

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on October 29th, 2024 beginning at 1:00 p.m.

Governor's Conference Room – State Capitol

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

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

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

Ms. Karen Tyler took roll call, and Governor Burgum, Commissioner Goehring, and Attorney General Wrigley were present.

Governor Burgum invited the room to stand and join the Commission in saying the Pledge of Allegiance.

NORTH DAKOTA PUBLIC FINANCE AGENCY

Ms. DeAnn Ament presented for consideration of approval the following State Revolving Fund Loan Application:

- i. Carpio – Clean Water - \$5,536,000. The purpose of this project is to replace the failing mechanical wastewater treatment plant and sanitary sewer improvements. The requested loan term is 30 years, and the City will issue revenue bonds payable with sewer fee revenue. The average annual payment for the revenue bonds will be \$64,269.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Clean Water State Revolving Fund loan request for \$5,536,000 for the City of Carpio.

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

A RESOLUTION WAS MADE

RESOLUTION APPROVING
LOAN FROM CLEAN WATER STATE REVOLVING FUND

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

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

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

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

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

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

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

Adopted: October 29,2024

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

- i. Arthur – Clean Water - \$550,000 – The purpose of this project is to replace the sanitary sewer force main from the main lift station to the wastewater treatment lagoon and install a new inlet structure within the wastewater pond. The requested loan term is 30 years, and the City will issue revenue bonds payable with sewer user fees. The average annual payment will be \$23,177.
- ii. Jamestown – Clean Water - \$1,991,000 – The purpose of this project is to install plate filter presses to improve the wastewater treatment process and allow for recycling of the lime sludge. The requested loan term is 20 years, and the City will issue a revenue bond payable with water fund revenues. The average annual payment will be \$116,975.
- iii. Dickinson – Clean Water - \$2,000,000 – The purpose of this project is for Phase 2 construction of Sims Street sanitary and storm sewer improvements. The requested loan term is for 20 years, and the City will issue revenue bonds payable with wastewater fees and pledge oil and gas gross production tax collections as a secondary source of security. The average annual payment will be \$116,274.

- iv. Dickinson – Drinking Water - \$2,000,000 lead service lines – The purpose of this project is to begin replacing some of the approximately 200 existing lead service lines. The requested loan term is 20 years, and the City will issue revenue bonds payable with water fee revenues and a portion of city sales tax collections, and pledge oil and gas gross production tax collections as a secondary source of security. The average annual payment will be \$25,000.
- v. Dickinson – Drinking Water - \$1,591,000 – The purpose of this project is to replace 13 blocks of cast-iron watermain with PVC piping. The requested loan term is 20 years, and the City will issue revenue bonds payable with city sales tax collection, and pledge oil and gas gross production tax collections as secondary source of security. The average annual payment will be \$92,524.

NORTH DAKOTA HOUSING FINANCE AGENCY

Mr. Brandon Detlaff presented a report related to a North Dakota Supreme Court ruling on a foreclosure case involving a “super lien” on an HFA financed project. The super lien concept originated in Nevada and has been attempted in other states without success. It allows Homeowners associations to file a lien senior to other mortgages already in place. North Dakota law does not allow for this practice. The subject property is located in Williston and was purchased in 2019, and the foreclosure was started in January of 2022 due to delinquency. The borrower filed bankruptcy in February of 2022 and NDHFA received notice regarding the super lien filing in March 2022. The first hearing on the matter was in April of 2023 and the District Court ruled in favor of NDHFA citing there is no statutory authority for the implementation of a super lien. The case was appealed to the Supreme Court and the lower court ruling was upheld.

Ms. Jennifer Henderson presented a multi-family Bond Issuance Report on Lashkowitz Riverfront 4% and 9% bond issuances.

The first memo reads as follows:

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

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

- a. Trust Indenture
- b. Financing Agreement
- c. Bond Regulatory Agreement

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

Transaction summary as authorized

Fargo Housing and Redevelopment Authority, a North Dakota Housing Authority, demolished the existing 248-unit public housing complex known as the Lashkowitz Highrise and will replace it with the new construction of 110 units to be developed as a twin 4 percent/9 percent transaction. The 4 percent transaction, for which tax-exempt bonds will be issued, will consist of 83 units and comprise floors 2-4.

