commission would consider for approval only such applications that receive a positive recommendation from all three research councils.

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

Mr. Haase gave a report on the 2023 Special Legislative Session.

The memo reads as follows:

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

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

BANK OF NORTH DAKOTA

Ms. Lindsay Wagner and Mr. Craig Hanson gave a demonstration of the new DOSS (Dynamic One Stop Shop) system that has been implemented at the Bank of North Dakota. This system allows for more efficiencies in reviewing and approving loan participations with financial institutions partners, and provides for better data management related to applications, approved loans, and loan pipelines.

Mr. Todd Steinwand presented for consideration of approval the 2024 BND Holiday Schedule and change to approval process.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the 2024 BND Holiday Schedule and change to approval process.

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

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

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

Note: According to NDCC 1-03-01 state offices close at noon on Christmas Eve Day when it falls on a Monday-Thursday.

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

Mr. Steinwand and Mr. Rob Pfennig gave a presentation of the Third Quarter 2023 Performance Highlights.

Balance Sheet Highlights:

Third Quarter 2023 assets were \$9.9 billion. Total allowance for credit loss and off-balance sheet reserve is \$112.3 million for the quarter. The loan portfolio grew to \$5.6 billion in the third quarter, but volumes have slowed from 2022 growth as the portfolio is down from budget. Commercial loans are down by \$67.4 million. Strong activity in the commercial participation and flex pace programs were offset by the pay down of state institution loans and timing of match program loans. Livestock Rebuilder program exceeded budget expectations helping drive growth in the Ag Portfolio. Residential loan runoff is slowing due to the rise in interest rates and overall volume of student loan is down. Changes in the Bank's Equity position are a result of net income, changes in unrealized gain/loss positions, allocations of capital to various legislative programs, and distributions to the State's General Fund. For the nine months ended September, the Bank has transferred \$140 million to the General Fund, \$24.5 million to buydown programs and \$41.4 million to other state programs. During 2022, the Bank transferred \$28.8 million to buydown programs and \$1.57 million to other state programs.

Income Statement Highlights:

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

The full performance highlights report can be found on the website.

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

- i. Finance and Credit Committee August 16th, 2023 Meeting Minutes
- ii. Leadership Development and Compensation Committee August 17th, 2023 Meeting Minutes
- iii. BND Advisory Board August 17th, 2023 Meeting 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 purpose of Bank North Dakota confidential business.

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

Governor Burgum stated that the Commission is meeting in executive session regarding Bank of North Dakota confidential business to consider those items listed on the agenda under Bank of North Dakota Executive Session. Only Commission members, their staff, Commission staff, and Bank of North Dakota staff will participate in the 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 sessions that the discussions must be limited to the announced purposes which is anticipated to last approximately 30 minutes.

The executive session began at approximately 9:05 a.m.

The 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

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
Alison Anderson, BND
Lindsay Wagner, BND

Others in Attendance

Ryan Norrell	Governor's Office
John Reiten	Governor's Office
Zach Greenburg	Governor's Office
Dutch Bialke	Ag Commissioner's Office
Karen Tyler	Industrial Commission Office
Reice Haase	Industrial Commission Office
Brenna Jessen	Industrial Commission Office

The executive session ended at 9:28 a.m. and the Commission reconvened in open session at 9:33 a.m.

During the Bank of North Dakota executive session, the Commission discussed those Bank of North Dakota confidential items listed on the agenda. No formal action was taken in executive session.

NORTH DAKOTA OUTDOOR HERITAGE FUND

Mr. Haase gave a presentation of the Outdoor Heritage Fund Project Management and Financial Report. As of October 26, 2023 the fund has a cash balance of \$42,478,364.81- \$39,367,281.39 is already committed, and \$3,111,083.42 is uncommitted. There are currently 88 active projects, \$81.6 million has been granted over the life of the program, and the project value of the fund is \$210.7 million. The funding by directive currently sits as follows: Directive A – 10% Directive B – 55% Directive C – 24% Directive D – 11%. The Industrial Commission has a goal of getting Directive D to a minimum of 15% of overall funding.

