



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

Kelly Armstrong  
Governor

Drew H. Wrigley  
Attorney General

Doug Goehring  
Agriculture Commissioner

Monday, June 29, 2026

Governor's Conference Room or Microsoft Teams – 8:00 am

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Or call in (audio only)

[+1 701-328-0950,,101707832#](#)

## **I. Roll Call and Pledge of Allegiance**

(approximately 8:00 am)

## **II. Department of Mineral Resources – Nathan Anderson, Mark Bohrer**

### **A. Consideration of Approval of the Following Order:**

- i. Case No. 32779/Order No. 35934** – Regarding an application of EOG Resources for order amending field rules for Parshall-Bakken Pool to create overlapping 1280-acre spacing unit, authorize drilling of horizontal well and create overlapping 1600-acre spacing unit and authorize drilling of horizontal well and such other relief as may be appropriate (Attachment 1)

- B. Director's Update
- C. Other DMR Business

(approximately 8:15 am)

## **III. North Dakota Housing Finance Agency – Brandon Dettlaff, Jennifer Henderson, Terri Mollman-Larson**

### **A. Multifamily Program – Jennifer Henderson**

- i. Report on Declaration of Intent to Issue Multifamily Revenue Bonds – Central at Horizon, Fargo (Attachment 2)**
- ii. Consideration of Approval of the Issuance of up to \$47.5 Million Tax-Exempt Revenue Bonds (Attachment 3)**

### **B. Homeownership Programs – Terri Mollman-Larson**

- i. Report on Income Limit Changes for the FirstHome Program (Attachment 4)**



4. Problem Loans as of April 30, 2026 – Kirby Evanger  
(Confidential Attachment 15)
  5. Problem Loans as of May 31, 2026 – Kirby Evanger  
(Confidential Attachment 16)
  6. Loan Charge-Offs and Recoveries YTD March 31, 2026 –  
Kirby Evanger (Confidential Attachment 17)
- ii. Material Credit Related Changes
- B. **Consideration of Approval of One Loan** – Craig Hanson (Confidential Attachment 18)
  - C. Confidential March Advisory Board and Committee Meeting Minutes  
(Confidential Attachment 20)
  - D. Confidential April Advisory Board and Committee Meeting Minutes  
(Confidential Attachment 21)
  - E. Other BND Confidential Business

## **Meeting Returns to Public Session**

### **VI. Action on Executive Session Topics**

(approximately 9:30)

#### **VII. North Dakota Mill and Elevator – Vance Taylor, Cathy Dub**

- A. **Report and Regarding Mill Profit Transfer FY 2026 – Consideration of Approval** (Attachment 27)
- B. Office HVAC System Project Update and Discussion
- C. Report on Employee Policy Updates (Attachment 28)
- D. Other ND Mill Business

(approximately 9:45)

#### **VIII. Legal Update – Phil Axt**

- A. Pore Space Amalgamation Lawsuits
- B. DAPL Operation Lawsuits
- C. BLM Conservation Rule
- D. EPA's Coal Combustion Residuals Rule
- E. EPA's MATS Rule

(approximately 10:00)

**IX. North Dakota Public Finance Authority – DeAnn Ament**

- A. **Consideration of Approval of Reappointment of Keith Lund to PFA Advisory Committee** (Attachment 22)
- B. **Consideration of Approval of the following State Revolving Fund Loans:**
  - i. City of Tuttle – Clean Water - \$2,497,000 (Attachment 23)
  - ii. City of Dickinson – Drinking Water - \$6,000,000 (Attachment 24)
  - iii. Walsh Rural Water District – Drinking Water - \$16,954,000 (Attachment 25)
- C. **Presentation of Memo of State Revolving Fund Loans Approved by PFA Advisory Committee Pursuant to Policy P-3B** (Attachment 26)
  - i. City of Belfield – Clean Water \$143,000 (Attachment 26A)
  - ii. City of Regent – Clean Water \$1,075,000 (Attachment 26B)
  - iii. City of Wing – Clean Water - \$1,807,000 (Attachment 26C)
  - iv. City of Grafton – Drinking Water \$1,125,000 (Attachment 26D)
  - v. City of Jamestown – Drinking Water - \$579,000 (Attachment 26E)
  - vi. City of Rocklake – Drinking Water - \$260,000 (Attachment 26F)
- D. Other NDPFA Business

(approximately 10:15 am)

**X. State Energy Research Center (SERC) – Charlie Gorecki**

- A. **Consideration of Approval of Funding Request Under Contract #2025-2, Task 2 – “AI Framework to Support North Dakota Energy Innovation”, Request \$276,330** (Attachment 30, Attachment 30A)
- B. Other SERC Business

(approximately 10:30 am)

**XI. Industrial Commission Administrative Office – Karen Tyler**

- A. **Consideration of Approval of Agency Leader Compensation Changes** (Attachment 31)
- B. **Consideration of Approval of Changes to Previously Approved Grant Projects – Jordan Kannianen**
  - i. Oil and Gas Research Program, Continental Resources “A Multi-Well, Multi-Zone Enhanced Oil Recovery Project Utilizing Produced Natural Gas in Williams County – Durant Pad” G-062-126 (Attachment 32)
  - ii. Lignite Research, Marketing and Development Program, “Lignite Energy Council Education Program” LRP-109-269 (Attachment 33)
- C. **Consideration of Approval of Industrial Commission Meeting Minutes: May 12, 2026, Regular Meeting, June 2, 2026, Special**

**Meeting, June 9, 2026, Special Meeting, June 19, 2026, Special Meeting** (Attachment 34)

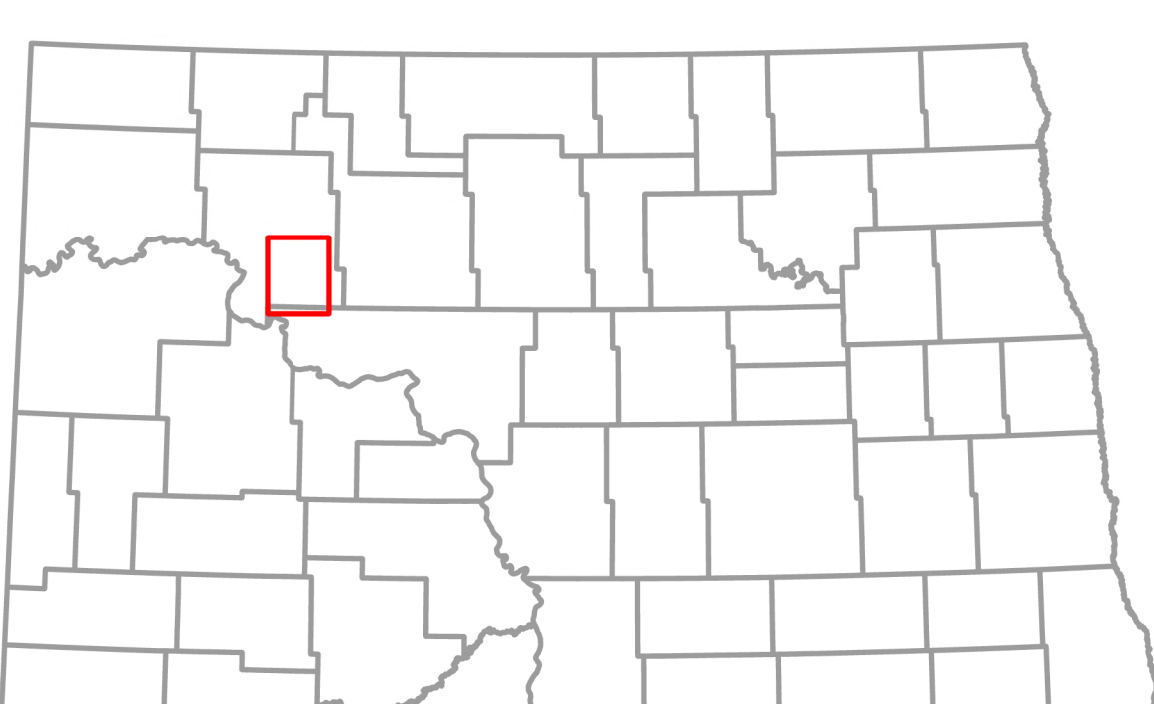
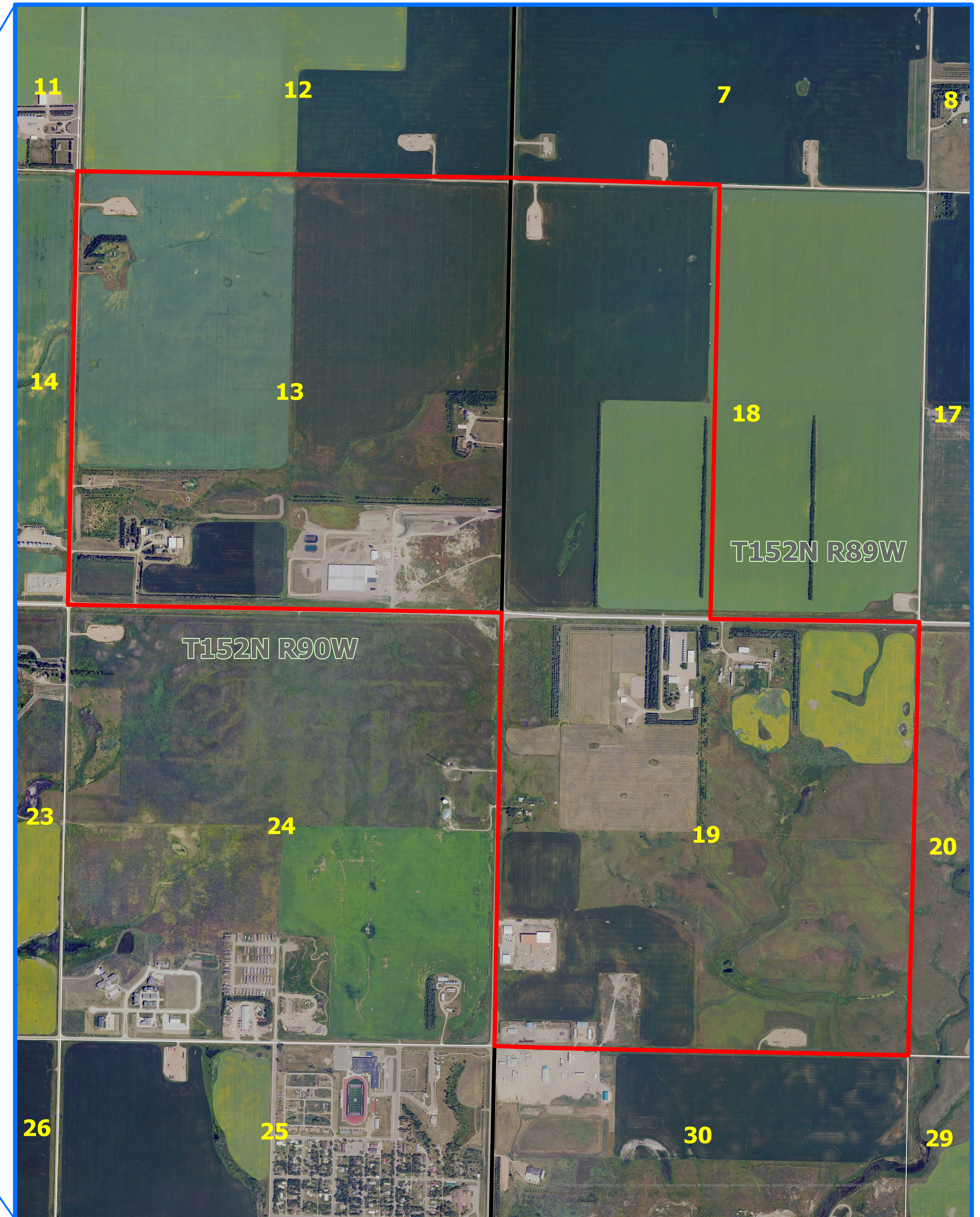
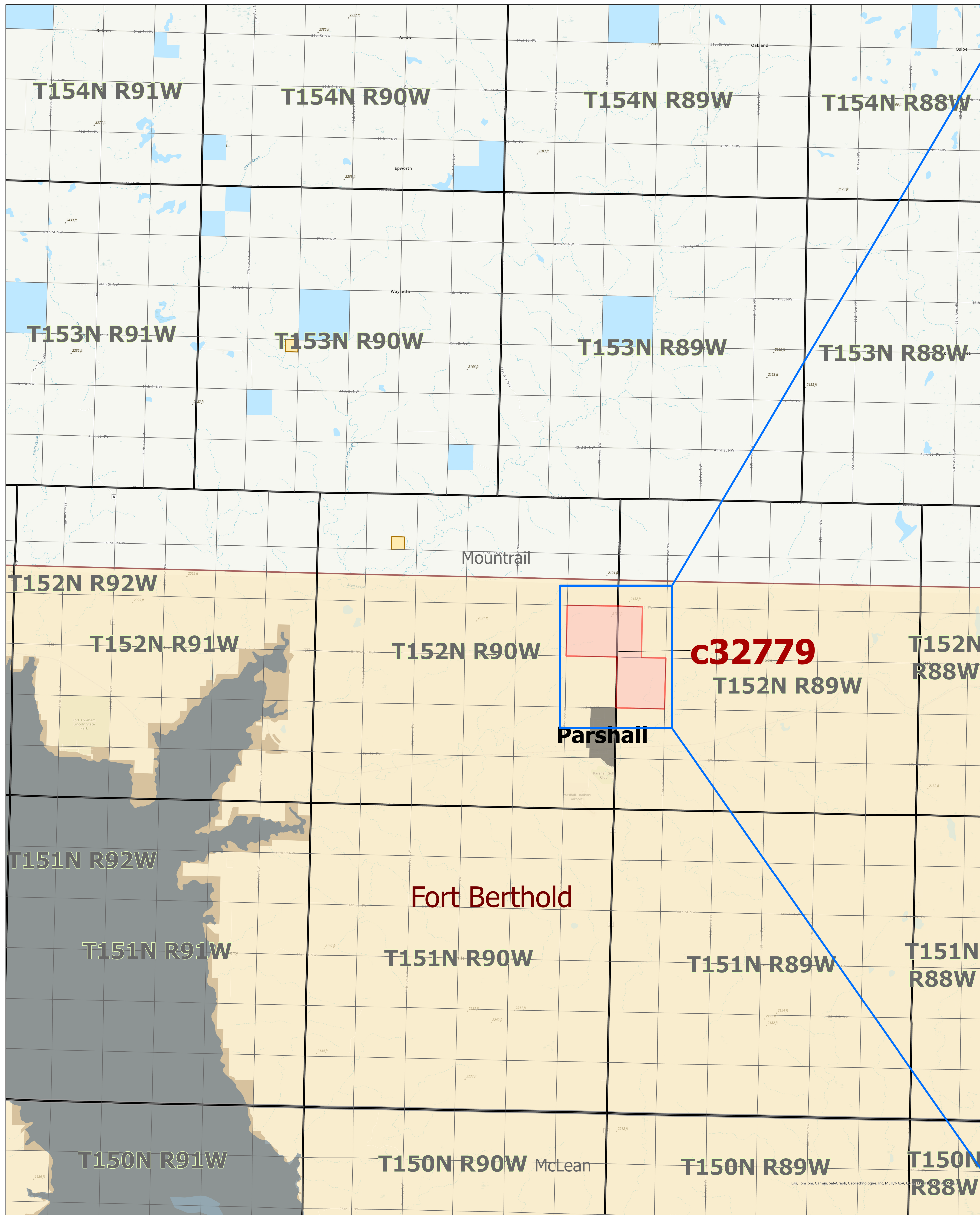
D. Other Administrative Office Business

**XII. Adjournment**

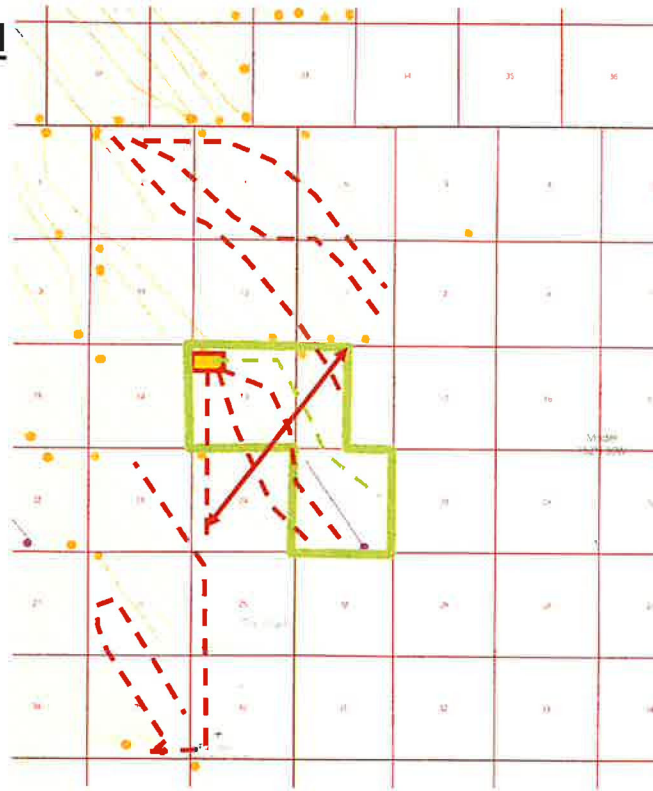
Next Regular Industrial Commission Meeting – Thursday, July 23, 2026  
9:00 am – 12:30 pm  
Governor’s Conference Room

**Case No. 32779 / Order 35934**

Application of EOG Resources, Inc. for an order amending the field rules for the Parshall-Bakken Pool, Mountrail County, ND, as follows: (i) create and establish an overlapping 1280-acre spacing unit comprised of Sections 13 and 24, T.152N., R.90W., Mountrail County, ND, authorizing the drilling of a horizontal well on said proposed overlapping 1280-acre spacing unit; and (ii) create and establish an overlapping 1600-acre spacing unit comprised of Section 13, T.152N., R.90W. and Section 19 and the W/2 of Section 18, T.152N., R.89W., Mountrail County, ND, authorizing the drilling of a horizontal well on said proposed overlapping 1600-acre spacing unit, and/or such further relief.