The remaining 27 units will be financed as a separate asset using 9 percent competitive credits and a taxable bond issuance. This transaction will remove units from public housing and replace with traditional affordable housing as part of a repositioning strategy.

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

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

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

Final Issuance Summary

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

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

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

REPORT OF ISSUANCE

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

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

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

Date of Issuance: August 12, 2024."

The second memo reads as follows:

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

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

- a. Trust Indenture
- b. Financing Agreement

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

Transaction summary as authorized

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

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

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

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

Final Issuance Summary

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

\$2,196,500

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

\$3,803,500

State of North Dakota

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

REPORT OF ISSUANCE

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

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

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

Date of Issuance: August 12, 2024."

Ms. Kayla Axtman presented a report on the results of the 2024C \$200 million Tax Exempt Bond Sale. Since the beginning of 2023, the Federal Reserve has raised interest rates four times bringing the fed funds rate to 5.25% - 5.50%. In September 2024, the Federal Reserve began decreasing the fed funds rate with a decrease of 0.50%. During this time, the Agency had adjusted the tax exempt 30-year mortgage rate twelve times and continues to be well below the current market rate for a 30-year conventional loan. The average 30-year FHA mortgage rate is a 5.78% and the average 30-year conventional mortgage right now is 6.26%. For the past two months the Agency is averaging just over \$2 million a day in First Home (tax-exempt) reservations and approximately \$175,000 om daily Roots (taxable) reservations. Currently, the average total payment (principal, interest, taxes and insurance) for a First Home borrower is \$1,191 and \$1,932 for a Roots borrower.

Ms. Axtman presented for consideration of approval the authorization of a 2024 Supplemental Annual Series Resolution for issuance of up to \$250 million short-term Mortgage Revenue Bonds for Q4 2024. (The resolution can be found on the website).

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission authorize the 2024 Supplemental Annual Series Resolution for the issuance of up to \$250,000,000 in long-term Mortgage Revenue Bonds for Q4 of 2024 for the North Dakota Housing Finance Agency Home Mortgage Finance Program

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

Ms. Axtman presented for consideration of approval the authorization of a 2025 Annual Series Resolution for issuance of up to \$750 million in long-term Mortgage Revenue Bonds and \$100 million in short-term Mortgage Revenue Bonds. (The resolution can be found on the website).

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission authorize the 2025 Annual Series Resolution for the issuance of up to

\$750,000,000 in long-term Mortgage Revenue Bonds and up to \$100,000,000 in short-term Mortgage Revenue Bonds for the North Dakota Housing Finance Agency Home Mortgage Finance Program

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

Ms. Axtman presented for consideration of approval a review of RFP Results and Consideration of Approval for Selection of NDFHA Financial Advisor and Bond Counsel.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission, upon review of the report of results of the Request for Proposal, and pursuant to the recommendation of the review committee, approve the selection of Caine Mitter & Associates as Financial Adviser to the Housing Finance Agency, and also approve the selection of Kutak Rock LLP as Bond Counsel to the Housing Finance Agency.

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

OUTDOOR HERITAGE FUND

Ms. Brenna Jessen presented the Outdoor Heritage Fund Project Management and Financial Report. The Outdoor Heritage Fund is showing a cash balance of just over \$43.2 million dollars, and of that cash balance, \$38.5 million is committed with the vast amount of those funds going to existing projects and a small amount to administration. There is currently \$4.6 million uncommitted dollars, which exceeds the amount being requested of just over \$2.3 million between the four projects. Cumulatively, the Commission has approved 239 projects across the program since its inception, and today 77 of those projects are currently active and ongoing. The cumulative value that has been brought to the State of North Dakota is just over \$233 million dollars.