Mr. Bob Kuylen presented for consideration of approval the following Outdoor Heritage Fund grant round 23 applications:

- i. **23-1 (C) Audubon Great Plains, North Dakota Prairie Management Toolbox**, OHF funding – \$747,400, Total Project Cost – \$1,206,512. Project Summary: Provide financial assistance to private landowners in eastern ND and collaborate to implement regenerative grassland management practices including invasive woody vegetation removal on 600 acres and grazing infrastructure on 4,400 acres.
- ii. **23-2 (A) Mayville Dam #2 Reconstruction & Recreation Project, City of Mayville**, OHF funding – \$396,595, Total Project Cost – \$3,050,000. Project Summary: Remove the failed low head dam, reestablish the eroded riverbank, and construct

- a new dam in the form of rock riffle structures to facilitate fish passage, enable more natural sediment transport, and reduce sediment buildup.
- iii. **23-3 (D) Napoleon Recreation Trail, City of Napoleon**, OHF funding – \$750,000, Total Project Cost – \$1,400,000. Project Summary: Develop a recreation trail to connect facilities and provide a safe route. The trail parallels a creek and wildlife education plaques will be displayed along the trail.
 - iv. **23-5 (C) Lost Lake Dam Fish, McLean County Water Resource District**, OHF funding – \$66,736, Total Project Cost – \$88,981. Project Summary: Removing four barriers to fish migration in the lower portion of Painted Woods Creek with a 305-mile watershed.
 - v. **23-6 (A) Painted Woods Lake Flood Protection & Recreation Project, McLean County Water Resource District**, OHF funding – \$50,250, Total Project Cost – \$4,900,000. Project Summary: Construct a parking lot and kayak/canoe launch, build a new dam, and construct two box culverts to facilitate walk-in access across the creek channel and a gravel access path that leads to the dam within the Painted Woods Lake Wildlife Development Area (WDA).
 - vi. **23-7 (C) Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement II, North Dakota Natural Resources Trust**, OHF funding – \$267,750, Total Project Cost – \$520,500. Project Summary: Assist landowners with approximately 20 wetland dam creations, dam repairs, and drain ditch plugs throughout the state impacting 112 surface acres of wetland habitat.
 - vii. **23-8 (A) MonDak Pheasants Forever 619 NWND 2024-2026 Habitat Project, Pheasants Forever, Inc.**, OHF funding – \$250,000, Total Project Cost – \$400,000. Project Summary: Incentivize 2,500 acres of new grass plantings and an additional 2,500 acres of new CRP enrollments with hunting access to increase new wildlife habitat development and hunting access in Williams and Divide counties.
 - viii. **23-10 (D) TMBCI Fishing/Boat Access Project, Turtle Mountain Band of Chippewa**, OHF funding – \$109,800, Total Project Cost – \$146,400. Project Summary: Purchase seven handicapped accessible fishing/boat access docks to be installed at five tribal lakes for the purpose of expanding recreational opportunities as well as providing lake access for water quality testing.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accepts the recommendation of the Outdoor Heritage Fund Advisory Board and approves the following projects:

- **23-1 (C) Audubon Great Plains: North Dakota Prairie Management Toolbox, \$747,400**
- **23-2 (A) City of Mayville: Mayville Dam #2 Reconstruction & Recreation Project, \$396,595.48**
- **23-3 (D) City of Napoleon: Napoleon Recreation Trail, \$750,000, contingent upon the exclusion of the portion of the trail connection to the nursing home**
- **23-5 (C) McLean County Water Resource District: Lost Lake Dam Fish Passage, \$66,735.53**
- **23-6 (A) McLean County Water Resource District: Painted Woods Lake Flood Protection & Recreation Project, \$50,250, only funding the kayak launch, parking lot, and boat ramp dirt work**

- **23-7 (C) North Dakota Natural Resources Trust: Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement II, \$267,750**
- **23-8 (A) Pheasants Forever, Inc.: MonDak Pheasants Forever 619 NWND 2024-2026 Habitat Project, \$250,000**
- **23-10 (D) Turtle Mountain Band of Chippewa: TMBCI Fishing/Boat Access Project, \$109,800**

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

Mr. Kuylen presented for consideration of approval the following Contract Amendment Request:

- Contract 017-172 ND Game and Fish Department: Red River Basin Wildlife and Water Quality Enhancement Pilot Program. The Request is for an amendment to decrease landowner cost-share from 50% to 40% and allow longer agreements of up to 10 years.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accepts the recommendation of the Outdoor Heritage Fund Advisory Board and approves an amendment to Contract 017-172 to increase the length of landowner agreements from 5 to 10 years, to reduce the landowner management cost-share from 50% to 40%, and to increase the project sponsor’s management cost-share from 50% to 60%.