**Parshall Bakken Pool**  
**Proposed 1600 DSU**



- Proposed Pads
- Spacing unit Boundary
- Existing BKKN and TF Wells
  - Org. Bakken
  - Org TF
  - BKKN Well in Proposed 1600 DSU
  - Proposed BK Well in overlapping DSU
  - Cross-Section in Exhibit E3

Case No. 32779  
 Exhibit E3  
 April 23, 2026

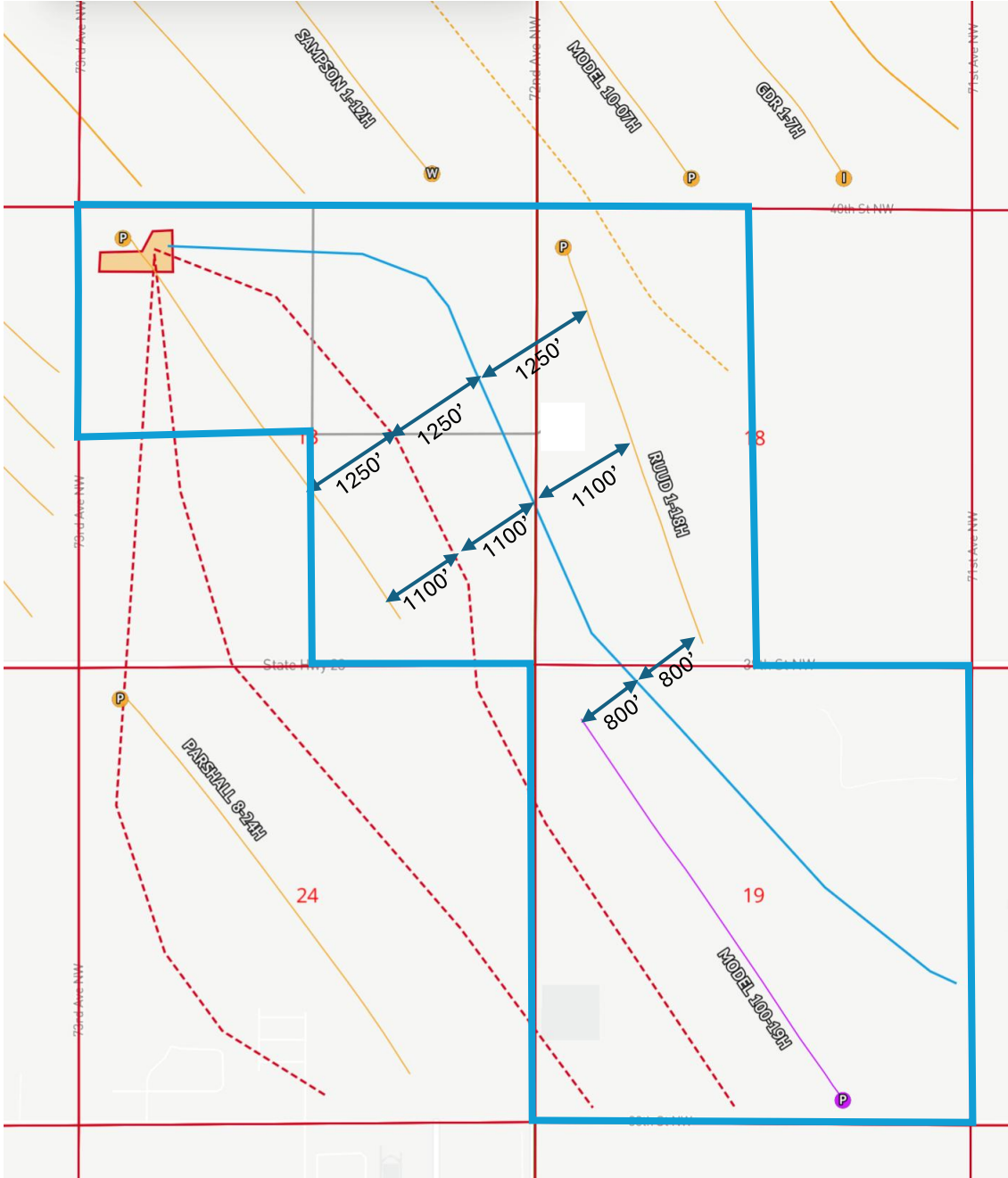


INDUSTRIAL COMMISSION  
 STATE OF NORTH DAKOTA  
 DATE 4/23/26 CASE NO. 32779  
 Introduced By EDG  
 Exhibit E3  
 Identified By Schmidt

Case 32779 : EOG Request For Reconsideration

Preferred DSU configuration

Including the SE ¼ of Sec 13 for 1440 acre DSU (or all Of Sec 13 in a 1600 DSU) the would allow for equidistance spacing of 2 new wells to drain the Bakken pool between the Evans 1-13H Well to the West and the Ruud 1-18H well to the east.



## Director's Other Business | June 29, 2026

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### North Dakota Oil & Gas Production & Activity Level Summary

#### Activity:

- ND has remained steady at 26 rigs. There are 12 frac crews currently running. Rig count for US onshore is 550 total, an increase from last month, most of the rig count increases are happening in Texas.
- Gas capture decreased slightly to 95.5%.

#### Production:

- Oil production decreased March to April by ~5,502 bbls/day or -0.48%.
- April Oil production was at 1,137,155 bbls/day, gas production at 3.509 BCF/d. Oil revenue forecast at 1,150,000 bbls/day.
- Top oil producing counties in ND are (in order): McKenzie, Williams, Dunn, Mountrail, Divide. These counties produce ~95.9% of oil statewide.

#### Operational Efficiencies:

- 37% of new wells are 2-mile laterals and 3-mile laterals jumped to 60%, with the remaining 3% being 4-mile laterals. ~301 4-mile lateral permits issued to date. Permitting increase continues for U-shaped style lateral design (technical advancement).

#### Revenue:

- ND Tax April oil price at \$92.92 (revenue forecast at \$59).

### Legislation

Beginning to work on several minor changes for the 70<sup>th</sup> Legislative session.

### Geological Survey

Effective July 1, 2026 Dr. Clint Boyd takes over the leadership role of State Geologist along with Assistant State Geologist Fred Anderson following the retirement of Ed Murphy. Several changes to the NDGS organizational chart will occur because of this internal move of Clint into this role.

### Succession Planning

Backfill for HR Specialist, Paleontology Manager, Subsurface Manager and Finance Manager roles are underway.



May 08, 2026

TO: Industrial Commission of North Dakota

FR: Jennifer Henderson, NDHFA Director, Community Housing & Grants Management Division

RE: Authorizing Declarations of Intent to issue Multifamily Revenue Bonds Report

On May 08, 2026, North Dakota Housing Finance Agency ("Agency") issued a Declaration of Official Intent to issue Multifamily Revenue Bonds in an amount not to exceed \$47,500,000. The proceeds of the Bonds will be used for the acquisition and rehabilitation of a 262-unit general occupancy affordable housing project located in Fargo, commonly referred to as **Central at the Horizon**. A copy of the declaration is attached.

The issuance of tax-exempt bonds is required for a project to qualify for an allocation of 4% low-income housing tax credits. The authority for the Agency to issue the Declaration of Official Intent was granted by a Resolution Authorizing Declarations of Intent adopted by the Industrial Commission on March 24, 2015.

**Applicant:** **Central at the Horizon, LP**, a North Dakota limited partnership

**Project Description:** A **New Construction** project which shall consist of 1 building(s), 5 story(ies) in height containing a total of 262 units of which 262 units will be General Occupancy affordable rental housing, with certain common area and service space, constructed on currently vacant land located within the municipality of **Fargo**, North Dakota to be commonly known as **Central at the Horizon**

The issuance of a Declaration of Official Intent declares the intention to issue multifamily Bonds; however, it does not obligate the Agency to give final approval for the issuance of the bonds. Final approval for issuance of the Bonds can only be authorized by independent action of the Industrial Commission. Prior to final Bond issuance, the project's application must meet underwriting conditions and receive approval for 4% low-income housing tax credits. Once underwriting conditions are met, the Industrial Commission will be presented with a request to approve the Resolution Authorizing Revenue Bonds and the substantially drafted bond documents.



May 08, 2026

## Declaration of Official Intent to Authorizing Declarations of Intent to Issue Multifamily Revenue Bonds

Central at the Horizon, LP

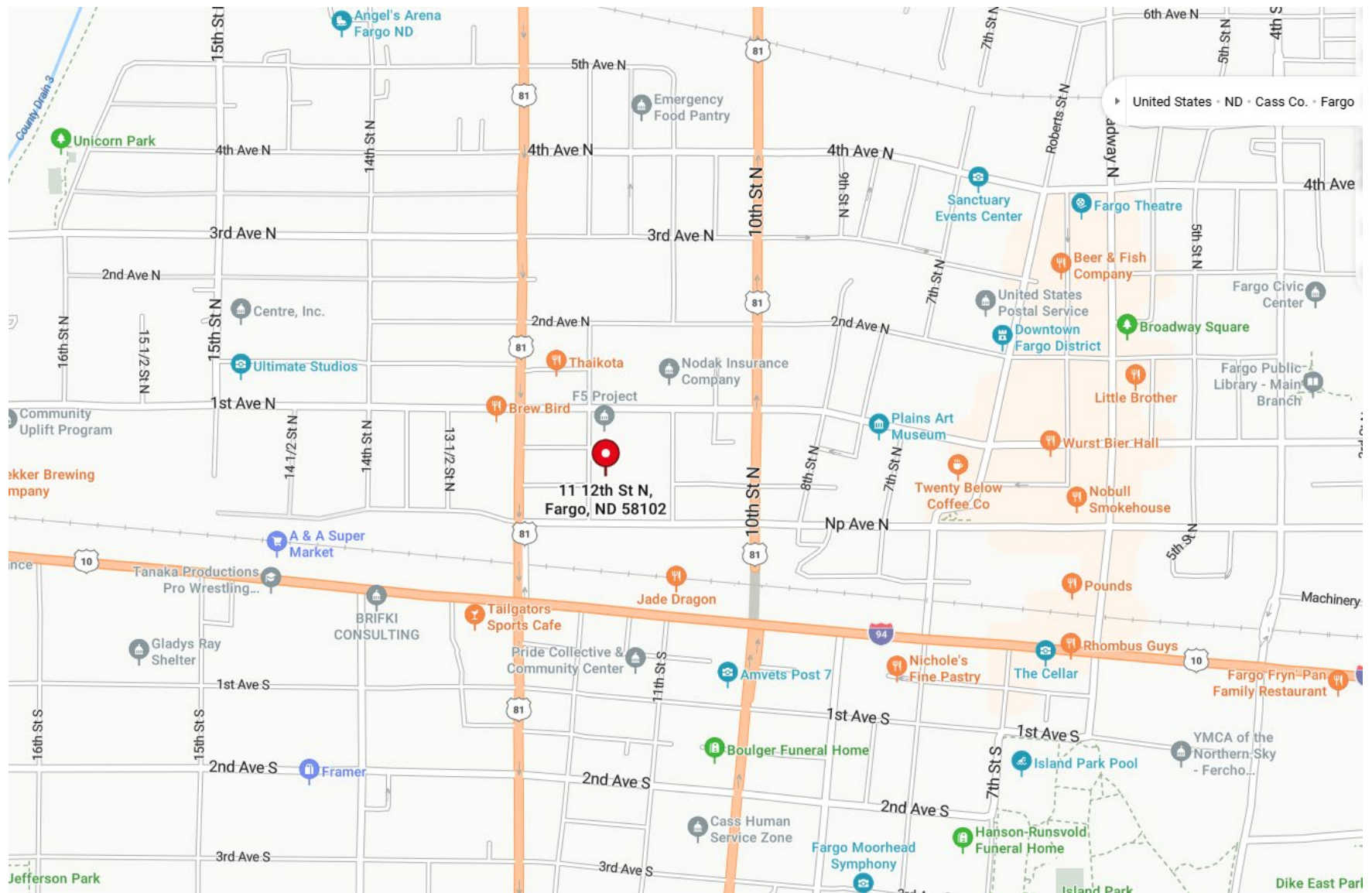
By the authority granted in a certain resolution adopted by the Industrial Commission of North Dakota ("Commission") on March 24, 2015 entitled "Resolution Authorizing Declarations of Intent to Issue Multifamily Revenue Bonds", pursuant to Section 1.150-2 of the Internal Revenue Code Regulations, I hereby declare the intention of the Industrial Commission of North Dakota acting as the North Dakota Housing Finance Agency ("Agency") to issue Bonds, in an amount not to exceed \$47,500,000, which shall provide funds to finance a loan for the development of a 262-unit general occupancy affordable housing rental project located in Fargo, North Dakota, commonly referred to as Central at the Horizon, subject to the following:

This Declaration of Official Intent does not obligate the Agency to provide final approval for the issuance of said Bonds. Final approval of the issuance of the Bonds may only be authorized through an independent action of the Commission, which may contain such conditions thereto as the Commission may deem appropriate. The Commission, in its absolute discretion, may refuse to grant final approval to authorize the issuance of the Bonds and shall not be liable to any person, including but not limited to, the Developer, Borrower, or Applicant for its refusal or inability to do so.

A handwritten signature in blue ink that reads "Jennifer Henderson". The signature is written in a cursive style and is positioned above a solid horizontal line.

Jennifer Henderson  
Director, Community Housing & Grants Management Division

Attachment 2





## Authorizing Resolution Request

TO: Industrial Commission of North Dakota

FR: Brandon Dettlaff, Executive Director

RE: Issuance of Multifamily Revenue Bonds

The North Dakota Housing Finance Agency (“Agency”) recommends the Industrial Commission of North Dakota approve the issuance of Multifamily Tax-Exempt Revenue Bonds in an amount not to exceed \$47,500,000.

The “Project”, commonly known as Central at the Horizon, is a new construction project which shall consist of 1 building(s), 5 story(ies) in height containing a total of 262 units, of which 262 units will be general occupancy affordable rental housing, with certain common area and service space, constructed on currently vacant land located within the municipality of Fargo, North Dakota.

The “Developer”, The Annex Group, and proposed “Borrower”, Central at the Horizon, LP, received a Conditional Commitment from the Agency for \$4,332,321 2026 4% federal Low-Income Housing Tax Credits to be used in conjunction with tax-exempt bond proceeds. The proposal is for a total project cost, including acquisition, of \$101,891,456.

The Agency will issue the Bonds and loan the proceeds of the Bonds to the Borrower to finance the Project. The Bonds will be fully collateralized by the proceeds of a taxable construction mortgage loan from Citibank, N.A., to the Borrower. Once the Project is complete, the Bonds will be cancelled and converted to a physical Permanent Issuer Bond, to be purchased and held by Citibank, N.A.

The Developer anticipates a joint closing of all required financing by late July 2026.

The Operative Documents for this transaction are:

1. Bond Resolution
2. Trust Indenture
3. Financing Agreement
4. Form of Funding Loan Agreement (to be attached to Indenture)
5. Form of Borrower Loan Agreement (to be attached to Indenture)
6. Bond Regulatory Agreement

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

STATE OF NORTH DAKOTA  
NORTH DAKOTA HOUSING FINANCE AGENCY  
MULTIFAMILY HOUSING REVENUE BONDS  
(CENTRAL AT THE HORIZON PROJECT)  
SERIES 2026

**A RESOLUTION AUTHORIZING THE ABOVE CAPTIONED INDEBTEDNESS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000; APPROVING THE FORM OF CERTAIN FINANCING DOCUMENTS AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.**

WHEREAS, the Industrial Commission of North Dakota (the “Commission”) acting in its capacity as the North Dakota Housing Finance Agency (the “Agency”), is empowered by the provisions of the North Dakota Century Code Chapter 54-17 (the “Act”) to provide financing, directly or indirectly, of construction, permanent and combined construction and permanent loans for the acquisition, construction, refurbishing, reconstruction, construction or improvement of multifamily residential housing in which at least twenty percent of the units are held for occupancy by persons or families of low and moderate income; and

WHEREAS, the Agency intends to issue its Multifamily Housing Revenue Bonds (Central at the Horizon Project), Series 2026, which Bonds, upon the satisfaction of certain conditions of conversion which shall not require further consent of the Issuer or the Bondholders, will be converted into a physical Governmental Note (together, the “Bonds”), in an aggregate principal amount not to exceed \$50,000,000, the proceeds of which will be used to finance a loan for the acquisition, construction and equipping of Central at the Horizon, a 262-unit multifamily residential rental project (the “Project”); and

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

WHEREAS, the Bonds will be purchased by Stifel, Nicolaus & Company, Inc. (the “Underwriter”) in the manner, at the purchase price, and on the terms and conditions set forth in the Indenture and a Bond Purchase Agreement among the Issuer, Borrower (as defined below), and Underwriter (the “Bond Purchase Agreement”) in substantially the form attached hereto as Attachment B; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Bond Loan”) to Central at the Horizon, LP, an Indiana limited partnership, or another affiliate thereof (the “Borrower”), pursuant to a Financing Agreement, by and among the Agency, the Trustee, and the Borrower (the “Loan Agreement”), which will be in substantially the form attached hereto as Attachment C; and

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

NOW, THEREFORE, BE IT RESOLVED:

**Section 1. Findings.** The Commission hereby finds and determines that:

- (a) the Project financed through the issuance of the Bonds constitutes a “multifamily housing facility” within the meaning of Sections 54-17-07.2 and 54-17-07.3(3) of the Act; and
- (b) the Bond Loan will provide the Borrower with financing for the acquisition, construction, refurbishing, reconstruction, construction or improvement of the Project; and
- (c) that the Project will be of public use and will provide a public benefit.

**Section 2. Approval of Indenture.** The Indenture is hereby approved in the form hereinabove described, and the Executive Director, the Director of Planning and Housing Development or the Chief Financial Officer of the Agency (each, including any individual authorized to act on his or her behalf, an “Authorized Officer”) is hereby authorized and directed to execute and deliver the Indenture, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Indenture, and any other Authorized Officer is hereby authorized and directed to attest thereto.

**Section 3. Authorization and Sale of Bonds.** The issuance, sale, and public offering of the Bonds are hereby authorized and approved. The final principal amount and terms of the Bonds shall be determined by any Authorized Officer, subject to the following conditions:

- (a) The Bonds shall not be general obligations of the Commission or the Agency but shall be limited obligations payable solely and only from moneys pledged under the Indenture as required by the Loan Agreement.
- (b) The Bonds shall mature no later than December 31, 2066, bear interest at a fixed rate or rates not to exceed 12% per annum, be in an aggregate principal amount not to exceed \$50,000,000, be sold to the Underwriter at not less than 100% of the principal amount thereof and have the other terms and provisions (including provisions with respect to the redemption of the Bonds prior to maturity, if any) as described to the Commission and definitively set forth in the Indenture upon execution and delivery as aforesaid in Section 2 hereof.
- (c) The Bonds shall be executed and delivered substantially in the forms set forth in the Indenture, with such additions, omissions and changes as are required or permitted by the Indenture.

(d) The Bonds shall be executed in the name of the Commission by the manual or facsimile signature of each of the members of the Commission, with the official seal of the Commission (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, and attested by the manual or facsimile signature of any Authorized Officer, and their execution shall evidence their approval of the final terms thereof. Such Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.

**Section 4. Approval of Bond Purchase Agreement.** The Bond Purchase Agreement is hereby approved in the form hereinabove described, and any Authorized Officer is hereby authorized to execute and deliver the Bond Purchase Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Bond Purchase Agreement.

**Section 5. Approval of Loan Agreement.** The Loan Agreement is hereby approved in the form hereinabove described, and any Authorized Officer is hereby authorized to execute and deliver the Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Loan Agreement.

**Section 6. Approval of Regulatory Agreement.** The Regulatory Agreement is hereby approved in the form hereinabove described, and any Authorized Officer is hereby authorized to execute and deliver the Regulatory Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

**Section 7. Ratification of Prior Actions.** All action previously taken by the officers, members or staff of the Agency within the authority granted herein, with respect to the Indenture, the Loan Agreement, the Bonds, and the Regulatory Agreement is approved, and a public hearing with respect to the issuance of the Bonds is hereby approved, confirmed and ratified.