Mr. Tyler Dokken presented for consideration of approval the Outdoor Heritage Fund Advisory Board recommended projects for Grant Round 25:

- i. 25-1 (C) Mule Deer Foundation: Western Big Game Connectivity and Habitat Fragmentation, \$750,000
- ii. 25-5 (C) North Dakota Petroleum Foundation: Planting for the Future, \$220,177
- iii. 25-6 (B) Audubon Great Plains: North Dakota Grazing Management Toolbox, \$635,000
- iv. 25-10 (B) North Dakota Natural Resources Trust: Working Grasslands Partnership 7, \$762,500

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

25-1 (C) Mule Deer Foundation: Western Big Game Connectivity and Habitat Fragmentation, \$750,000

25-5 (C) North Dakota Petroleum Foundation: Planting for the Future, \$220,177

25-6 (B) Audubon Great Plains: North Dakota Grazing Management Toolbox, \$635,000

25-10 (B) North Dakota Natural Resources Trust: Working Grasslands Partnership 7, \$762,500

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

Ms. Jessen presented for consideration of approval an Outdoor Heritage Fund Advisory Board Recommendation for a special grant round for wildfire relief projects.

At the Outdoor Heritage Fund Advisory Board Meeting on October 24th, the Board voted in favor of holding a special grant round of the Outdoor Heritage Fund program for the purpose of funding Wildfire relief projects, contingent on the following items:

- Receipt of a proposal which meets Outdoor Heritage Fund requirements
- Review and approval of the proposal at a special meeting of the Outdoor Heritage Fund Advisory Board
- The special Outdoor Heritage Fund Advisory Board meeting will be scheduled in early 2025 after the North Dakota Treasurer's Office notifies the Office of the Industrial Commission that the remaining appropriation for the Outdoor Heritage Program has been deposited in the fund
- A needs assessment has been completed of the impacted areas and the funding of those needs have not been met by other relief funds

With the remaining funding currently available after funding the four projects that were just voted on and approved today, and the approximate \$4 million remaining appropriation for the Outdoor Heritage Fund for this biennium, there will be approximately \$6.2 million available. Any remaining funds after the Special Grant Round would still be available to other applicants for the OHF spring grant round, to be held after the completion of legislative session.

No motions were made, but guidance was given by the Commission members to the Office of the Industrial Commission and the Outdoor Heritage Fund Board Chairman.

NORTH DAKOTA TRANSMISSION AUTHORITY

Ms. Karen Tyler presented for consideration of approval to submit a comment letter to Stutsman County regarding a Zoning Ordinance proposal for a Transmission Line Set-back.

The comment letter reads as follows:

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

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

As such, the NDTA has a keen interest in public policy impacting transmission planning, construction, and operation. The NDTA's interest is that adequate transmission infrastructure is built/maintained so

that the electric grid has ample capacity and proper access to maintain a reliable and resilient electric grid. Stutsman County's proposed setbacks of 2,600 feet from inhabited residences for electric, gas and liquid transmission lines is concerning for constructability, cost burdens on consumers, maintenance, energy independence, grid reliability and economic development.

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

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

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

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

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

Grid Reliability: As we grow to depend more upon technology, the reliability of the grid is increasingly important for the safety and well being of our population. We've experienced cell phone interruptions in this fall, creating havoc for users. Grid interruptions go far beyond disrupting comfort and convenience – they are economically damaging and life threatening. . Businesses are unable to sell a carton of milk or a pair of gloves if the power is out. Moreover, many of our elderly are dependent on health care

equipment that requires power. Expanding and upgrading electric transmission backbone is vital for grid reliability...and locating and constructing the lines efficiently will yield long-term maintenance benefits.

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

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

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

Sincerely,

Claire Vigesaa”

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the submission of a comment letter from the Executive Director of the North Dakota Transmission Authority to Stutsman County regarding a zoning ordinance proposal for transmission line set-back, subsequent to comment letter review by Commission members’ staff.

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

BANK OF NORTH DAKOTA

Mr. Rob Pfennig gave a presentation of College SAVE Audit, December 31, 2023. The audit was a clean audit, and there were no recommendations or findings.