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

Mr. Kuylen presented for consideration of approval an Outdoor Heritage Fund Advisory Board recommended policy change. This change would allow the Board to increase allowable labor costs for in-kind match on a yearly basis based on average hourly wage of North Dakota.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accepts the recommendation of the Outdoor Heritage Fund Advisory Board and approves an amendment to the Outdoor Heritage Fund cost-share policy for in-kind services as follows:

Labor Costs: ~~\$15.00/hour~~ Average of the average hourly wage of North Dakota as shown by the US Bureau of Labor Statistics and the Independent Sector Value of Volunteer Time Report.

2023 Value: \$28.76

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. Robyn Hoffmann from the ND State Auditor’s Office gave a presentation of the Mill’s FY 2023 Audit. They audited the financial statements of the business-type activities of the North Dakota Mill and Elevator Association, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the North Dakota Mill and Elevator Association’s basic financial statements. In their opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, and the respective

changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Mr. Vance Taylor and Ms. Cathy Dub gave a presentation of FY 2023 Q1 Performance Results. The Mill experienced a profit of \$5,546,849 in the first quarter 2023 compared to a profit of \$2,330,195 profit in the first quarter 2022. Gross margin as a percent of gross sales for the quarter was 14.4% compared to 9.9% last year. Sales for the first quarter were \$127,888,159 compared to \$136,953,660 last year, and Operating Costs for the first quarter were \$11,641,871 compared to \$10,347,781 last year.

DEPARTMENT OF MINERAL RESOURCES

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

- i. **Order 32501 for Case 29896** regarding an application of Burlington Resources Oil & Gas Co. LP for an overlapping 2,560-acre spacing unit in Sections 23, 24, 25 and 26, T 153N, R 96W, McKenzie County, ND

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order 32501 issued in Case 29896 approving an application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Keene Bakken/Three Forks Pool to establish an overlapping 2,560-acre spacing unit described as Sections 23, 24, 25 and 26, T.153N., R96W., McKenzie County, ND, and authorizing one horizontal well to be drilled on such unit, and/or such further relief.

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

- ii. **Order 32873 for Case 30263** regarding an application of Cobra Oil and Gas Corp. to remove 31 Operating, LLC as the operator of underground gathering pipeline system and the Evanson #2 SWD well located in Sections 30 and 31, T 162N, R 81W, Bottineau County, ND

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order 32873 issued in Case 30263 approving an application of Cobra Oil & Gas Corp. for an order removing 31 Operating, LLC as operator of certain underground gathering pipeline systems and a salt water disposal well so that Cobra Oil & Gas Corp. is the operator of both the pipeline located in the NESE and SESW of Section 30, T.162N., R.81W., Bottineau County, ND, and of the Evanson #2 SWD well, located in the NENW of Section 31, T.162N., R.81W., Bottineau County, ND, and/or such further relief.

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

- iii. **Case 30329** regarding a motion to supplement Department of Mineral Resources draft administrative rules with amendments to NDAC 43-02-03-19.3 (administrative approval of open top tanks for hydraulic fracturing), NDAC 43-02-08 (stripper well and stripper well property determination), NDAC 43-02-10 (certification of secondary and tertiary project rules) and adding a new section (NDAC 43-02-15) related to certification of restimulation wells.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves an amendment to Case 30329 to authorize the Department of Mineral Resources to proceed with the administrative hearing process and publish for hearing and comment draft rule amendments to North Dakota Administrative Code Chapter 43-02-03-19.3 related to administrative approval of large open top tanks for produced water for hydraulic fracturing, Chapter 43-02-08 related to stripper well and stripper well property determination and Chapter 43-02-10 to incorporate statute changes into certification of secondary and tertiary projects rules, as well as the addition of a new Chapter 43-02-15 related to the certification of restimulation wells.

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

Mr. Mark Bohrer gave a presentation of the Oil and Gas Division Quarterly Report. In Q1 2023 there were 231 permit applications received. The rig count was 46 and the amount of producing wells was at 17,510. The production was at about 1,056,285 Barrels of Oil per day and the North Dakota average \$/barrel was at \$71.49.

The full report is available on the DMR website.

Dr. Helms gave an update on federal regulatory matters:

- i. BLM Resource Management Plan – a request for extension was filed.

Dr. Helms gave an update on Oil & Gas related matters reasonably expected to require comments:

- i. BLM Venting and Flaring
- ii. Presidential Executive Order 14008 related to climate change – Governor Burgum noted that there is a difference between conservation and preservation. Conservation is needed for sustainability, preservation means you cannot step foot on it.