**Section 8. Execution of Tax Documents.** Any Authorized Officer is hereby authorized to execute certifications as to the Agency's reasonable expectations regarding the amount and use of the proceeds of the Bonds, to file related forms with the Internal Revenue Service and to execute appropriate land use restriction agreements to comply with the Internal Revenue Code of 1986, as amended, particularly Sections 142 and 148 thereof.

**Section 9. Additional Actions Authorized.** Any Authorized Officer and any other officer, employee, agent, members or staff of the Agency, acting alone or acting with others, are each hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Indenture, the Loan Agreement, or the Regulatory Agreement, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof.

**Section 10. Authorization of Authorized Officers.** Any Authorized Officer is hereby authorized to deliver an Agency Certificate, or such other document as may be necessary or appropriate, at the time of issuance of the Bonds which cures ambiguities, defects or omissions

herein, corrects or supplements any provision herein, lessens the obligations of the Agency hereunder, or adds to the rights or options of the Agency, all in furtherance of the purposes and programs of the Agency.

**Section 11. Effective Date.** This Resolution shall become effective immediately.

IN WITNESS WHEREOF, this Resolution has been signed on June 29, 2026.

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

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Kelly Armstrong, Governor

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Drew Wrigley, Attorney General

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Doug Goehring, Agriculture Commissioner

Attest:

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Brandon Dettlaff  
Executive Director and Secretary

**ATTACHMENT A**  
**FORM OF TRUST INDENTURE**

**ATTACHMENT B**

**FORM OF BOND PURCHASE AGREEMENT**

**ATTACHMENT C**  
**FORM OF LOAN AGREEMENT**

**ATTACHMENT D**

**FORM OF REGULATORY AGREEMENT**



June 16, 2026

TO: Industrial Commission

FR: Brandon Dettlaff, Executive Director

RE: **FirstHome (Standard/Start/HomeAccess) and DCA Income Limits Updated**

### **FirstHome and DCA Income Limits Updated**

This notice serves as a report to the Industrial Commission on updated income limits, based on the Resolution adopted and signed May 22, 2025 by the Industrial Commission. The NDHFA Advisory Board **approved increasing new annual income limits, as outlined in Program Directive No. 125 (Exhibit 1), to take effect for loan reservations made on or after June 15, 2026, under the FirstHome (Standard, Start, and HomeAccess) programs.**

**The Advisory Board also recommended updating the DCA Program limits, as outlined in Exhibit 2, effective for loan reservations made on or after June 15, 2026.**

The US Department of Housing and Urban Development (HUD) published new median income numbers on May 1, 2026. These numbers are used to establish the annual income limits for the FirstHome, FirstHome Start, FirstHome DCA, and HomeAccess programs.

The new statewide median income for North Dakota decreased \$3,200 (2.85%) to \$109,000 for 2026. This compares to the national median income increase of \$2,600 (2.5%) to \$106,800.

Mortgage Revenue Bond (MRB) regulations allow the use of the greater of county or state median income and those regulations and NDHFA policy limit household incomes as follows:

- FirstHome - 100% of median income - one and two member households by county (MRB regulation)
- FirstHome - 115% of median income - three or more member households by county (MRB regulation)
- DCA limits - 80% of median income by family size and county (NDHFA policy)

The allowed limits for 2026 range from \$109,000 to \$146,855, depending on county and family size. While higher limits are permitted, the Advisory Board approved income limits of \$105,730 to \$121,590 to manage program volume, preserve resources, and maintain sustainable production levels.

**Exhibit 1**

**NORTH DAKOTA HOUSING FINANCE AGENCY  
HOME MORTGAGE FINANCE PROGRAM (FirstHome)**

**PROGRAM DIRECTIVE NO. 125**

**MAXIMUM ANNUAL INCOME**

The following Program Directive will serve as written notice of the applicable maximum annual income (as defined in the 1994 Mortgage Purchase Agreement dated as of August 3, 1994) for an eligible mortgagor of a mortgage loan. These maximum annual income limits are **effective for mortgage loans in which the reservation is dated on or after the herein effective date June 15, 2026.**

**MAXIMUM ANNUAL INCOME  
FirstHome/Start/HomeAccess**

<b>COUNTY</b>	<b>FAMILY SIZE LESS THAN 3</b>	<b>FAMILY SIZE 3 OR MORE</b>
All Counties	\$105,730	\$121,590

Effective date of this Program Directive No.125: **June 15, 2026**

# Exhibit 2

## NORTH DAKOTA HOUSING FINANCE AGENCY

### DCA PROGRAM

#### MAXIMUM ANNUAL INCOME

These Maximum Annual Income limits are **effective for DCA assisted FirstHome Loans in which the Reservation is dated on or after the herein effective date of June 15, 2026.**

COUNTY	FAMILY SIZE*							
	1	2	3	4	5	6	7	8
Burleigh/Cass/McKenzie/ McLean/Morton/Oliver	\$63,300	\$72,350	\$81,400	\$90,400	\$97,650	\$104,900	\$112,100	\$119,350
All Other Counties	\$60,000	\$68,600	\$77,150	\$85,700	\$92,600	\$99,450	\$106,300	\$113,150

*\*Larger families, check with NDHFA for limits.*

Effective date of this Program Directive No.125: **June 15, 2026**



June 16, 2026

TO: Industrial Commission

FR: Brandon Dettlaff, Executive Director

RE: **NDHFA FirstHome Acquisition Cost Limits Updated**

### **Acquisition Cost Limits Increased**

This notice serves as a report to the Industrial Commission on updated acquisition cost limits, based on the Resolution adopted and signed by the Industrial Commission May 22, 2025. The NDHFA Advisory Board **approved increasing Acquisition Cost Limits for the FirstHome Standard, Start, HomeAccess, and DCA programs, as outlined in the attached Program Directive 126, effective June 15, 2026.**

The IRS issues a Revenue Procedure each year that provides the average area purchase price for counties in each state and a nationwide minimum. This is done by adjusting the FHA loan limits to consider the differences between average and median purchase prices. The IRS tax code then requires us to set our acquisition cost limits at no more than 90% of the applicable average area purchase price as provided in the Revenue Procedure.

### **FIRST HOME ACQUISITION LIMITS COMPARISON**

<b>PREVIOUSLY OCCUPIED AND UNOCCUPIED</b>					
		<b>1 UNIT</b>	<b>2 UNITS</b>	<b>3 UNITS</b>	<b>4 UNITS</b>
<b>Current Limit</b>	All Counties	\$481,176	\$616,111	\$744,679	\$925,491
<b>2026 IRS Limit</b>	All Counties	\$629,283	\$805,718	\$973,884	\$1,210,379
<b>Approved 2026 Limit</b>	All Counties	\$500,000	\$640,000	\$773,000	\$960,000

**NORTH DAKOTA HOUSING FINANCE AGENCY  
HOME MORTGAGE FINANCE PROGRAM (FirstHome)**

**PROGRAM DIRECTIVE NO. 126**

**AREA LIMITS  
MAXIMUM ACQUISITION COST**

The following Program Directive will serve as written notice of the area limits (as defined in the 1994 Mortgage Purchase Agreement dated as of August 3, 1994) for the acquisition cost of a single-family residence. These area limits are **effective for mortgage loans in which the reservation is dated on or after the herein effective date.**

<b>PREVIOUSLY OCCUPIED</b>				
	<b>1 UNIT</b>	<b>2 UNITS</b>	<b>3 UNITS</b>	<b>4 UNITS</b>
All Counties	\$500,000	\$640,000	\$773,000	\$960,000

<b>PREVIOUSLY UNOCCUPIED</b>	
	<b>1 UNIT ONLY</b>
All Counties	\$500,000

The agency reserves the right to modify the area limits at any time.

Rehabilitated structures are considered to be previously occupied even though not originally designed for residential use.

Effective date of this Program Directive No.126: **June 15, 2026**

**STRONG**

**BANKING**

**2025**

**Bank of North Dakota  
ANNUAL REPORT**



"We are North Dakota proud with a passionate mission focus, engaging in creative solutions, and there when needed, with integrity and purpose."

**BND CORE VALUES**

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# CORE VALUE: NORTH DAKOTA PROUD



ABOVE: Harvestone Low Carbon Partners continues to advance low-carbon energy solutions through the Blue Flint plant, where new technologies and strategic investments are advancing a more resilient energy future for the state of North Dakota. RIGHT: Don Morgan, President/CEO Bank of North Dakota.

## Letter from the President

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This was my first full year at Bank of North Dakota (BND) after accepting the role as President/CEO in August 2024. What a year it has been, and I continue to be humbled as I'm entrusted with this critical role for our state.

We are on the leading edge of significant changes in the financial institutions arena. Standing on the strong shoulders of our past leaders, we embark on a legacy evolution. It is critical to honor our past – the mission statement of 106 years remains unchanged – but we must evolve for the future.

Foundationally, we are committed to Strong Banking. Strong banking practices. Strong financial institution partnerships. Strong state agency collaboration. Strong stakeholder relationships. BND will always uphold the highest principles and policies, ensuring sustainable and ethical banking.

While new efforts are being vetted, it is important to reassure the citizens of North Dakota of our commitment to Strong Banking. We will do what

is right for the state. We will painstakingly measure the risks involved, meet liquidity needs, serve as growth catalysts and provide a healthy return on the funds entrusted to us. To reinforce this commitment, our executive team developed a new core values statement that defines our character and priorities. You will find this statement featured throughout this report.

## BND AT A GLANCE

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**\$231.8 million net income**

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**\$10.7 billion in assets**

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**17.2% ROI**

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**4.69% return to the state**

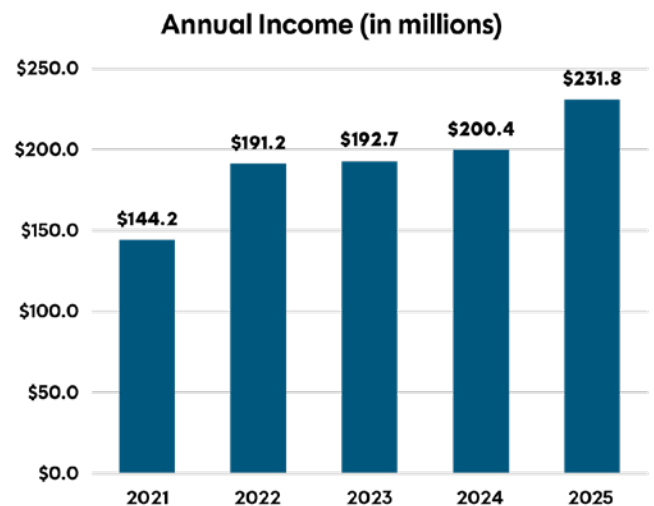


ABOVE: Jody Hoff (left), owner of Amber Waves, gives Dakota Community Bank & Trust Senior Vice President Joy Kitzen (middle) and BND Senior Ag Banking Officer Jim Leier (right) a tour of the company's facility, where it manufactures hopper bottom grain bins in Richardton, North Dakota.

I am incredibly proud of the people I work with every day. The BND team embodies a passion for the people they serve like no other. In addition to a busy legislative session, they stood up five relief loan programs. Each new relief program takes at least 200 hours of staff time to create and implement, and this doesn't take into consideration the hundreds of hours processing loan requests that are in addition to their regular work.

We've improved the experience of our state agency and financial institution partners to complete and track transactions with BND. I commend our Bank's information technology and operations departments for their efforts to bring this to fruition.

As president, I must anticipate the next 10 to 20 years and position the Bank to seize emerging opportunities that align with our responsibilities to financial institutions and state agencies. This means fortifying North Dakota's financing infrastructure by integrating fintech solutions that strengthen local financial institutions and diversify deposits and revenue streams, while maintaining a collaborative, noncompetitive role. Against this backdrop, Congress' passage of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), combined with the state's Office of Management and Budget projections of decreasing oil and gas revenue,



We are on the leading edge of significant changes in the financial institutions arena. Standing on the strong shoulders of our past leaders, we embark on a legacy evolution.



ABOVE: BND President and CEO Don Morgan speaks to attendees of a conference on Public Banking for Community Development at Harvard Law School in November 2025.

compelled BND to pursue fintech opportunities to diversify our revenue streams. Fintech offers the potential to attract nontraditional capital to North Dakota, strengthening our ability to support economic growth well into the future.

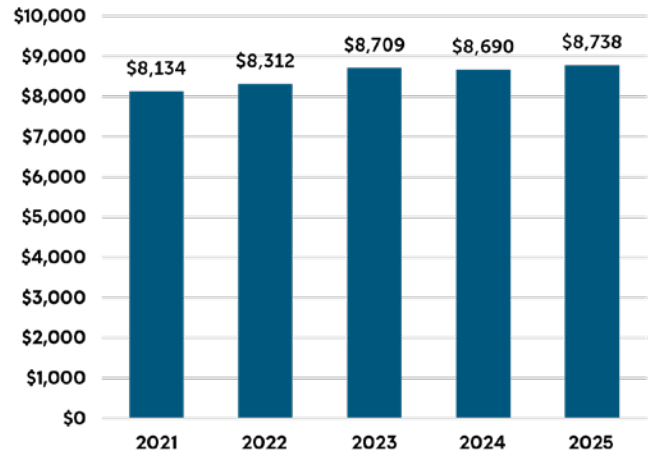
This annual report provides even greater detail on the introduction of the Bank’s fintech initiative, significant financial literacy efforts and our successes of the past year.

The Bank had a net income of \$231.8 million, up from \$200.4 million in 2024. Our asset size was \$10.7 billion compared to \$10.8 billion last year. The return on investment was a healthy 17.2% and the total return to the state was \$353.3 million or 4.69%. Standard & Poors maintained BND’s rating as A+/Stable in its annual review completed in 2025.

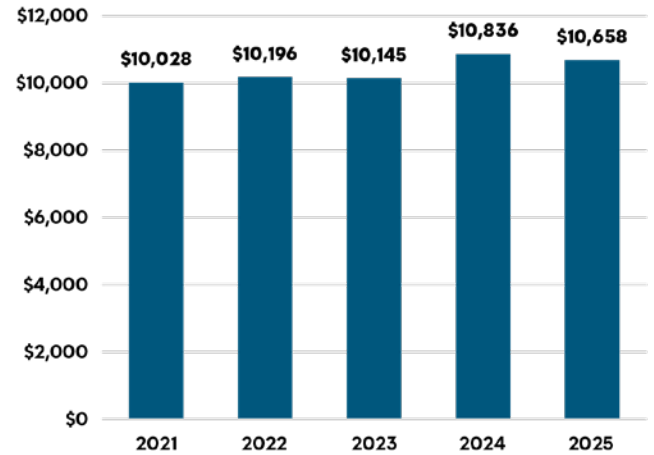
North Dakota’s future is bright, and Bank of North Dakota will continue its support of local economies, committed to our legacy and moving forward at the same time.

Don Morgan, President/CEO  
Bank of North Dakota

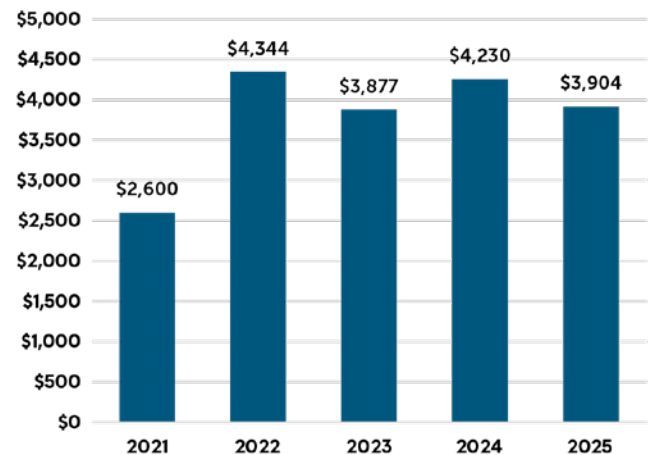
### Deposit Size (in millions)



### BND Assets (in millions)



### Securities Portfolio (in millions)





**CORE VALUE:  
PASSIONATE  
MISSION FOCUS**

*RIGHT: In New Rockford, North Dakota, Bank Forward Market President Josh Guler greets Amanda Hegland, New Rockford Area Betterment Corporation executive director, to keep community businesses thriving.*



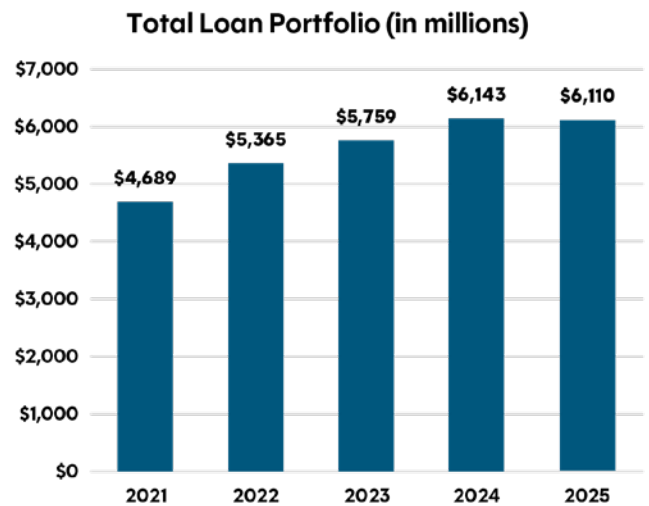
## Lending Portfolio Reports

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### TOTAL LOAN PORTFOLIO

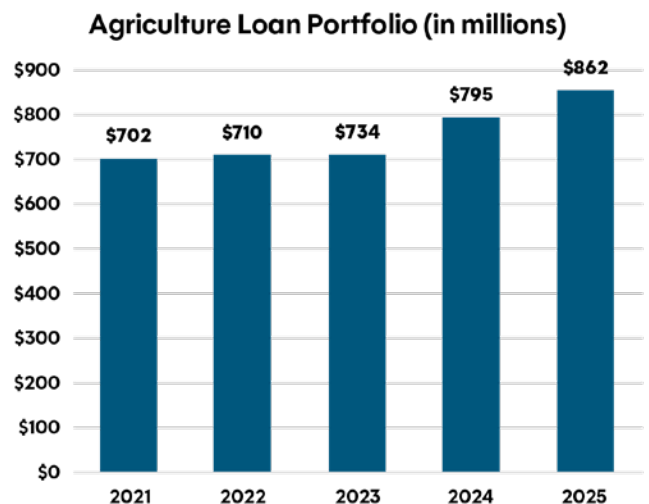
The total loan portfolio was stable from 2024 with only the agriculture loan portfolio showing an increase, strongly correlated with the farm disaster relief loans that were distributed.



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### AGRICULTURE LOAN PORTFOLIO

The agriculture loan portfolio increased by \$67 million with BND funding and renewing 680 loans for \$324 million. Farm and Ranch Loans led the way with \$156 million, followed by farm disaster relief loans with \$93 million, which includes \$4.1 million in Farm Financial Stability loans and \$450 thousand in Grain Inventory loans.