Mr. Jared Mack gave a presentation of North Dakota Student Loan Trust Audit, June 30, 2024. There were no findings or recommendations, and no internal control deficiencies that were determined to be material weakness or significant deficiency. No material non-compliance was identified, and there were no findings from the prior audit that needed correction.

Mr. Don Morgan gave a presentation of Third Quarter 2024 Performance Highlights. September’s assets came in at about \$10.7 billion and the loan portfolio was approximately \$6.1 billion. Commercial loans were lower than budgeted by about \$93 million mainly due to timing of state institution loans. There was increased activity in commercial participation in the Flex based program, particularly the AG loans, which were higher than budgeted by about \$53 million. Income year-to-date is \$151.9 million which is about \$6.8 million below budget.

Mr. Morgan presented for consideration of approval a Resolution designating a Depository of the Bank of North Dakota for the following Entities:

- i. Federal Home Loan Bank of Des Moines
- ii. JP Morgan Chase
- iii. US Bank
- iv. First Horizontal National
- v. Wells Fargo
- vi. Federal Reserve Bank (Open Accounts)
- vii. Federal Reserve Bank (Advances)

The memo reads as follows:

“On an annual basis the Bank of North Dakota must receive authorization from the Industrial Commission to execute with Depositories certain Resolutions and Certificates of Authorizations pertaining to officers authorized to act on behalf of the Bank. The following institutions are presented as Depositories for that purpose:

- i. Federal Home Loan Bank of Des Moines
- ii. JP Morgan Chase
- iii. US Bank
- iv. First Horizon National
- v. Wells Fargo
- vi. Federal Reserve Bank (Open Accounts)
- vii. Federal Reserve Bank (Advances)

The Governor as Chair of the Industrial Commission, the Industrial Commission Executive Director, and the authorized bank officers will execute the required Depository forms upon direction and authorization of the Commission.

The original executed Depository records will be held at the Bank of North Dakota.

The Executive Director respectfully requests approval for this action.”

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approve the execution with Depositories certain Resolutions and Certificates of Authorizations pertaining to officers authorized to act on behalf of the Bank. The following institutions are presented as Depositories for that purpose:

- i. Federal Home Loan Bank of Des Moines**
- ii. JP Morgan Chase**
- iii. US Bank**
- iv. First Horizon National**
- v. Wells Fargo**
- vi. Federal Reserve Bank (Open Accounts)**
- vii. Federal Reserve Bank (Advances)**

Commissioner Goehring stepped out of the meeting so Governor Burgum requested the roll call vote take place after executive session so all three members could vote.

Mr. Don Morgan presented the Non-Confidential Committee and Advisory Board Minutes for the July and August meetings for the Commission member’s review.

It was moved by Attorney General Wrigley and seconded by Governor Burgum 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 of North Dakota confidential business and for the purpose of confidential business pertaining to the Pipeline Authority's capacity purchase program.

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

The Commission is meeting in executive session regarding Bank of North Dakota confidential business pursuant to N.D.C.C. 6-09-35 and 44-04-19.2 to consider those items listed on the agenda under Bank of North Dakota confidential business. Only Commission members, their staff, Commission staff, and BND staff will participate in that executive session.

After the Bank of North Dakota confidential session, the Commission is meeting in executive session regarding Pipeline Authority confidential business pursuant to N.D.C.C. 44-04-18.4 to consider those items listed on the agenda. Only Commission members, their staff, Commission staff, Pipeline Authority staff and potential contract parties will participate in that executive session.

Any formal action taken by the Commission will occur after it reconvenes in open session.

Governor Burgum reminded the Commission members and those present in the executive session that the discussions must be limited to the announced purposes which is anticipated to last approximately 45 minutes.

The executive session began at approximately 3:20 p.m.