INDUSTRIAL COMMISSION LEGAL UPDATE

The following Litigation updates were presented:

- i. Northwest Landowners v. NDIC – December 12th deadline for the summary judgement motions
- ii. Liberty v. NDIC – Waiting on a decision from McKenzie County
- iii. NDIC v. DOI Quarterly Federal Lease Sales – Meeting with Judge Trainor to discuss about how they are progressing

The following Federal Rulemaking updates were presented:

- i. BLM Leasing Rule – comments had been filed on September 22, 2023.
- ii. DAPL DEIS – it is currently open for comments. There is a statewide effort with the submitting of comments.

NORTH DAKOTA BUILDING AUTHORITY

Ms. Mindy Piatz of Brady Martz gave a presentation of the Building Authority June 30, 2023 Audit. Brady Martz audited the accompanying financial statements of the North Dakota Building Authority, a component unit of the State of North Dakota as of and for the years ended June 30, 2023 and 2022, and

the related notes to the financial statements, which collectively compromise the Authority's basic financial statements.

In their opinion, the financial statements present fairly, in all material respects, the respective financial position of the North Dakota Building Authority, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ms. DeAnn Ament presented for consideration of approval the Appointment of Authorized Officers for NDBA.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves the Appointment of Authorized Officer of NDBA, Susan Sisk, and renames Karen Tyler and DeAnn Ament as its Authorized Officers.

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

A RESOLUTION WAS MADE

INDUSTRIAL COMMISSION OF NORTH DAKOTA DESIGNATION OF AUTHORIZED OFFICERS

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

WHEREAS, the Commission has previously named Joe Morrisette, Director of the Office of Management and Budget, DeAnn Ament, Executive Director of the Public Finance Authority and Karen Tyler, Industrial Commission Interim Executive Director/Secretary as its Authorized Officers: and

WHEREAS, Joe Morrisette retired and on June 12, 2023, Susan Sisk was named Director of the Office of Management and Budget;

THEREFORE, BE IT RESOLVED:

1. The Commission names Susan Sisk and renames Karen Tyler and DeAnn Ament as its Authorized Officers (the "Authorized Officers") to do all things necessary and convenient jointly or severally to carry out and perform the obligations of the Commission as required under any outstanding North Dakota Building Authority documents and as set out in N.D.C.C. Chapter 54-17.2 effective October 31, 2023.

Dated this 31st day of October, 2023.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

Ms. Ament presented for consideration of approval the following loan application:

- i. City of Fargo – Drinking Water - \$6,400,000. Proceeds of the loan will be used to rehabilitate the water treatment plant's lime softening filters and install new media in the filters. The requested loan term is 30 years. The City will issue

revenue bond payable from sales tax collections and water user fees. The annual payment will average \$67,464.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves the \$6,400,000 Drinking Water loan to the City of Fargo to rehabilitate the water treatment plant's lime softening filters and install new media in the filters.

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

A RESOLUTION WAS MADE

RESOLUTION APPROVING

LOAN FROM DRINKING WATER STATE REVOLVING FUND

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

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

WHEREAS, the City of Fargo (the "Political Subdivision") has requested a loan in the amount of \$6,400,000 from the Program to rehabilitate sand/anthracite filters in the 1997 lime softening water treatment plant and install sand/granular activated carbon media; and

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

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

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

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

Adopted: October 31, 2023

Ms. Ament gave a presentation of a memo of State Revolving Fund loans approved by the Advisory Committee:

- i. City of Berthold – Clean Water - \$1,050,000. This project will completely replace the water and sanitary sewer mains on Main Street. The requested loan term for the bond is 30 years. The City will issue an improvement bond payable with special assessment collections. The annual payment will average \$44,079. The improvement district includes 337 parcels.
- ii. City of Berthold – Drinking Water - \$731,000. This project will completely replace the water and sanitary sewer mains on Main Street. The requested loan term for the bond is 30 years. The City will issue an improvement bond payable with special assessment collections. The average annual payment for the improvement bonds will be \$30,658. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

Being no further business, Governor Burgum adjourned the meeting of the Industrial Commission at 11:34 a.m.

North Dakota Industrial Commission



Brenna Jessen, Recording Secretary



Reice Haase, Deputy Executive Director



Karen Tyler, Interim Executive Director