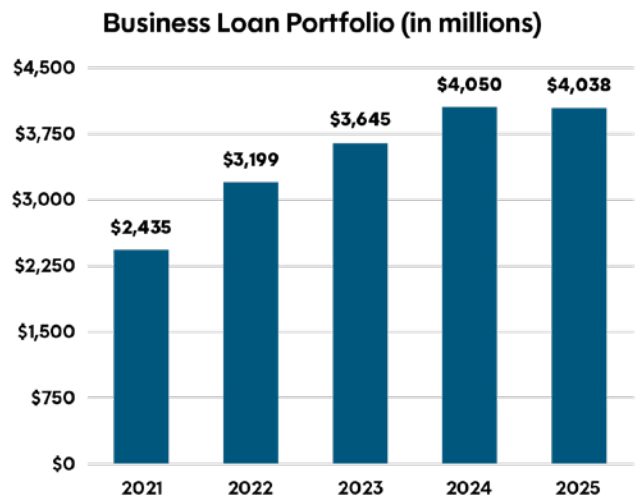




ABOVE: North Dakota State Mill Vice President of Production Operations Dillon Janousek shows BND Business Banker Tyson Zeltinger the new mids storage-and-handling facility, which will provide more flexibility and efficiency of the Mill's operations.

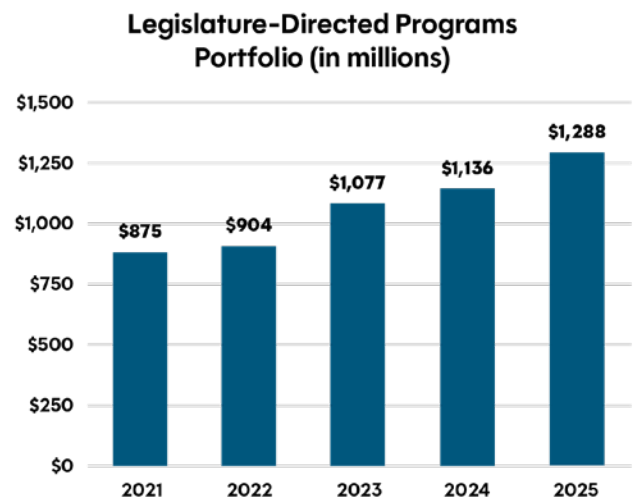
## BUSINESS LOAN PORTFOLIO

The business loan portfolio decreased by \$12 million. BND funded and renewed 595 loans for \$1.7 billion in 2025. Commercial participation funding accounted for \$1.1 billion of that amount, followed by state institutions with \$238 million and bank stock funding at \$202 million.



## LEGISLATURE-DIRECTED PROGRAMS PORTFOLIO

BND administers \$1.3 billion in net assets in Legislature-Directed programs, an increase of \$413 million since 2021. These programs serve a wide range of purposes including school construction, water projects, and general and medical infrastructure.

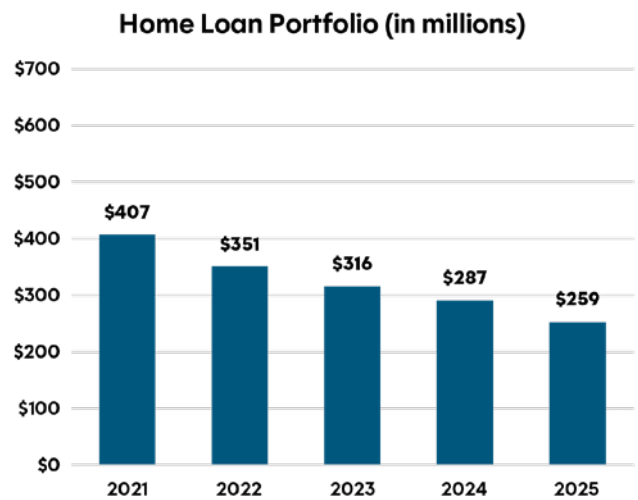




ABOVE: Wyatt Warkenthien, co-founder and head of operations at Lilac Agriculture, shares his story about how earning his college degree and the people he met gave him the confidence to build his own company. Bank of North Dakota's student loan program supported him along the way.

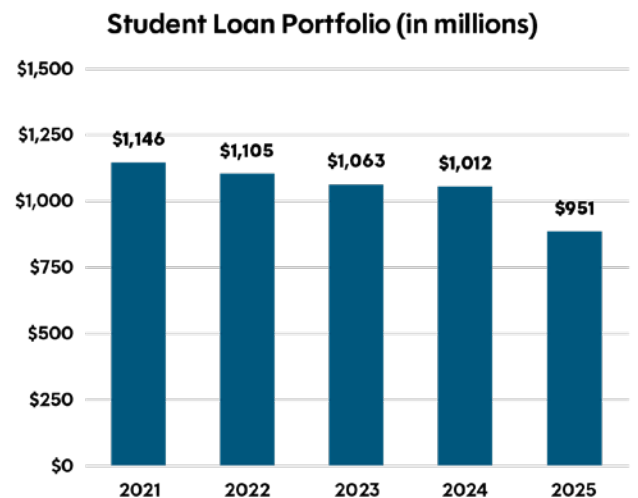
## HOME LOAN PORTFOLIO

As planned with the transfer of residential loan servicing to the North Dakota Housing Finance Agency on Oct. 1, 2021, BND no longer originates home loans. The home loan portfolio decreased by \$28 million this year and will continue to decline with payment.



## STUDENT LOAN PORTFOLIO

The student loan portfolio decreased by \$61 million. BND continues to focus on state-sponsored DEAL loans, disbursing 6,546 student loans for \$52 million in 2025.





# CORE VALUE: ENGAGING IN CREATIVE SOLUTIONS

## 69th Legislative Session Addressed Key Initiatives

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Bank of North Dakota tracked 191 bills this session and served in an advisory capacity to our state's legislative assembly. This collaboration allows us to work with these key stakeholders to develop creative financial solutions for our state.

A total of \$211 million in the Bank's dividends was authorized with legislation specifying how these funds would be distributed. Allocations included \$140 million to the General Fund, \$60 million to Partnership in Assisting Community Expansion (PACE) programs, \$1.9 million to Small Business Development Center programming, \$3 million to the Agricultural Products Utilization Commission, \$1.5 million for ND Career Builders Skilled Workforce Scholarship and dual credit programs, and up to \$5 million for the Theodore Roosevelt Presidential Library interest rate buydown on the line of credit.

The Bank was given the authority to protect the confidentiality of participation loan borrowers, aligning with the way banking information is maintained in the private sector. PACE Program buydown amounts were increased to \$1 million for large projects.

Rail Revolving Loan fund was transferred from the Department of Transportation to BND. The funds provide low-interest loans to upgrade and enhance rail infrastructure that maintains or improves rail service, with repayments cycling back to fund more projects.

The Legislature approved a new long term care loan program for renovation and construction



*ABOVE: Governor Kelly Armstrong leads the State of the State Address at the North Dakota State Capitol on January 7, 2025.*

of new facilities and BND will develop the parameters in this biennium. The State Hospital also received approval for a line of credit of up to \$100 million for its replacement project.

To spur natural gas pipeline development from the Bakken to eastern North Dakota, the pipeline capacity payment increased to \$100 million as a line of credit. This provides the Pipeline Authority the ability to commit up to \$500 million over a 10-year timeframe in capacity payments to support pipeline development.

Utilizing lines of credit is an important cash management tool available to the State through BND. During this session more than \$1.1 billion in lines of credit was authorized for projects and programs, representing nearly double the level approved in the 68th Legislative Session.

## Banking Beyond Boundaries (B3): Strengthening North Dakota's Financing Infrastructure

Fintech, short for financial technology, is evolving financial infrastructure. Traditionally, financial systems relied on legacy technology and centralized processes to deliver services. Fintech replaces these frameworks with digital platforms that enable faster transactions, broader access and real-time data integration. In essence, it is rebuilding the backbone of financial services, transforming how money moves, how risk is managed and how consumers interact with financial institutions.



ABOVE: At the October 2025 Banking Beyond Boundaries conference, BND Chief Banking Officer Craig Hanson (far right) moderates a panel discussion.



On September 18, 2025, Columbia Business School offered the following assessment of the fintech landscape:

**“Time will tell how the changes will eventually play out, but we know that the old rules no longer apply. Looking forward, the future of technology in the financial industry and services across the board – from insurance to payments to lending to consumers and so on – will continue to shift dramatically, and while it is quite exciting to observe all the changes, it is imperative to proactively observe and formulate responses to disruptive innovation forces coming our way.”<sup>1</sup>**

Today, many compare the rise of fintech to the introduction of the internet. The data reinforces this comparison. Between 2023 and 2024, banks with more than \$10 billion in assets recorded approximately 87 million mobile app downloads while fintech platforms generated nearly 1.6 billion downloads. In 2024, 39% of new checking relationships were established with fintechs and indirect banks. Megabanks captured 31%, regional banks 18% and community banks and credit unions 12%.<sup>2</sup> These trends are evident across multiple segments of the financial services ecosystem.

As BND cast its vision for the future, leadership revisited the Bank's founding documents and reaffirmed its mission to support agriculture, commerce and industry and its role “to cooperate with and coordinate all parts of financial services of the state.”



*LEFT: BND President and CEO Don Morgan presents on the evolution of fintech. To fulfill its commitment to helping financial institutions navigate the fintech landscape, BND will continue developing resources and opportunities for others to learn.*

## **BND'S ROLE AS A CATALYST**

Fintech innovation demands specialized expertise, significant capital investment and sustained operational commitment – resources that many community banks and credit unions can't deploy independently. BND is committed to bridge this gap. The Bank will serve as a strategic resource, providing opportunities for financial institutions to learn, ask questions and determine if fintech is a part of their long-term strategies.

The first step in this process was the Banking Beyond Boundaries: 2025 Fintech & Financial Innovation Conference hosted by BND in October. The conference convened fintech leaders from across the country to Bismarck, North Dakota, to share their work with several hundred banking leaders and state officials.

It was also a day for BND to share the news of a landmark partnership with Fiserv, a global leader in financial services technology to develop the Roughrider Coin, a U.S. Treasury backed currency that will modernize interbank fund transfers. This initiative has the potential to fundamentally transform a payment settlement process that has remained largely unchanged since the early 1970s.

Fiserv initiated the conversation with BND to serve as a beta site in this groundbreaking development because of the Bank's established relationships with 91 financial institutions in the state. It is expected the first Roughrider Coin transaction will take place in 2026.



*TOP: Governor Kelly Armstrong greets attendees and provides opening remarks at the conference.  
BOTTOM: BND Chief Credit Officer Kirby Evanger visits with two conference attendees.*

## BUILDING A SUSTAINABLE INNOVATION STRATEGY

BND's Roughrider Coin represents an initial entry point to strengthen local financial institutions and diversify deposits and revenue streams while maintaining a collaborative, non-competitive role. Through this approach, BND's goal is to level the playing field while future-proofing financial services. In order to do this, establishing strategic fintech partnerships with companies like Fiserv, sets the stage for North Dakota to become a fintech hub.

The October conference was only the beginning of the Bank's commitment to building trust and developing interactive platforms for information, knowledge-sharing and collaboration. Every quarter, the Bank hosts Your Direct Line calls open to all bank and credit union staff about a fintech topic. In addition, BND will host biannual meetings between national fintech leaders and North Dakota's financial services C-suite leaders to evaluate fintech solutions and strategic applications for their institutions.



ABOVE: Don Morgan, BND president and CEO, shakes hands with Takis Georgakopoulos, former chief operating officer and now co-president at Fiserv, as they announce North Dakota's Roughrider stablecoin and the partnership between Fiserv, Inc. and Bank of North Dakota in its launch.

## WHY DIVERSIFICATION MATTERS

For 106 years, the Bank has primarily relied on the deposit of state tax revenue to fund the work it does for North Dakota. In recent years, the Bank experienced significant growth from \$7 billion in assets in 2019 to over \$10 billion today, driven largely by federal COVID-19 funding and a robust energy sector in the Bakken region.

Looking ahead, long-term projections indicate that oil and gas tax revenue will decline. If BND does not pursue other revenue options, it will constrain the Bank's earning capacity and limit its ability to fulfill its mission to support the residents and economy of North Dakota.

Strategically, this is not a desirable path. BND will conduct rigorous risk assessments of fintech related opportunities and consult with key stakeholders before advancing them. Where appropriate, the Bank will expand its services in a prudent, disciplined manner, balancing innovation with safety and soundness, to benefit the state's financial institutions and residents.

**To learn more about BND's role in fintech and financial innovation, visit [bnd.nd.gov/fintech](https://bnd.nd.gov/fintech).**

*The website is updated frequently with new information in this rapidly evolving industry.*

1 Embracing Change: How Fintech Reshapes the Financial Industry. <https://execed.business.columbia.edu/disrupting-the-finance-world-how-fintech-is-changing-the-game-for-businesses>.

2 "The Deposit Game Has Changed. Is Your Bank Keeping Up?" *BAI Banking Strategies*, June 16, 2025. [www.bai.org/banking-strategies/the-deposit-game-has-changed-is-your-bank-keeping-up/](http://www.bai.org/banking-strategies/the-deposit-game-has-changed-is-your-bank-keeping-up/)



ABOVE: Amanda Woidyla, university and student development coordinator at BND, presents on Smart with My Money, a financial literacy effort and website supported by the State of North Dakota.

## Empowering North Dakotans with Financial Knowledge

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Financial literacy is important for everyone, regardless of age, income or background. When people have a better understanding of money – how to budget, save, spend – it leads to long-term financial stability and wellbeing.

Throughout the life cycle, people have different financial needs. The 20-year-old faces very different financial decisions than someone in their fifties, underscoring the importance of ongoing financial education at every stage of life.

A common misperception is that a higher income automatically equates to greater financial literacy. While it may provide a larger buffer against financial missteps, it doesn't guarantee that an individual has more money saved for emergencies or retirement.

Recognizing the importance of financial wellbeing, the state of North Dakota announced its pursuit to become the most financially literate state in the country in early 2024.

## ESTABLISHING A RESOURCE FOR NORTH DAKOTANS

To support this goal, BND established a unique partnership with Enrich, a national financial literacy software provider. Traditionally purchased by business owners to support employee financial wellness, the platform was expanded through this partnership to serve all North Dakotans.

BND secured statewide access to the platform, making it available to residents and business owners at no cost. Launched as **SmartWithMyMoney.nd.gov**, the site offers trustworthy financial information in easy-to-understand language in written, video and course formats. The site provides learning recommendations that are tailored to an individual's needs throughout their life cycle.

While many sites contain basic information about topics like budgeting and credit cards for example, *Smart with My Money* also helps a person explore how they approach money, building on the individual's inherent strengths to guide them in their decision-making to greater financial wellbeing. The research-based Money Personality Assessment tool is the first step in this process.



## THE MONEY PERSONALITY CHALLENGE

To increase awareness and encourage engagement, BND worked with state agency partners to host the Money Personality Challenge in October 2025. An increased presence on television, social media and presentations highlighted the importance of financial literacy for all residents in the state. In addition, a learning calendar and scholarship opportunity for North Dakota high school seniors and college students were provided.

The campaign delivered measurable results. During the challenge:

- 2,384 new users registered
- 8,254 completed sessions
- 41,309 logged views.
- 9 minutes per session on average
- 74,286 minutes spent combined
- 1,238 hours engaging with meaningful, accessible financial education.

These numbers highlight strong user interest, reinforcing the platform’s effectiveness in delivering financial education.



*TOP: BND Leader of Education Outreach & Financial Literacy Lance Hill introduces the Smart with My Money financial literacy effort. BOTTOM: Bank of North Dakota Education Outreach Team from left to right Lance Hill, Jocelyn Schneider, Amanda Woidyla, Rachel Grossman and Becca Larsen.*



# CORE VALUE: THERE WHEN NEEDED

## Supporting North Dakota in Challenging Times

BND's commitment to always being there when needed for North Dakotans was demonstrated through a record setting five relief programs released in 2025. BND extends sincere appreciation to its financial institution partners who know their customers best and play a critical role in delivering these programs to them.

Before launching any relief initiative, BND staff engages key stakeholders, including government leaders, association representatives and financial institution partners, to assess needs and shape responsive solutions. Programs are designed with flexible parameters to maximize access and impact.

### SUSTAINING THE AGRICULTURE INDUSTRY

In January, the Industrial Commission approved the 2024 Ag Disaster Relief Program to assist North Dakota farmers and ranchers statewide who were negatively impacted by extreme weather events, wildfires, inflationary input costs and volatility in commodity prices. It helped ensure that the state's ag producers could enter the 2025 production season on a more stable foundation. The program closed in June, assisting 239 farmers and ranchers for a total of \$88.5 million.

Severe storms on June 20-21, destroyed essential infrastructure for some of the state's ag producers. On July 1, Governor Armstrong announced the Grain Storage and Facility Rebuilder Program as an immediate source of 2.00% interest rate gap financing so producers could order temporary or permanent grain storage solutions as they worked through their insurance. The program was expanded later in the summer to include storms that hit the state August 7-8.



Many of our ag producers experiencing cash flow struggles this renewal season have been taking advantage of the Farm Financial Stability Loan program through BND. By allowing producers to inject working capital, along with refinancing existing debts, all at better-than-market rates and terms, we are able to give them relief in their 2026 cash flows.



**Dustin Nagel**  
Branch President  
Hillsboro  
Dakota Heritage Bank

When the program closed on December 31, 74 Ag Facility Repair and Replacement loans were originated for just over \$23 million. There were 39 Temporary Grain Storage Support loans distributed for a total of \$3.5 million.

To close out the year, two new agriculture relief initiatives were announced. Producers were facing an unusual convergence of challenges including the severe weather of summer 2025, high input costs, trade policy uncertainty and low commodity prices – all leading to increased financial stress across the agriculture sector.

The 2026 Farm Financial Stability Loan Program was designed for ag producers with an operating shortfall in 2024 or 2025, and could be used to replenish working capital, term out operating carryover or restructure existing term debts.

The 2026 Grain Inventory Loan Program provides ag producers, who have been impacted by unfavorable commodities markets, short-term financing.

The application period for both programs opened on December 9, 2025, and will close June 30, 2026.

## ALLEVIATING STRESS FOR FEDERAL EMPLOYEES

In October, a federal budget impasse triggered a record 43-day federal government shutdown.

Within one week of the shutdown announcement, the Industrial Commission announced the Furloughed Federal Employee Relief Program. BND offered 2.00% interest rate loans to cover the base net pay of eligible individuals for up to three months. While North Dakota Century Code prohibits BND from offering 0.00% interest loans, this program ensured timely financial support during a critical period.

There were 129 federal employees who took advantage of the program for a total of \$1.6 million, providing much needed relief to help families manage financial uncertainty. Of this number, 89% were civilians and 11% were armed forces. Thirty banks assisted with the delivery of the funds.



Base communities like Minot and Grand Forks are deeply connected to our nation's defense mission. When federal employees face furloughs, the entire community feels the impact. The Furloughed Federal Employee Relief Program helps bridge that gap, reinforcing the resilience and unity that make our military communities so strong.



**Brekka Kramer**  
President/CEO  
Minot Area  
Chamber EDC

*BELOW: Airmen assigned to the 69th Bomber and Aircraft Maintenance squadrons posed for a group photo to capture the camaraderie and unity developed through shared experiences during Bomber Task Force 25-2 March 12, 2025, RAF Fairford, England. (U.S. Air Force photo by Staff Sgt. Jasmonet Holmes)*





**CORE VALUE:  
WITH INTEGRITY  
AND PURPOSE**



*ABOVE: At an all-employee event, BND team members reviewed the Bank's four- and 10-year goals and learned how EOS Traction builds accountability, empowering everyone to help drive BND's future success.*

## Traction EOS Implementation Begins

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Within weeks of the State Legislature proclaiming sine die, BND's Executive Committee rolled up their sleeves and began implementing Traction EOS (Entrepreneurial Operating System). Traction EOS is designed to help leadership teams strengthen six components of their business – Vision, People, Data, Issues, Process and Traction.