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

Don Morgan
Kirby Evanger
Kelvin Hullet
Rob Pfennig

Others in attendance

| | |
|---------------|------------------------------|
| John Reiten | Governor's Office |
| Jace Beehler | Governor's Office |
| Claire Ness | Attorney General's Office |
| Karen Tyler | Industrial Commission Office |
| Brenna Jessen | Industrial Commission Office |

Erin Stieg

Industrial Commission Office

PIPELINE AUTHORITY EXECUTIVE SESSION

Industrial Commission Members Present

Governor Doug Burgum

Attorney General Drew H. Wrigley

Agriculture Commissioner Doug Goehring

Pipeline Authority Members Present

Justin Kringstad, Pipeline Authority

Others in attendance

| | |
|---------------|------------------------------|
| Rob Johnson | WBI Energy |
| Mark Anderson | WBI Energy |
| John Reiten | Governor's Office |
| Jace Beehler | Governor's Office |
| Claire Ness | Attorney General's Office |
| Don Morgan | BND |
| Kelvin Hullet | BND |
| Kirby Evanger | BND |
| Rob Pfennig | BND |
| Karen Tyler | Industrial Commission Office |
| Brenna Jessen | Industrial Commission Office |
| Erin Stieg | Industrial Commission Office |

The executive session ended at approximately 4:40 p.m. and the Commission reconvened in open session.

During the Bank of North Dakota executive session, the Commission discussed those items listed on the agenda under Bank of North Dakota confidential business.

During the Pipeline Authority executive session, the Commission discussed confidential business related to the Pipeline Authority's capacity purchase program.

No formal action was taken during either executive session.

PIPELINE AUTHORITY

Mr. Justin Kringstad gave a presentation of the Pipeline Authority Industry Update and Annual Report. It has been a challenging 2024 thus far with the availability of frac crews proving to be a disruption and impacting well completion numbers to the negative. Much focus has been placed on natural gas versus crude oil infrastructure. Currently North Dakota averages two trains per day moving crude oil out of the state with the remaining supply moving via pipeline.

Ms. Tyler reminded the Commission that a roll vote was needed for a Resolution designating a Depository of the Bank of North Dakota.

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

LEGAL UPDATE

- A. Litigation updates were provided on the following matters:
 - i. EPA Mercury and Air Toxics Rule
 - ii. EPA Carbon Rule
 - iii. EPA Methane OOOO Rule
 - iv. EPA WOTUS
 - v. BLM Venting and Flaring Rule
 - vi. BLM Conservation Rule
 - vii. CEQ NEPA Phase 2 Rule
 - viii. NW Landowners v. State
- B. An update was provided on the following federal regulatory matter:
 - i. BLM Resource Management Plan – the State has submitted the Governor’s consistency review, which is the last step in the local protest process with the BLM. Upon BLM response, if the state is in disagreement, an appeal can be filed to the Director of the BLM and the states position will again be evaluated. There is no set timeframe for this response.
- C. An update was provided regarding a new lawsuit filed related to the Dakota Access Pipeline

OFFICE OF THE INDUSTRIAL COMMISSION

Ms. Tyler presented for consideration of approval the September 30, 2024, Industrial Commission meeting minutes.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Commission approve the September 30, 2024, Industrial Commission meeting minutes.

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

Ms. Tyler presented for consideration of approval the acceptance of Deputy Executive Director Reice Haase’s Resignation effective November 15, 2024 , and the direction for the Executive Director to hire a new Deputy Executive Director.

Governor Burgum and Commissioner Goehring shared their appreciation to Reice Haase and the work he has done for not only the Industrial Commission but the State of North Dakota during his time with the Commission. They wished Mr. Haase well on his future endeavors and stated their hope for him to stay connected with North Dakota and the energy industry.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Commission accepts the resignation of the Deputy Executive Director effective November 15, 2024, and directs Director Tyler to hire a new Deputy Executive Director.

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

With no further business, Governor Burgum adjourned the meeting of the Industrial Commission at 5:05 p.m.

North Dakota Industrial Commission

A handwritten signature in cursive script, appearing to read "Brenna Jessen".

Brenna Jessen, Recording Secretary

A handwritten signature in cursive script, appearing to read "Karen Tyler".

Karen Tyler, Executive Director