While it takes two years to fully implement the system throughout the organization, employees are already seeing its advantages. One advantage of Traction EOS is organizational clarity, which helps everyone understand where the Bank is going, how it plans to get there and what success looks like. With the significant changes in the banking industry, it has never been more important to define goals and expectations, ensuring that 'business as usual' is not the norm.

Traction EOS also requires stronger accountability at all levels, emphasizing clear roles and responsibilities. Every employee in every division understands how their work is connected into the annual, four-year and ten-year goals for the Bank. With this unified vision, BND remains grounded to our 106-year-old-mission.

## BND'S ACCOMPLISHMENTS IN 2025

A new capital plan and dividend policy framework was created. The purpose of the new framework is to help ensure the safety and soundness of the Bank, support the Bank in fulfilling its mission and objectives, and aligns with industry best practices.

The cash management initiative made significant progress by utilizing BND's resources to create an improved approach for many state agencies. A pilot was completed to automate Treasury deposit pricing which supported process and operational efficiency between OST (Office of the State Treasurer) and BND.

The Bank improved our retail banking software when Commercial Center went live, making it easier for state agency and financial institution partners to conduct business with us. A drive-thru window was opened to increase convenience and improve security in the Bank.

The risk management processes have been elevated to meet the challenges of today and the future. A robust risk management program is essential to help identify and control financial and operational risks while supporting regulatory compliance.

## BND Leadership Team

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BND is overseen by the North Dakota Industrial Commission. The governor appoints an advisory board of directors which consists of banking and business leaders who advise the Industrial Commission and BND on state trends. The Industrial Commission appoints the Bank president who hires the Executive Committee members.

The BND Advisory Board consists of three subcommittees which assist the Board and Industrial Commission in fulfilling their oversight responsibilities to ensure the safety and soundness of the Bank. These committees are Finance and Credit, Audit and Risk Management, and Leadership Development and Compensation.



*ABOVE: North Dakota remains the nation's only state with a publicly owned bank.*

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## ND INDUSTRIAL COMMISSION



**Kelly Armstrong**  
Governor



**Drew H. Wrigley**  
Attorney General



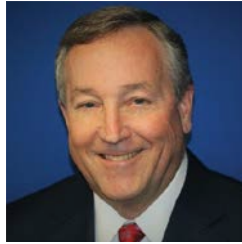
**Doug Goehring**  
Agriculture Commissioner

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## BND ADVISORY BOARD



**Karl Bollingberg**  
Chairman



**Dennis Johnson**  
Vice-Chair



**Brenda Foster**  
Board Member



**Kathleen Neset**  
Board Member



**Christie Obenauer**  
Board Member



**Bill Price**  
Board Member



**Jean Voorhees**  
Board Member

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## BND EXECUTIVE COMMITTEE



**Don Morgan**  
President/CEO



**Alison Anderson**  
Chief Operations  
Officer



**Kirby Evanger**  
Chief Credit Officer



**Rick Geloff**  
Chief Innovation Officer



**Brenna Grossbauer**  
Chief Talent Officer



**Craig Hanson**  
Chief Banking Officer



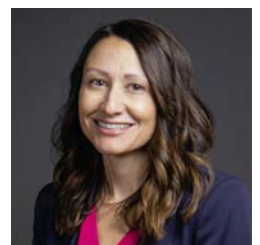
**Kelvin Hullet**  
Chief Public  
Affairs Officer



**Lori Leingang**  
Chief Administrative  
Officer



**Rob Pfennig**  
Chief Financial Officer



**Christy Steffenhagen**  
Chief Risk Officer

## Ending Balance Sheets

Bank of North Dakota  
Years Ended December 2025 and 2024  
(In thousands)

	2025	2024
<b>Assets</b>		
Cash and due from banks	<b>598,193</b>	390,195
Federal funds sold	<b>11,245</b>	16,540
Securities	<b>3,904,164</b>	4,230,188
Loans		
Commercial	<b>4,037,514</b>	4,049,998
Agriculture	<b>862,398</b>	794,513
Residential	<b>259,258</b>	286,938
Student	<b>951,120</b>	1,011,506
Total Loans	<b>6,110,290</b>	6,142,955
Less Allowance for Loan Loss	<b>(113,858)</b>	(106,535)
Total Loans Less Allowance	<b>5,996,432</b>	6,036,420
Other Assets	<b>147,899</b>	163,135
Total Assets	<b>\$ 10,657,933</b>	\$ 10,836,478
<b>Liabilities and Equity</b>		
Deposits		
Noninterest Bearing	<b>\$ 615,002</b>	\$ 615,171
Interest Bearing	<b>8,123,327</b>	8,074,996
Total Deposits	<b>8,738,329</b>	8,690,167
Federal Funds Purchased and Repurchase Agreements	<b>398,035</b>	370,327
Short- and Long-term Borrowings	<b>150,000</b>	480,000
Other Liabilities	<b>23,390</b>	25,074
Total Liabilities	<b>9,309,754</b>	9,565,568
Equity	<b>1,348,179</b>	1,270,910
Total Liabilities and Equity	<b>\$ 10,657,933</b>	\$ 10,836,478

## Ending Income Statements

Bank of North Dakota  
 Years Ended December 2025 and 2024  
 (In thousands)

	<b>2025</b>	2024
Interest Income	<b>\$ 498,147</b>	\$ 450,043
Interest Expense	<b>(206,056)</b>	(209,994)
Net Interest Income	<b>292,091</b>	240,049
Provision for Loan Losses	<b>(9,426)</b>	(10,702)
Net Interest Income After Provision	<b>282,665</b>	229,347
Noninterest Income	<b>8,200</b>	8,713
Noninterest Expense		
Salaries and Benefits	<b>(24,553)</b>	(21,749)
Data Processing	<b>(9,246)</b>	(7,765)
Loss on sale of available for sale securities	<b>(16,762)</b>	-
Occupancy and Equipment	<b>(868)</b>	(858)
Other Operating Expenses	<b>(7,672)</b>	(7,253)
Total Noninterest Expense	<b>(59,101)</b>	(37,625)
Net Income	<b>231,764</b>	200,435

View a complete copy of the 2025 Audited Financial Statements  
 at [bnd.nd.gov/annual-report](http://bnd.nd.gov/annual-report).

## Ten-Year Summary

Bank of North Dakota | December 31, 2016-2025

	2025	2024	2023	2022
<b>Operating results (in thousands)</b>				
Interest income	\$498,147	\$450,043	\$365,213	\$260,591
Interest expense	206,056	209,994	137,201	40,882
Net interest income	292,091	240,049	228,012	219,709
Provision for loan losses	9,426	10,702	7,507	-
Net interest income after provision for loan losses	282,665	229,347	220,505	219,709
Noninterest income	8,200	8,713	6,697	4,751
Noninterest expense	59,101	37,625	34,463	33,310
<b>Net income</b>	<b>231,764</b>	<b>200,435</b>	<b>192,739</b>	<b>191,150</b>
Payments to general fund	210,000	-	140,000	-
Payments to other funds	48,278	51,289	88,238	30,397
<b>Balance sheet (in thousands)</b>				
<b>Total assets - year end</b>	<b>10,657,933</b>	<b>10,836,478</b>	<b>10,144,628</b>	<b>10,195,815</b>
Federal funds sold and resell agreements	11,245	16,540	37,470	44,605
Securities	3,904,164	4,230,188	3,876,909	4,344,352
<b>Loans</b>	<b>6,110,290</b>	<b>6,142,955</b>	<b>5,758,740</b>	<b>5,364,627</b>
Agricultural	862,398	794,513	734,237	709,866
Business	4,037,514	4,049,998	3,644,897	3,199,277
Residential	259,258	286,938	316,153	351,076
Student	951,120	1,011,506	1,063,453	1,104,408
<b>Deposits</b>	<b>8,738,329</b>	<b>8,690,167</b>	<b>8,709,148</b>	<b>8,311,947</b>
Noninterest bearing	615,002	615,171	664,010	632,498
Interest bearing	8,123,327	8,074,996	8,045,138	7,679,449
Federal funds purchased and repurchase agreements	398,035	370,327	323,010	205,845
<b>Short- and long-term debt</b>	<b>150,000</b>	<b>480,000</b>	<b>25,000</b>	<b>675,000</b>
<b>Equity</b>	<b>1,348,179</b>	<b>1,270,910</b>	<b>1,059,287</b>	<b>997,188</b>
Capital	2,000	2,000	2,000	2,000
Capital surplus	72,000	72,000	72,000	72,000
Undivided profits	1,190,929	1,217,443	1,068,297	1,100,653
Accumulated other comprehensive income (loss)	83,250	(20,533)	(83,010)	(177,465)

2021	2020	2019	2018	2017	2016
\$204,457	\$225,479	\$263,738	\$240,002	\$219,700	\$210,803
28,921	41,018	58,515	46,442	37,865	33,975
175,536	184,461	205,223	193,560	181,835	176,828
4,750	16,800	6,000	12,000	12,000	16,000
170,786	167,661	199,223	181,560	169,835	160,828
6,381	4,603	6,916	7,170	6,335	6,323
32,996	31,063	37,090	30,222	30,886	30,996
<b>144,171</b>	<b>141,201</b>	<b>169,049</b>	<b>158,508</b>	<b>145,284</b>	<b>136,155</b>
35,000	70,000	35,000	70,000	170,000	-
39,605	67,550	45,109	58,614	16,932	19,989
<b>10,028,128</b>	<b>7,744,319</b>	<b>7,058,432</b>	<b>7,015,834</b>	<b>7,003,302</b>	<b>7,295,268</b>
4,450	10,000	10,685	39,465	57,555	63,070
2,600,007	1,849,609	2,016,126	1,912,743	1,665,252	2,068,327
<b>4,688,820</b>	<b>4,756,542</b>	<b>4,537,943</b>	<b>4,584,233</b>	<b>4,909,278</b>	<b>4,789,553</b>
701,768	762,809	647,108	665,691	668,904	687,486
2,434,765	2,272,999	2,078,573	2,039,833	2,071,953	1,982,625
406,565	535,098	628,319	694,577	762,480	739,412
1,145,722	1,185,636	1,183,943	1,184,132	1,405,941	1,380,030
<b>8,133,894</b>	<b>5,795,472</b>	<b>5,089,092</b>	<b>4,769,819</b>	<b>4,604,958</b>	<b>4,887,192</b>
765,200	750,741	628,256	567,352	555,020	663,156
7,368,694	5,044,731	4,460,836	4,202,467	4,049,938	4,224,036
763,250	775,005	365,335	271,505	299,775	242,480
<b>108,000</b>	<b>186,010</b>	<b>631,030</b>	<b>1,103,436</b>	<b>1,263,569</b>	<b>1,280,538</b>
<b>981,569</b>	<b>912,904</b>	<b>939,028</b>	<b>861,884</b>	<b>824,802</b>	<b>875,732</b>
2,000	2,000	2,000	2,000	2,000	2,000
72,000	72,000	72,000	72,000	72,000	72,000
939,900	870,333	866,682	777,742	747,848	789,496
(32,331)	(31,429)	(1,654)	10,142	2,954	12,236



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MEMORANDUM

TO: Governor Kelly Armstrong, Chairman  
Attorney General Drew H. Wrigley  
Agriculture Commissioner Doug Goehring

CC: Joe Morrissette, OMB Director

FR: Vance Taylor, North Dakota Mill & Elevator  
Karen Tyler, Industrial Commission

DT: June 29, 2026

RE: North Dakota Mill & Elevator transfers

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

**54-18-19. Transfer of North Dakota mill and elevator profits to general fund.**

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

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

Mill management is planning to close their books on July 22, 2026, and is proposing to make the transfers no later than July 23, 2026. Therefore, we are requesting that the Industrial Commission authorize the transfer of 50% of the Mill FY 2026 profits to the General Fund and the 5% of net income to the Agricultural Products Utilization Fund utilizing unaudited numbers by no later than July 23, 2026, with Mill management reporting the amount of the transfers to the Commission at their July 23, 2026, meeting.

We would propose the following action by the Commission:

**It was moved by \_\_ and seconded by \_\_ that the North Dakota Mill is authorized to transfer 5% of the net income earned by the Mill for fiscal year 2026 to the Agricultural Products Utilization Fund (APUF) and transfer to the General Fund 50% of the annual earnings and undivided profits of the Mill after any transfers to other state agricultural-related programs as per the request of the Office of Management and Budget Director noting that the transfers will be based on unaudited year-end results and reserving the right to adjust the transfer numbers once the year-end results have been audited. Further that Mill management reports the amount of the transfers to the Commission at the July 23, 2026 meeting.**

**Memorandum**

**To:** North Dakota Industrial Commission

**From:** North Dakota Mill & Elevator Association (NDM)

**Date:** June 29, 2026

**Subject:** Completion of Policy Review and Effective Date of Revised Documents

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The North Dakota Mill & Elevator Association (NDM) has completed a comprehensive review of its policies and procedures in response to a former employee complaint. This review was undertaken to strengthen internal controls, enhance transparency, and ensure alignment with industry best practices.

In addition to internal efforts, NDM engaged an independent consultant to assist in a further review of policies and procedures. This external review helped ensure that all policies are effectively implemented, consistently followed, and aligned with recognized industry standards, particularly within the administrative offices.

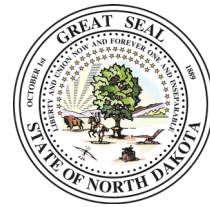
The completed review and revisions encompass, but are not limited to, the following areas:

- Employee Handbook – Hourly Plant Personnel
- Employee Handbook – Administrative, Technicians and Management Personnel
- Travel policies and procedures

All revised policies and procedures have now been finalized. These documents will become effective **July 1, 2026**. Copies of these documents will be available upon request.

NDM remains committed to continuous improvement, accountability, and adherence to the highest standards of operational and ethical conduct.

# Industrial Commission of North Dakota



Kelly Armstrong  
Governor

Drew H. Wrigley  
Attorney General

Doug Goehring  
Agriculture Commissioner

## MEMORANDUM

TO: Industrial Commission Members  
FR: Executive Director Karen Tyler  
DT: June 29, 2026  
RE: Public Finance Authority (PFA) Advisory Committee appointment

The North Dakota Public Finance Authority Policy P-2A states that the Industrial Commission shall appoint a three-member Advisory Committee to review information and make recommendations to the North Dakota Public Finance Authority Executive Director and the North Dakota Industrial Commission.

The policy states that the individuals appointed to this Committee must have background in municipal finance and/or economic development.

The current makeup of the Advisory Committee is:

Keith Lund, Grand Forks  
Linda Svihovec, Bismarck  
John Phillips, Beulah

Keith Lund's term will expire on July 1, 2026, and he is willing to continue his service to the PFA and Advisory Committee. Keith is the President and CEO of the Grand Forks Region Economic Development Corporation and has served on the Committee since 2011. He brings expertise in municipal finance and economic development and has provided valuable input to the Committee and the PFA Executive Director. Keith has been an active participant in the work of the Committee, and currently serves as Chairman. DeAnn has stated that his knowledge of the needs of urban communities and the complexities they face in funding infrastructure and his understanding of the role of the PFA is important to the work of the Authority. **Therefore, it is my recommendation that Keith Lund be reappointed for a three-year term extending to July 1, 2029.**

June 18, 2026

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its June 18, 2026 meeting, reviewed, discussed, and recommends approval of a \$2,497,000 Clean Water State Revolving Fund Program loan to the City of Tuttle.

North Dakota Public Finance Authority  
Advisory Committee

Keith Lund, Chairman  
Linda Svihovec  
John Phillips

## Memorandum

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

**From:** DeAnn Ament, Executive Director

**Date:** May 26, 2026

**Re:** City of Tuttle  
 Clean Water State Revolving Fund

### **Purpose of the Project:**

Repair sanitary sewer collection pipes and replace the lift station.

### **Project Cost:**

<b>CWSRF Request</b>	\$2,497,000
<b>CWSRF Loan Forgiveness</b>	(1,873,000)
<b>Net CWSRF Loan</b>	\$ 624,000

<b>CWSRF Request</b>	\$2,497,000
<b>CDBG Funds</b>	755,000
<b>Project Total</b>	\$3,252,000

Population to Benefit from the Project: 60

Population Served by the System: 60

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. The City of Tuttle will issue revenue bonds payable with sewer user fees. The net average annual payment for the revenue bonds will be \$26,351. The 110% coverage requirement will be \$28,986 and the required debt service reserve will be \$27,810.

### **Sewer Rates:**

The City has 77 sewer connections which pay a quarterly base rate of \$45 per connection. The City intends to raise their rates \$33 per quarter which will annually generate \$10,164.

### Enterprise Fund Net Operating Coverage:

Unaudited

	2022	2023	2024	2025
<b>Interest Revenue</b>	\$ 170	\$ 807	\$ 862	\$ 157
<b>Operating Revenue</b>	54,200	39,252	63,051	51,486
<b>Operating Expenses</b>	26,703	75,485	35,880	32,411
<b>Net Operating Revenue (Expense)</b>	27,667	-35,426	28,033	19,232
<b>Adjusted for Project Expenses<sup>1</sup></b>	-	47,191	-	-
<b>Adjusted Net Operating Revenue</b>	\$27,667	\$11,765	\$28,033	\$19,232
<b>Proforma Rate Increase Revenue</b>	\$10,164	\$10,164	\$10,164	\$10,164
<b>Proforma CWSRF Payment</b>	\$26,351	\$26,351	\$26,351	\$26,351
<b>Proforma Net Operating Coverage</b>	144%	83%	145%	112%

<sup>1</sup> In 2023, the sewer lines were televised in anticipation of this project.

With anticipated rate increase, the City will be able to meet the 110% net operating coverage requirement.

### Outstanding Debt as of December 31, 2025:

The City does not have any outstanding debt as of December 31, 2025.

The average annual debt payment will be \$26,351 which is \$439 per resident.

### Population and Employment

The City of Tuttle is located in Kidder County 60 miles northeast of Bismarck. Based on the 2020 census, the total population was 60; this is a decrease of 20 from the 2000 census. The largest employers in the City are Tuttle Farmers Elevator with 5 employees, Town Café with 2 employees, and 5309 Tavern with 4 employees.

### Kidder County Public School Enrollment:

				<i>Projected</i>
2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
365	363	356	364	370

### Tax Information

The City's 2025 taxable valuation was \$173,216. This is an increase of \$60,279 from the 2021 taxable valuation.

**Property Tax Collections 12/31/2025:**

<b>Levy Year</b>	<b>Dollar Amount of Levy</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2025</b>	\$41,095	\$9,576	23%
<b>2024</b>	\$40,227	\$36,755	91%
<b>2023</b>	\$40,737	\$38,547	95%

**Special Assessment Tax Collections 12/31/2025:**

<b>Year</b>	<b>Dollar Amount</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2025</b>	\$-	\$-	-
<b>2024</b>	\$1,959	\$855	44%
<b>2023</b>	\$6,855	\$4,587	67%

**City of Tuttle Mill Levy History:**

<b>Year</b>	<b>City</b>	<b>School</b>	<b>Park District</b>	<b>State and County</b>	<b>Other</b>	<b>Total for Each Year</b>
<b>2025</b>	105.00	92.88	0.00	94.83	20.00	312.71
<b>2024</b>	105.00	88.00	0.00	93.37	15.00	301.37
<b>2023</b>	105.00	82.00	0.00	89.55	15.00	291.55
<b>2022</b>	105.00	80.00	0.00	85.43	15.00	285.43
<b>2021</b>	105.00	75.45	0.00	84.63	15.00	280.08



## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** June 16, 2026

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

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The City of Tuttle (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$2,497,000 loan of which \$1,873,000 is loan forgiveness for a total loan of \$624,000 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 repair sanitary sewer collection pipes and replace the lift station.

The municipal securities to be acquired by the Authority will be revenue bonds payable with sewer user fees. The City’s average annual payment under the proposed loan will be approximately \$26,351 indicating a 110% net revenue coverage requirement of approximately \$28,986. The City will be required to deposit \$27,810 into a reserve fund with payments of \$5,562 per year for the first five years of the loan. The current sewer connection quarterly base rate is \$45 and the City anticipates raising the rate by \$33, which will generate approximately \$10,164 of annual revenue. Pro forma net operating coverage of the sewer fund was 1.44x, 0.83x, 1.45x and 1.12x for 2022-2025, respectively. The anticipated monthly base rate increase and existing sewer fund revenues will provide sufficient net revenues to meet the 110% coverage requirement.

The City has no outstanding debt as of December 31, 2025.

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: June 5, 2026

RE: City of Tuttle  
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$2,497,000 loan to the City of Tuttle under the Clean Water State Revolving Fund (CWSRF). The entire cost of the project is \$3,252,000, with the City receiving \$755,000 of Community Development Block Grant funds.

The project will repair sanitary sewer collection pipes and replace the lift station. The requested loan term is 30 years. The City will issue a revenue bond payable with sewer user fees. The annual payment will average \$26,351.

**Enterprise Fund Debt Service Coverage:**


Enterprise Fund	2022	2023	2024	Projected
Operating Revenue	54,200	39,252	63,051	63,051
Projected Rate Increase				10,164
Interest Revenue	170	807	862	862
Operating Expenses	-26,703	-75,485	-35,880	-35,880
Net Operating Revenue	27,667	-35,426	28,033	38,197
Plus: Project Expenses		47,191		
Adjusted Net Operating Income	27,667	11,765	28,033	38,197
Proposed Debt Service				26,351
Debt Service Coverage				145%

The City currently serves 70 residential and 7 commercial sewer connections. All connections pay a quarterly base rate of \$45. The City intends to raise the quarterly base rate by \$33 per connection. This will generate an additional \$10,164 in annual revenues. The existing user fees, combined with the rate increase, will generate sufficient net operating revenues to service the proposed debt.

The City does not currently have any debt outstanding. For the new debt, average annual debt service requirements are estimated at \$26,351, which is an average of \$439.18 per resident.

Historical census populations for the City of Tuttle were 60 in 2020, 80 in 2010 and 106 in 2000. Current Kidder County K-12 school enrollment is 364, an increase of 8 from the prior year. The largest employers in the City are Tuttle Farmers Elevator, Town Café and 5309 Tavern.

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



June 18, 2026

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its June 18, 2026 meeting, reviewed, discussed, and recommends approval of a \$6,000,000 Drinking Water State Revolving Fund Program loan to the City of Dickinson.

North Dakota Public Finance Authority  
Advisory Committee

Keith Lund, Chairman  
Linda Svihovec  
John Phillips

## Memorandum

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

**From:** DeAnn Ament, Executive Director

**Date:** June 1, 2026

**Re:** City of Dickinson  
 Drinking Water State Revolving Fund

### **Purpose of the Project:**

Replace cast iron water mains, service lines and curb stops.

### **Project Cost:**

DWSRF Request	\$6,000,000
DWR Cost Share	7,700,000
Local Funds	4,550,000
<b>Project Total</b>	<b>\$18,250,000</b>

Population to Benefit from the Project: 500

Population Served by the System: 25,679

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 20 years. The City of Dickinson will issue revenue bonds payable with 50% of the 1% city sales tax dedicated to infrastructure. The average annual payment for the revenue bonds will be \$352,688. The reserve requirement will be \$370,475 and the 110% coverage requirement will be \$387,956.

### **City Sales Tax**

The City collects 1½% city sales tax with 50% of 1% dedicated to infrastructure. Currently, four Clean Water State Revolving Fund (CWSRF) loans and three DWSRF loans are secured with the city sales tax and there are no other pledges of the 50% of 1% dedicated to infrastructure. The city sales tax will be pledged for the repayment of the new DWSRF bond.

## Excess City Sales Tax

	2025	2024	2023	2022	2021
<b>1% City Sales Tax</b>	\$7,636,071	\$7,359,227	\$7,457,917	\$6,749,860	\$5,934,039
<b>50% of 1%</b>	\$3,818,035	\$3,679,613	\$3,728,959	\$3,374,930	\$2,967,019
<b>SRF Payments <sup>1</sup></b>	\$1,120,364	\$1,120,364	\$1,120,364	\$1,120,364	\$1,120,364
<b>Excess Sales Tax</b>	\$2,697,671	\$2,558,249	\$2,608,595	\$2,254,566	\$1,846,655

<sup>1</sup> Includes four CWSRF and three DWSRF payments plus the new DWSRF payments.

The current 50% of 1% city sales tax dedicated to infrastructure will be sufficient to meet the 110% net operating coverage requirement.

## Water Rates:

The City's residential users pay a monthly base rate of \$11 and commercial users pay a monthly base rate of \$53.90 and all pay \$7.78/1,000 gallons for usage.

## Water Fund Net Operating Coverage:

	2022	2023	Unaudited 2024	Unaudited 2025
<b>Operating Revenue</b>	\$7,012,591	\$6,812,741	\$7,689,097	\$8,301,909
<b>Operating Expenses</b>	9,019,164	8,703,614	7,848,315	7,893,236
<b>Net Operating Revenue</b>	(2,006,573)	(1,890,873)	(159,218)	408,673
<b>Depreciation</b>	1,850,219	1,836,454	-	-
<b>Transfer In (GPT)</b>	9,440	4,532,671	-	-
<b>Adjusted Net Operating Revenue</b>	(\$146,914)	\$4,478,252	(\$159,218)	\$408,673

## Outstanding Indebtedness April 30, 2026:

	Original Amount	Outstanding Amount
<b>Revenue Bonds <sup>2</sup></b>	\$ 105,079,321	\$ 48,519,451
<b>Total</b>	<b>\$ 105,079,321</b>	<b>\$ 48,519,451</b>

<sup>2</sup> All payments have been made as agreed. The City has seven CWSRF and four DWSRF loans with outstanding balances of \$47,954,092.

The average annual debt payments including this new request are \$6,142,743 which is \$239 per resident.

## Population and Employment

The City of Dickinson is located in Stark County 100 miles west of Bismarck on Interstate 94. Based on the 2020 census, the total population is 25,679; this is an increase of 7,892 from the 2010 census. The largest employers in the City are Dickinson Public School with 700 employees, Steffes Solutions (manufacturing) employs appr and Walmart Supercenter has approximately 300 employees.

## Dickinson K-12 School Enrollment:

	<i>Projected</i>				
	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>2026-2027</b>
	3,875	3,977	4,087	4,081	4,100

The City's 2025 taxable valuation was \$158,663,922. This is an increase of \$38,998,786 from the 2021 taxable valuation.

## Property Tax Levies and Collections as of 4/1/2026:

<b>Levy Year</b>	<b>Dollar Amount of Levy</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2025</b>	\$6,060,550	\$4,728,985	78%
<b>2024</b>	\$5,724,000	\$5,430,817	95%
<b>2023</b>	\$5,724,000	\$5,894,588	103%

## Special Assessments Certified for Collection as of 4/1/2026:

<b>Year</b>	<b>Dollar Amount</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2025</b>	\$554,275	\$512,558	92%
<b>2024</b>	\$483,023	\$473,423	98%
<b>2023</b>	\$599,338	\$596,757	100%

## City of Dickinson Mill Levy History:

<b>Year</b>	<b>City</b>	<b>School</b>	<b>Park District</b>	<b>State and County</b>	<b>Other</b>	<b>Total for Each Year</b>
<b>2025</b>	38.20	139.40	18.42	48.40	1.00	245.42
<b>2024</b>	40.27	146.79	19.42	52.62	1.00	260.10
<b>2023</b>	42.45	113.70	18.16	55.44	1.00	230.75
<b>2022</b>	44.64	113.70	17.25	56.12	1.00	232.71
<b>2021</b>	47.01	113.70	17.45	61.46	1.00	240.62



## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** June 16, 2026

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

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The City of Dickinson (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$6,000,000 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 to replace cast iron water mains, service lines and curb stops.

The municipal securities to be acquired by the Authority will be revenue bonds of the City payable from a portion of the City’s sales tax. The City’s average annual payment under the proposed loan will be \$352,688, indicating a 110% net operating coverage requirement of approximately \$387,956. The City will be required to deposit \$370,475 into a reserve fund with payments of \$74,095 over the first five years of the loan. Excess City sales tax was approximately \$1.8, \$2.2, \$2.6, \$2.6 and \$2.7 million in 2021–2025, respectively. The current 50% of 1% city sales tax dedicated to infrastructure will be sufficient to meet the 110% net operating coverage requirement.

As of April 30, 2026, the City has \$48,519,451 of Revenue Bonds Outstanding. The City currently has seven CWSRF and four DWSRF loans with outstanding balances of \$47,954,092. The City is current in its payments for its outstanding Authority loans.

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: June 2, 2026

RE: City of Dickinson  
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$6,000,000 loan to the City of Dickinson under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is \$18,250,000, with Department of Water Resources providing a \$7,700,000 cost-share grant and the City contributing funds of \$4,550,000. The loan will provide funds to replace cast-iron water mains, service lines and curb stops.

The City will issue revenue bonds payable with city sales tax collections. The annual payment will average \$352,688. The requested loan term is 20 years.

**Sales Tax Collections:**

The City collects 1.5% city sales tax, with 50% of 1% dedicated to infrastructure. Including the proposed debt, the City will have \$1,120,364 of annual debt requirements being repaid using sales tax collections. The 50% of 1% dedicated to infrastructure will be sufficient to service the proposed and existing debt service.

	2021	2022	2023	2024	2025
<b>1.0% Sales Tax Collections</b>	\$ 5,934,039	\$ 6,749,860	\$ 7,457,917	\$ 7,359,227	\$ 7,636,071
<b>50% of 1%</b>	\$ 2,967,019	\$ 3,374,930	\$ 3,728,959	\$ 3,679,613	\$ 3,818,035
<b>SRF Debt Requirements</b>	\$ 1,120,364	\$ 1,120,364	\$ 1,120,364	\$ 1,120,364	\$ 1,120,364
<b>Excess Sales Tax</b>	\$ 1,846,655	\$ 2,254,566	\$ 2,608,595	\$ 2,559,249	\$ 2,697,671



**Water Distribution Fund:**

<b>Water Distribution Fund</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operating Revenue	7,195,111	7,012,591	6,812,741
Operating Expenses	-9,298,670	-9,019,164	-8,703,614
Net Operating Revenue	-2,103,559	-2,006,573	-1,890,873
Add: Depreciation	1,694,480	1,850,219	1,836,454
Add: GPT Transfer	516,200	9,440	4,532,671
Adjusted Net Operating Income	107,121	-146,914	4,478,252

The City water system currently serves an estimated population of 25,130. Residential users pay a base rate of \$11 per month and commercial users pay a base rate of \$53.90 per month. All users pay a usage fee of \$7.78 per 1,000 gallons.

**Outstanding Debt (as of April 30, 2026):**

	<b>Original Amount</b>	<b>Current Balance</b>
Revenue Bonds	105,079,321	48,519,451
	105,079,321	48,519,451

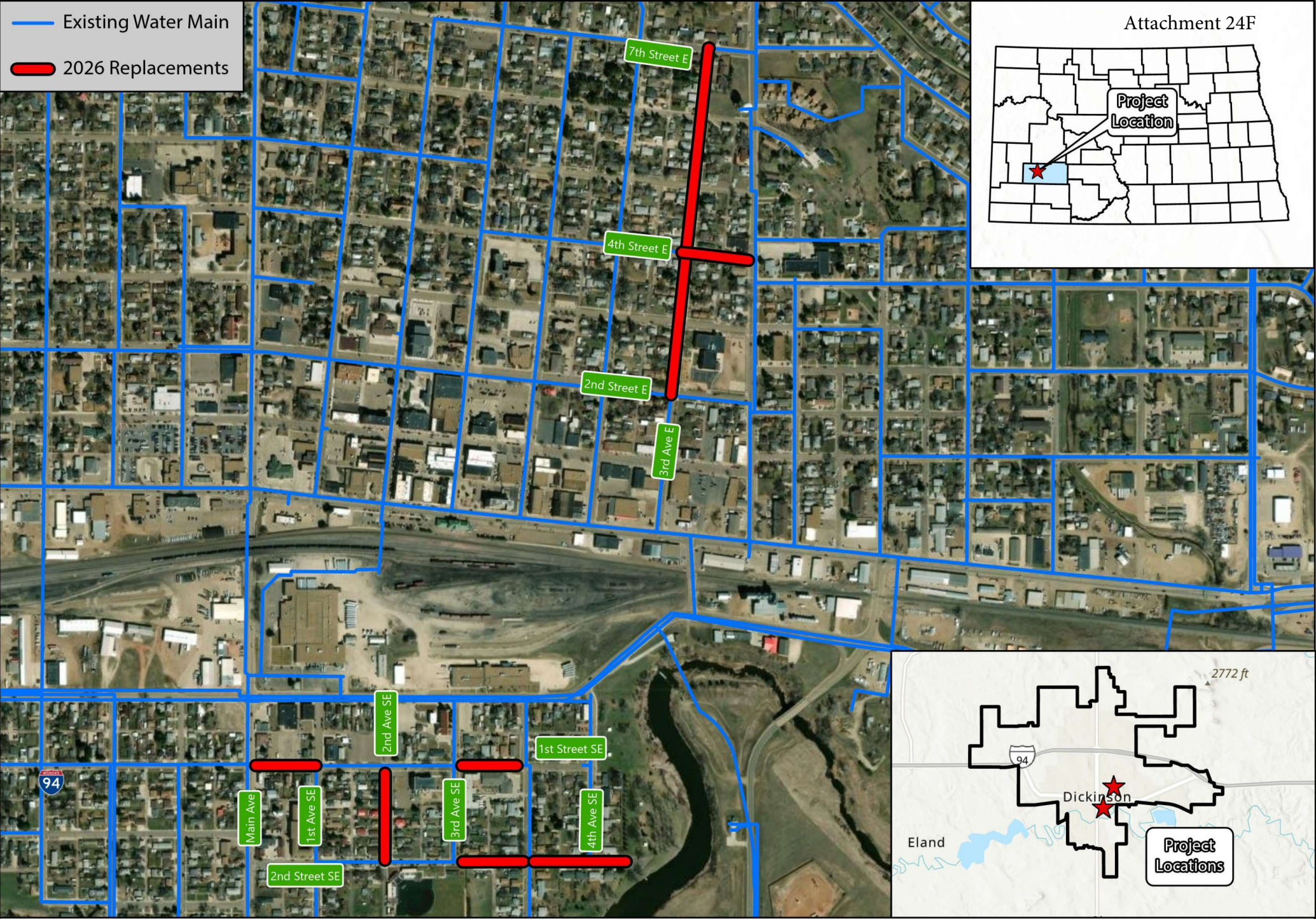
Average annual debt service requirements are estimated at \$6,142,743, which is an average of \$239.21 per resident. Historical census populations for the City were 25,679 in 2020, 17,787 in 2010 and 16,010 in 2000. The largest employers in the City are Dickinson Public Schools, Wal-Mart and Steffes Solutions.

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

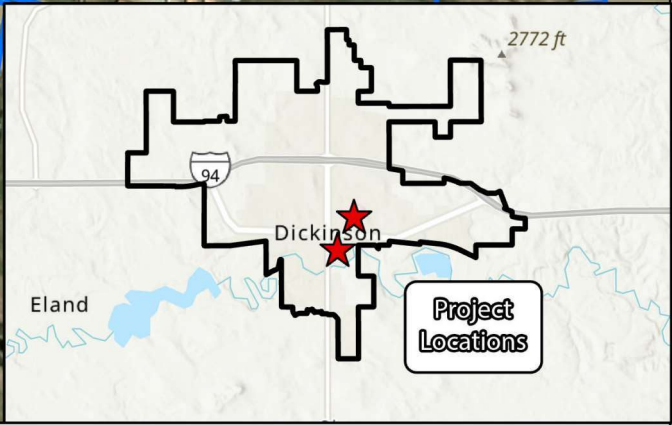








Kylee Merkel  
Business Banker

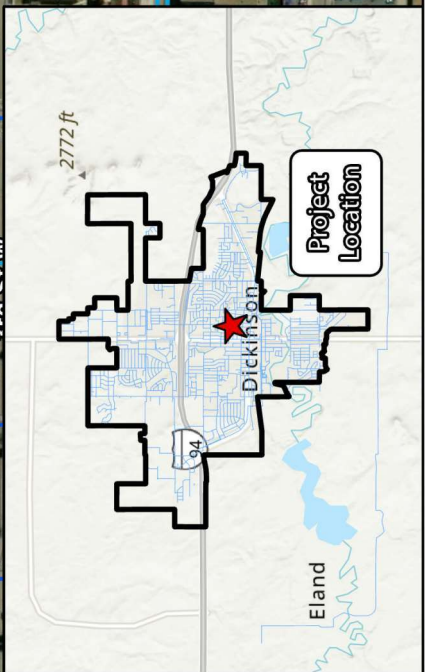
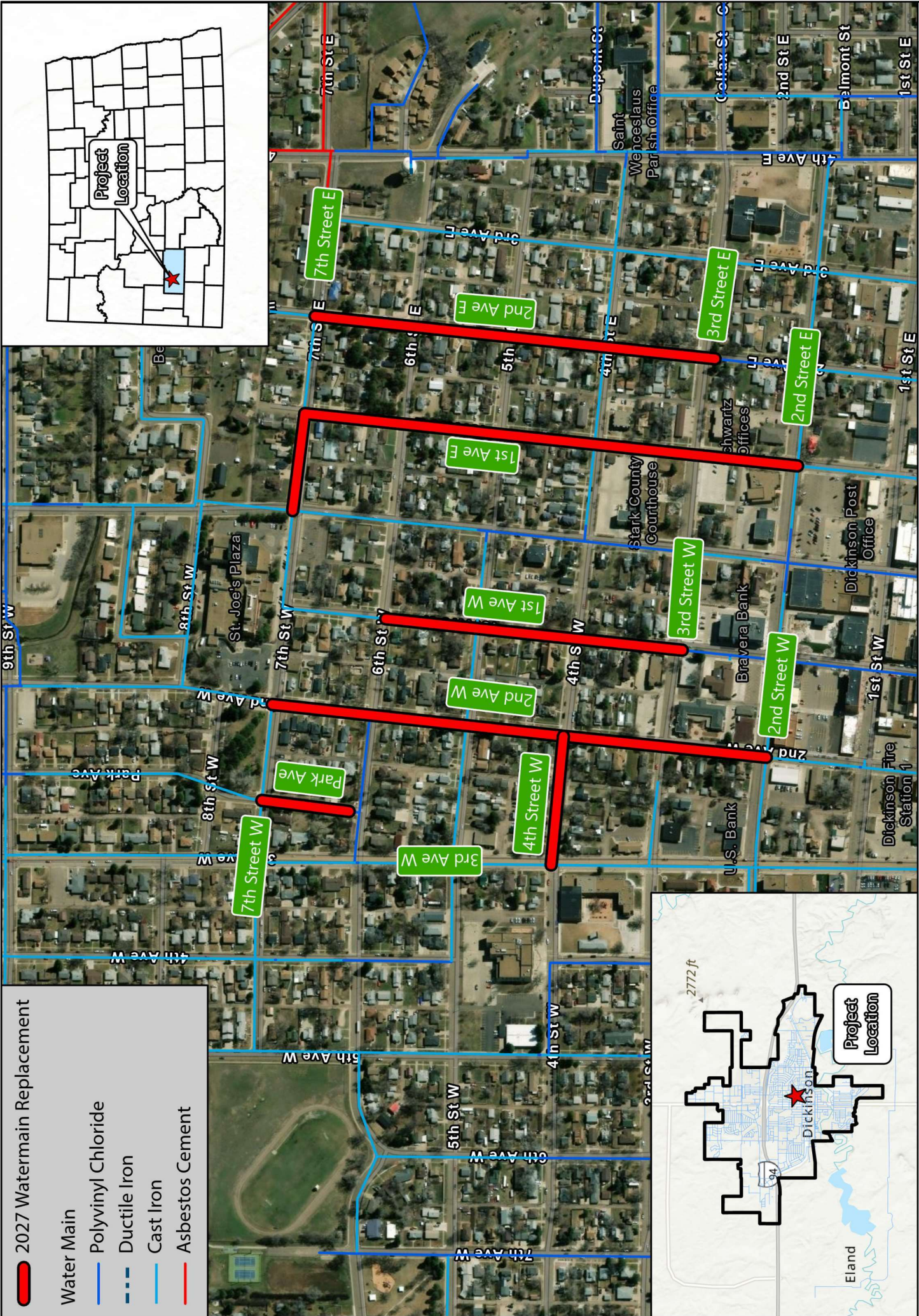
— Existing Water Main  
 — 2026 Replacements



Attachment 24F



-  2027 Watermain Replacement
-  Water Main
-  Polyvinyl Chloride
-  Ductile Iron
-  Cast Iron
-  Asbestos Cement



June 18, 2026

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its June 18, 2026 meeting, reviewed, discussed, and recommends approval of a \$16,954,000 Drinking Water State Revolving Fund Program loan to Walsh Rural Water District.

North Dakota Public Finance Authority  
Advisory Committee

Keith Lund, Chairman  
Linda Svihovec  
John Phillips

## Memorandum

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

**From:** DeAnn Ament, Executive Director

**Date:** April 21, 2026

**Re:** Walsh Rural Water District  
 Drinking Water State Revolving Fund

### **Purpose of the Project:**

Increase the wellfield capacity within the Fordville aquifer, construct a new raw water receiving pumping station, 32-miles of raw water transmission pipeline, new rural water distribution pipeline to water from the Grafton water treatment plant and upgrades to the Park River and Grafton water treatment plants.

### **Project Cost:**

<b>DWSRF Request</b>	\$16,954,000
<b>DWSRF Loan Forgiveness</b>	(10,558,990)
<b>DWSRF Net Loan</b>	6,395,010

<b>DWSRF Request</b>	\$16,954,000
<b>DWR Cost Share</b>	11,149,500
<b>EC in SDC Grant</b>	8,896,750
<b>Project Total</b>	\$ 37,000,250

Population to Benefit from the Project: 10,210

Population Served by the System: 10,210 plus 2 cities with a total population of 1,373

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. Walsh Rural Water District (District) will issue revenue bonds payable with water user fees. The net average annual payment for the revenue bonds will be \$271,270. The reserve requirement will be \$289,275 and the 110% coverage requirement will be \$298,396.

### **Water Connections and Rates:**

The District currently provides water services to 4,308 rural connections and 2 cities in Walsh County and a portion of Pembina County. Users pay a monthly base rate of \$55 and \$8/1,000 gallons.

### Net Operating Coverage:

	2022	2023	2024	2025 <sup>1</sup>
<b>Interest Revenue</b>	-\$7,489	\$32,052	\$51,148	\$45,116
<b>Operating Revenue</b>	1,483,861	1,529,356	1,672,092	2,228,056
<b>Operating Expenses</b>	1,328,271	1,532,203	1,665,272	2,087,796
<b>Net Operating Revenue</b>	148,101	29,205	57,968	185,376
<b>Depreciation</b>	350,772	353,383	367,432	536,584
<b>Adjusted Net Operating Revenue</b>	\$498,873	\$382,588	\$425,400	\$721,960
<b>Revenue Bond Payments</b>	\$266,148	\$266,612	\$272,768	\$226,453
<b>Net Operating Coverage</b>	187%	143%	156%	319%
<b>Proforma DWSRF Payment</b>	\$271,270	\$271,270	\$271,270	\$271,270
<b>Proforma Net Operating Coverage</b>	93%	71%	78%	145%

<sup>1</sup> The City of Drayton was hooked up in 2024 and fully onboard in 2025. It will be a sustainable revenue stream.

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

### Outstanding Debt:

	Original Amount	Outstanding Debt
<b>Total Revenue Bond Debt <sup>2</sup></b>	\$1,728,143	\$611,695

<sup>2</sup> All payments have been made as agreed. The District has one DWSRF loan outstanding with a balance of \$400,000.

The estimated average annual payment of all debt including this new request is \$415,273 or \$40.67 per customer.

### Population and Employment

Based on the 2020 census, the total population was 10,970; this is a decrease of 149 from the 2010 census. The estimated 2026 population is 10,210. Major employers in the service area are Marvin Windows (wood product) with 500 employees, Life Skills and Transition Center (nursing and residential care) has 345 employees and Unity Medical Center employs 200.

### District's Area Schools' Enrollment for K-12:

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
2,697	2,685	2,687	2,667	2,684



## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** June 16, 2026

**RE:** Marketplace Analysis - Drinking Water State Revolving Fund Program  
Walsh Rural Water District

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The Walsh Rural Water District (“District”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$16,954,000 loan of which \$10,558,990 is loan forgiveness, for a total loan of \$6,395,010 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 District intends to use the proceeds to expand water infrastructure by increasing wellfield capacity in the Fordville aquifer, constructing a new pumping station, and building 32 miles of raw water transmission pipeline. It also adds rural distribution lines and upgrades both the Park River and Grafton water treatment plants.

The municipal securities to be acquired by the Authority will be revenue bonds of the District payable with water user fees. The District’s average annual payment under the proposed loan will be approximately \$271,270, indicating a 110 % net operating coverage requirement of approximately \$298,396. The District will be required to deposit \$289,275 into a reserve fund with payments of \$57,855 over the first five years of the loan. Proforma net operating coverage was 93%, 71%, 78%, and 145% in 2022-2025 respectively. The City of Drayton was included in the District in 2024 and fully onboard in 2025, leading to the increase in coverage. Net operating revenue will be sufficient to meet the 110% net operating coverage requirement.

As of April 30, 2026, the District has \$611,695 of Revenue Bonds Outstanding. The District currently has one DWSRF loan outstanding with a balance of \$400,000. The District is current in its payments for its outstanding Authority loan.

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

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker  
Bank of North Dakota

Date: May 12, 2026

RE: Walsh Rural Water District  
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$16,954,000 loan to Walsh Rural Water District under the Drinking Water State Revolving Fund (DWSRF). This project is eligible for \$10,558,990 of DWSRF loan forgiveness, making the net loan \$6,395,010. The total cost of the project is \$26,441,260, with \$11,149,500 coming from a Department of Water Resources cost-share grant and \$8,896,750 coming from an EPA Emerging Contaminants in Small and Disadvantaged Communities grant.

The project will increase wellfield capacity, construct a new pumping station, install additional pipelines and complete upgrades to the Park River and Grafton water treatment plants. The requested loan term is 30 years. The District will issue revenue bonds payable from user fees. The annual payment will average \$271,270.

**Debt Service Coverage:**

	2023	2024	2025	Projected
Operating Revenue	1,529,356	1,672,092	2,228,056	2,228,056
Interest Revenue	32,052	51,148	45,116	45,116
Operating Expenses	-1,532,203	-1,665,272	-2,087,796	-2,087,796
Net Operating Revenue	29,205	57,968	185,376	185,376
Add: Depreciation	353,383	367,432	536,584	536,584
Adjusted Operating Income	382,588	425,400	721,960	721,960
Current Debt Service	266,612	272,768	226,453	226,453
Proposed Debt Service				271,270
Current Debt Service	266,612	272,768	226,453	497,723
Debt Service Coverage	143.50%	155.96%	318.81%	145.05%

All connections pay a monthly base rate of \$55.00 and a volume charge of \$8.00 per 1,000 gallons. The existing user fees will generate sufficient net operating revenues to service both the new and existing debt.

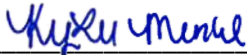
**Outstanding Debt:**

	<b>Original Amount</b>	<b>Amount Outstanding</b>
Water Revenue Bonds	1,728,143	611,695

Average annual debt service requirements are estimated at \$415,273, which is an average of \$40.67 per resident of the District.

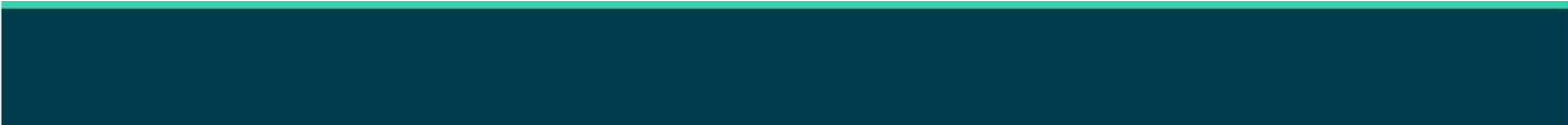
The District currently serves 4,308 rural connections and provides bulk water to the cities of Minto and Drayton. The District provides services in Walsh County and a portion of Pembina County. The District's estimated population is 10,210. The major employers in the service area are Marvin Windows, Life Skills and Transition Center and Unity Medical Center.

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

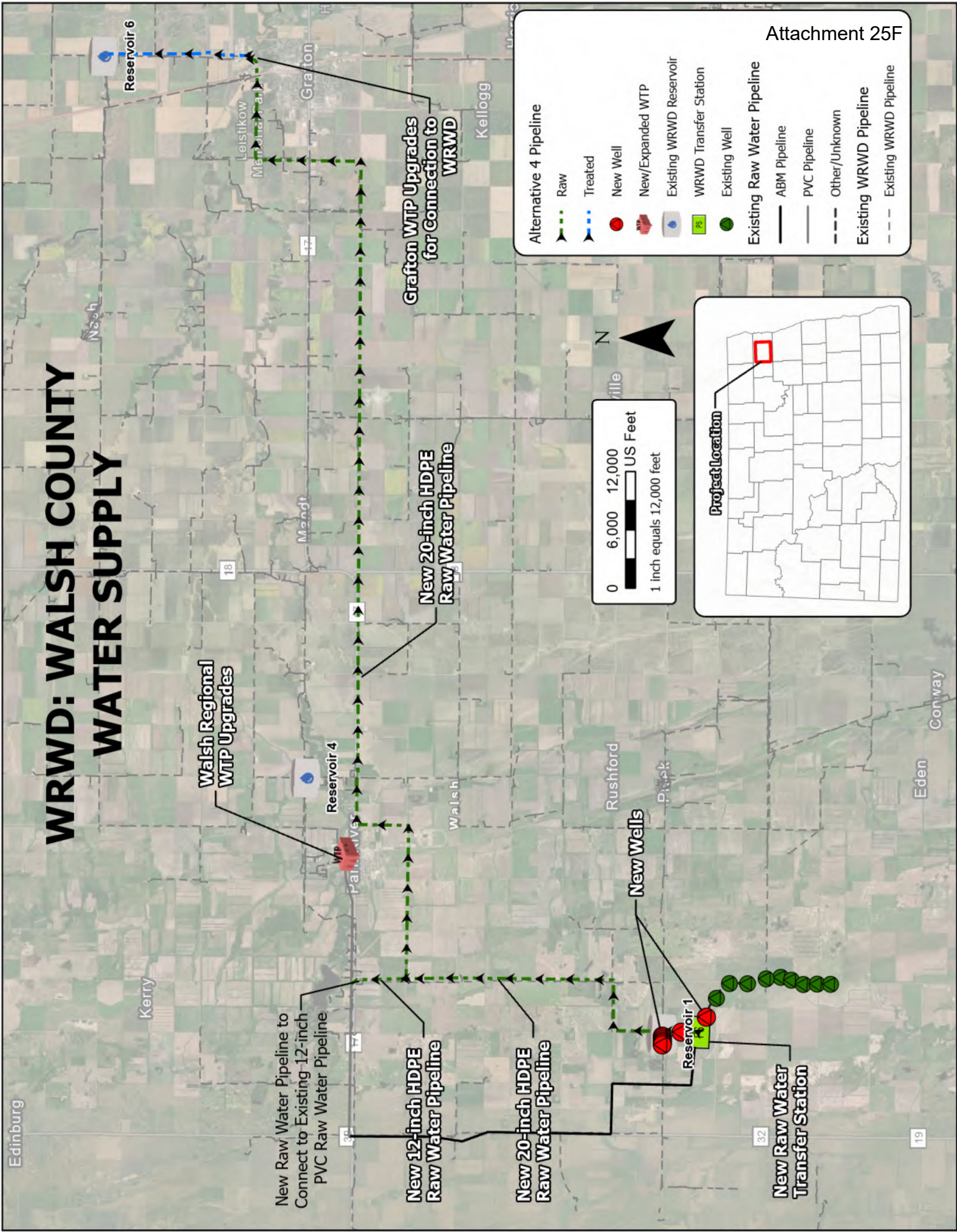


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Kylee Merkel  
Business Banker



# WRWD: WALSH COUNTY WATER SUPPLY

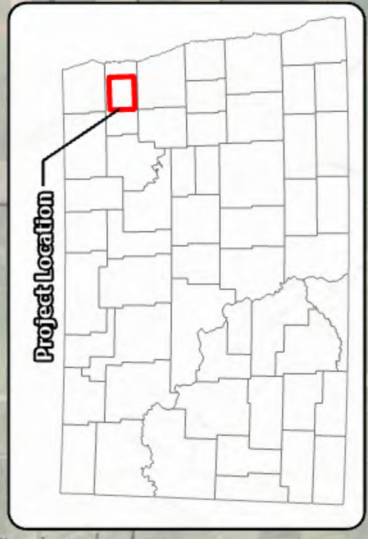
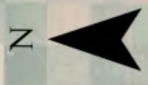
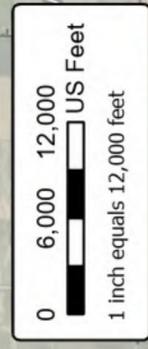


**Alternative 4 Pipeline**

- Raw: Dashed green line with arrowheads
- Treated: Dashed blue line with arrowheads
- New Well: Red circle
- New/Expanded WTP: Red house icon
- Existing WRWD Reservoir: Blue house icon
- WRWD Transfer Station: Green square with 'PS'
- Existing Well: Green circle

**Existing Raw Water Pipeline**

- ABM Pipeline: Solid black line
- PVC Pipeline: Solid grey line
- Other/Unknown: Dashed black line
- Existing WRWD Pipeline: Dashed black line
- Existing WRWD Pipeline: Dashed black line



New Raw Water Pipeline to Connect to Existing 12-inch PVC Raw Water Pipeline

New 12-inch HDPE Raw Water Pipeline

New 20-inch HDPE Raw Water Pipeline

New Wells

New Raw Water Transfer Station

Walsh Regional WTP Upgrades

New 20-inch HDPE Raw Water Pipeline

Grafton WTP Upgrades for Connection to WRWD

Edinburg

Kerry

Reservoir 4

Walsh

Rushford

Pittsford

Eden

Conway

Reservoir 6

Leistikow

Grafton

Kellogg

18

Mandt

32

19

## Memorandum

**To:** Public Finance Authority Advisory Committee

**From:** DeAnn Ament, Executive Director

**Date:** June 3, 2026

**Re:** City of Belfield  
Clean Water State Revolving Fund

### **Purpose of the Project:**

Decommission West Lift Station, renovate Middle Lift Station, and replace the pumps which will reduce operation and maintenance costs and improve system reliability.

### **Project Cost:**

<b>CWSRF Request</b>	\$ 143,000
<b>CDBG Grant</b>	1,000,000
<b>Stark County Capital Improvements Fund</b>	385,598
<b>Total Project</b>	<b>\$ 1,528,598</b>

Population to Benefit from the Project: 996

Population Served by the System: 996

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 20 years. The City of Belfield will issue revenue bonds payable with sewer user fees. The average annual payment for the revenue bonds will be \$8,317. The 110% coverage requirement will be \$9,148 and the required debt service reserve will be \$8,960.

### **Sewer Rates:**

The City has 589 sewer connections which pay only a volume charge which is \$6.50 per 1,000 gallons.

**Sewer Fund Net Operating Coverage:**

	Unaudited			
	2022	2023	2024	2025
<b>Operating Revenue</b>	\$119,634	\$113,834	\$117,281	\$134,593
<b>Operating Expenses</b>	730,839	316,268	270,243	108,578
<b>Net Operating Revenue (Expense)</b>	-611,205	-202,433	-152,962	26,015
<b>Depreciation</b>	44,875	41,875	43,375	-
<b>Transfer In</b>	-	193,315	188,053	-
<b>Adjusted Net Operating Revenue (Expense)</b>	-\$566,330	\$32,757	\$78,466	\$26,015
<b>Proforma CWSRF Bond Payments</b>	\$8,317	\$8,317	\$8,317	\$8,317
<b>Net Operating Coverage</b>	-6809%	394%	943%	313%

With existing sewer user fee revenues, the City will be able to meet the 110% net operating coverage requirement.

**Outstanding Debt as of May 31, 2026:**

	Original Amount	Outstanding Amount
<b>Improvement Bonds</b>	\$2,865,000	\$1,350,000
<b>Total</b>	\$2,865,000	\$1,350,000

The average annual debt payment, including this new request, will be \$213,087 which is \$214 per resident.

**Population and Employment**

The City of Belfield is located in Stark County 24 miles west of Dickinson on Interstate 94. Based on the 2020 census, the total population was 996; this is an increase of 196 from the 2000 census. The largest employers in the City are Belfield Public School with 48 employees, ONEOK (energy infrastructure) with 29 employees, and On the Run (truck stop) with 15 employees.

**Belfield Public School Enrollment:**

	<i>Projected</i>				
	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
	267	281	253	250	250

### Tax Information

The City's 2025 taxable valuation was \$3,289,160. This is an increase of \$490,378 from the 2021 taxable valuation.

### Property Tax Collections 4/27/2026:

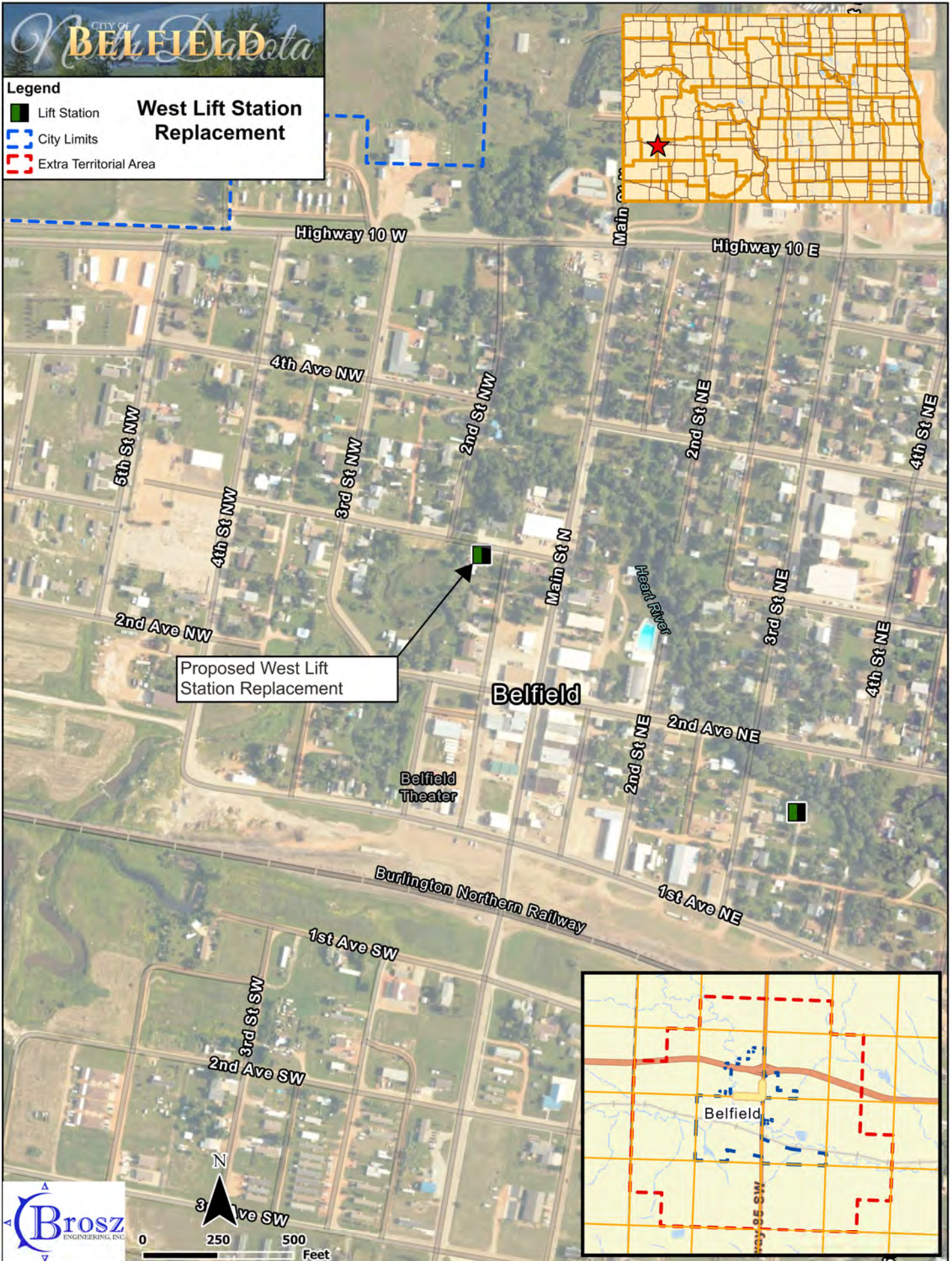
Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2025	\$313,706	\$181,553	58%
2024	\$298,358	\$279,665	94%
2023	\$209,910	\$202,921	97%

### Special Assessment Tax Collections 4/27/2026:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2025	\$241,128	\$159,229	66%
2024	\$135,738	\$111,416	82%
2023	\$151,016	\$134,597	89%

### City of Belfield Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2025	95.38	100.95	11.59	56.98	0.95	265.85
2024	96.98	102.98	12.03	61.03	1.00	274.02
2023	71.98	105.03	12.81	64.12	1.00	254.94
2022	72.87	90.02	11.58	64.76	1.00	240.23
2021	75.00	87.05	10.36	70.46	1.00	243.87



## 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:** May 20, 2026

**Re:** City of Regent  
 Clean Water State Revolving Fund

### **Purpose of the Project:**

Reconstruction of Main Avenue including replacing sewer and water mains, sidewalk, curb, gutter and storm water piping.

### **Project Cost:**

<b>CWSRF Request</b>	\$1,075,000
<b>Flexible Transportation Funds</b>	4,864,648
<b>Transportation Alternatives Funds</b>	547,207

<b>CDBG Grant</b>	\$1,062,500
<b>BND IRLF</b>	177,958
<b>Project Total</b>	\$7,727,313

Population to Benefit from the Project: 170

Population Served by the System: 170

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 and a secondary pledge of city sales tax. The average annual payment for the revenue bonds will be \$45,113. The 110% coverage requirement will be \$49,624 and the required debt service reserve will be \$49,050.

### **City Sales Tax**

A 2% city sales tax is collected to be used to replace infrastructure, construction of new infrastructure, and capital improvements related to community needs in areas of health, recreation, security, economic development, and senior services. It is not currently pledged to any debt.

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Sales Tax Revenue</b>	\$52,657	\$53,457	\$52,973	\$39,266	\$35,673

### Sewer Rates:

The City has 163 sewer connections which pay a monthly base rate of \$10 per connection and \$2.50 per 1,000 gallons over 2,000 gallons. The monthly rate will increase to \$20 per user in June 2026 which will annually generate an estimated \$19,560.

### Sewer Fund Net Operating Coverage:

	2022	2023	2024	2025
				Unaudited
<b>Operating Revenue</b>	\$33,763	\$31,666	\$30,366	\$32,664
<b>Operating Expenses</b>	29,006	25,593	25,592	23,696
<b>Net Operating Revenue</b>	\$4,757	\$6,073	\$4,775	\$8,969
<b>Transfers In</b>	2,916	3,391	3,449	-
<b>Adjusted Net Operating Revenue</b>	\$7,673	\$9,463	\$8,223	\$8,969
<b>Proforma Rate Increase Revenue</b>	\$19,560	\$19,560	\$19,560	\$19,560
<b>5 Year Avg City Sales Tax Revenue</b>	\$46,805	\$46,805	\$46,805	\$46,805
<b>Proforma CWSRF Bond Payment</b>	\$45,113	\$45,113	\$45,113	\$45,113
<b>Proforma Net Operating Coverage</b>	164%	168%	165%	167%

With the rate increase and secondary pledge of city sales tax, the City should meet the 110% net operating coverage requirement.

### Outstanding Debt as of May 31, 2026:

The City does not have any outstanding debt as of May 31, 2026.

The average annual debt payment with this new request and the BND IRLF will be \$53,061 or \$312 per resident.

### Population and Employment

The City of Regent is located in Hettinger County 47 miles southeast of Dickinson. Based on the 2020 census, the total population was 170; this is an increase of 10 from the 2000 census. The largest employers in the City are Dakota Frontier Cooperative (farm/ranch service) with 7 employees, Regent Consumers Co-op (grocery/retail store) with 7 employees, and Regent Garage (mechanic) with 5 employees.

### Mott-Regent Public Schools Enrollment:

				<i>Projected</i>
2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
235	233	231	225	225

### Tax Information

The City's 2025 taxable valuation was \$609,961. This is an increase of \$61,114 from the 2021 taxable valuation.

### Property Tax Collections 1/30/2026:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2025	\$77,999	\$23,854	31%
2024	\$78,810	\$78,093	79%
2023	\$81,577	\$72,535	89%

### Special Assessment Tax Collections 1/30/2026:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2025	\$-	\$-	-
2024	\$-	\$-	-
2023	\$96,319	\$94,326	98%

### City of Regent Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2025	128.91	114.88	38.00	93.24	18.07	393.10
2024	130.65	115.01	32.79	91.46	17.93	387.84
2023	134.43	112.91	29.12	89.97	17.34	383.77
2022	133.32	114.03	26.69	79.98	16.17	370.19
2021	122.91	112.01	24.09	83.25	15.95	358.21



## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** June 16, 2026

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

---

The City of Regent (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$1,075,000 loan under the Clean Water State Revolving Fund Program (“CWSRF Program”). The CWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various wastewater treatment projects and landfill projects as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The City intends to use the proceeds to reconstruct Main Avenue, including replacing sewer and water mains, sidewalk curb, and gutter and storm water piping.

The municipal securities to be acquired by the Authority will be revenue bonds payable with sewer user fees and a secondary pledge of city sales tax. The City’s average annual payment under the proposed loan will be approximately \$45,113 indicating a 110% net revenue coverage requirement of approximately \$49,624. The City will be required to deposit \$49,050 into a reserve fund with payments of \$9,810 per year for the first five years of the loan. The current sewer connection monthly base rate is \$10 and the City anticipates raising the rate by \$10, which will generate approximately \$19,560 of annual revenue. Pro forma net operating coverage of the sewer fund was 1.64x, 1.68x, 1.65x and 1.67x for 2022-2025, respectively. In addition, the City collects a 2% sales tax and it is not currently pledged to any debt. The anticipated monthly base rate increase, existing sewer fund revenues, and the excess sales tax will provide sufficient net revenues to meet the 110% coverage requirement.

The City has no outstanding debt as of May 31, 2026.

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: May 22, 2026

RE: City of Regent  
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,075,000 loan to the City of Regent under the Clean Water State Revolving Fund (CWSRF). This entire cost of the project is \$7,727,313 with the project receiving \$4,864,648 of flexible transportation grant funds, \$547,207 of transportation alternatives grant funds, \$1,062,500 of CDBG grant funds and a \$177,958 loan from the BND infrastructure revolving loan fund (IRLF). The project will reconstruct main avenue including replacement of sewer and water mains, sidewalk, curb, gutter and storm water piping.

The City will issue revenue bonds payable sewer user fees and a secondary pledge of with city sales tax collections. The annual payment will average \$45,113. The requested loan term is 30 years.

**City Sales Tax Collections:**

The City collects 2% for city sales tax to be used for infrastructure and capital improvements. The sales tax is currently not pledged for any repayment of debt.

	2021	2022	2023	2024	2025
<b>2% Sales Tax Collections</b>	35,673	39,266	52,973	53,457	52,657

**Sewer Rates:**

The City has 146 residential connections and 17 commercial connections. All connections pay a monthly base rate of \$10.00 and a volume charge of \$2.50 per 1,000 gallons in excess of 2,0000 gallons. The monthly base rate will increase to \$20 per connection in June 2026, which will generate approximately \$19,560 annually.



**Sewer Fund Net Operating Coverage:**

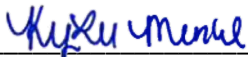
Sewer Fund	2022	2023	2024	Projected
Operating Revenue	33,763	31,666	30,366	30,366
Rate Increase				19,560
5 Year Average Sales Tax				46,805
Operating Expenses	-29,006	-25,593	-25,592	-25,592
Net Operating Revenue	4,757	6,073	4,775	71,140
Transfers In	2,916	3,391	3,449	3,449
Adjusted Net Operating Income	7,673	9,463	8,223	74,588
Proposed Debt Service				45,113
Debt Service Coverage				165%

With the rate increase and secondary pledge of city sales tax, the City should be able to meet the 110% net operating coverage requirement.

The City does not currently have any debt outstanding. The proposed CWSRF and IRLF average annual debt service requirements are estimated at \$53,061, which is an average of \$312.12 per resident.

Historical census populations for the City were 170 in 2020, 160 in 2010 and 211 in 2000. The largest employers in the Dakota Frontier Cooperative, Regent Consumers Cooperative and Regent Garage.

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

# Main Avenue Reconstruction Project aka Enchanted Highway City of Regent, Hettinger County, ND Project Location Map



## Memorandum

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

**From:** DeAnn Ament, Executive Director

**Date:** June 9, 2026

**Re:** City of Wing  
 Clean Water State Revolving Fund

### Purpose of the Project:

Rehabilitate the wastewater stabilization ponds including bank repair, rip rap, cross over pipe replacement and replace the lift station. Also, construct a wetland treatment cell and disconnect the storm sewer inlet.

### Project Cost:

<b>CWSRF Request</b>	\$1,807,000
<b>CWSRF Loan Forgiveness</b>	(1,355,000)
<b>Net CWSRF Loan</b>	\$ 452,000

CWSRF Request	\$1,807,000
<b>CDBG Funds</b>	2,211,179
<b>Project Total</b>	\$4,018,179

Population to Benefit from the Project: 132

Population Served by the System: 132

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. The City of Wing will issue revenue bonds payable with sewer user fees. The net average annual payment for the revenue bonds will be \$19,139. The 110% coverage requirement will be \$21,054 and the required debt service reserve will be \$20,140.

### Sewer Rates:

The monthly sewer base rate for City's 60 residential connections is \$25, and the 18 commercial connections pay \$27. They will raise the base rate \$18 per connection which will annually generate \$16,848. On April 2, 2026, the City approved an increase to the base rates of \$24 effective April 25, 2026.

### Sewer Fund Net Operating Coverage:

	2022	2023	2024	2025
<b>Operating Revenue</b>	\$25,091	\$25,398	\$28,845	\$25,245
<b>Operating Expenses</b> <sup>1</sup>	10,564	11,171	11,636	5,487
<b>Net Operating Revenue</b>	\$14,527	\$14,227	\$17,209	\$19,758
<b>Revenue Bond Payments</b>	\$10,740	\$12,931	\$11,480	\$11,340
<b>Net Operating Coverage</b>	135%	110%	150%	174%
<b>Proforma Rate Increase</b>	\$16,848	\$16,848	\$16,848	\$16,848
<b>Proforma CWSRF Payment</b>	\$19,139	\$19,139	\$19,139	\$19,139
<b>Proforma Net Operating Coverage</b>	105%	97%	111%	120%

<sup>1</sup> Operating expenses: 2022 contained \$13,622 of "other" and 2024 were adjusted for a onetime \$9,147 sewer repair.

With the proposed rate increase, the City will be able to meet the 110% net operating coverage requirement.

### Outstanding Debt as of May 31, 2026:

	Original Amount	Outstanding Amount
<b>Improvement Bonds</b>	\$2,337,000	\$554,000
<b>Revenue Bonds</b>	\$620,834	210,000
<b>Total</b>	\$2,957,834	\$764,000

The average annual debt payments including this new request will be \$55,979, which is \$424 per resident.

### Population and Employment

The City of Wing is located in Burleigh County 60 miles northeast of Bismarck. Based on the 2020 census, the total population was 132; this is a decrease of 20 from the 2000 census. The largest employers in the City are Wing Public School with 17 employees, S & N Holdings (trucking) with 5 employees, and Cenex (gas station) with 5 employees.

### Wing Public School Enrollment:

*Projected*

2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
67	70	66	59	60

### Tax Information

The City's 2025 taxable valuation was \$264,987. This is an increase of \$49,296 from the 2021 taxable valuation.

### Property Tax Collections 5/6/2026:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2025	\$18,541	\$16,824	91%
2024	\$15,492	\$14,755	95%
2023	\$18,166	\$18,098	100%

### Special Assessment Tax Collections 5/6/2026:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2025	\$37,663	\$31,895	85%
2024	\$39,914	\$36,423	91%
2023	-	-	-

### City of Wing Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2025	68.60	94.96	1.79	22.17	17.00	204.52
2024	63.24	96.69	1.86	40.62	17.14	219.55
2023	80.06	92.00	1.94	42.17	17.82	233.99
2022	105.00	85.81	2.16	35.26	6.04	234.27
2021	105.00	76.76	2.13	35.40	5.73	225.02



## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** June 16, 2026

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

---

The City of Wing (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$1,807,000 loan of which \$1,355,000 is loan forgiveness for a total loan of \$452,000 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 rehabilitate the wastewater stabilization ponds including bank repair, rip rap, cross over pipe replacement and replace the lift station, and construct a wetland treatment cell and disconnect the storm sewer inlet.

The municipal securities to be acquired by the Authority will be revenue bonds payable with sewer user fees. The City’s average annual payment under the proposed loan will be approximately \$19,139 indicating a 110% net revenue coverage requirement of approximately \$21,054. The City will be required to deposit \$20,140 into a reserve fund with payments of \$4,028 per year for the first five years of the loan. The current sewer connection monthly base rate is \$25 for residential connections and \$27 for commercial connections. The City anticipates raising the rate by \$18, which will generate approximately \$16,848 of annual revenue. Pro forma net operating coverage of the sewer fund was 1.05x, 0.97x, 1.11x and 1.20x for 2022-2025, respectively. The anticipated monthly base rate increase and existing sewer fund revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of May 31, 2026, the City has \$210,000 of Revenue Bonds and \$554,000 of Improvement Bonds outstanding.

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: June 10, 2026

RE: City of Wing  
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,807,000 loan to the City of Wing under the Clean Water State Revolving Fund (CWSRF). This project is eligible for up to \$1,355,000 of CWSRF loan forgiveness, making the net loan \$452,000. The entire cost of the project is \$4,018,179, with the City receiving \$2,211,179 of Community Development Block Grant funds.

The project will rehabilitate the wastewater stabilization ponds and replace the lift station. The requested loan term is 30 years. The City will issue a revenue bond payable with sewer user fees. The annual payment will average \$19,140.

**Sewer Fund Debt Service Coverage:**

Sewer Fund	2021	2022	Draft Audit 2023	Internal 2024	Internal 2025	Projected
Operating Revenue	28,266	25,091	25,398	28,845	25,245	25,245
Projected Rate Increase						16,848
Operating Expenses	-9,802	-10,564	-11,171	-11,636	-5,487	-5,487
Net Operating Revenue	18,464	14,527	14,227	17,209	19,757	36,605
Current Debt Service		10,740	12,931	11,840	11,340	11,340
Proposed Debt Service						19,140
Total Debt Service	0	10,740	12,931	11,840	11,340	30,480
Debt Service Coverage	NA	135%	110%	145%	174%	120%



The City currently serves 60 residential and 18 commercial sewer connections. Residential connections pay a monthly base rate of \$25 and commercial connections pay a monthly base rate of \$27. The City intends to raise the monthly base rate by \$18 per connection. This will generate an additional \$16,848 in annual revenues. The existing user fees, combined with the rate increase, will generate sufficient net operating revenues to service the existing and proposed debt.

**Debt Outstanding (as of May 31, 2026):**

	<b>Original Amount</b>	<b>Current Balance</b>
Improvement Bonds	2,337,000	554,000
Revenue Bonds	620,834	210,000
	2,957,834	764,000

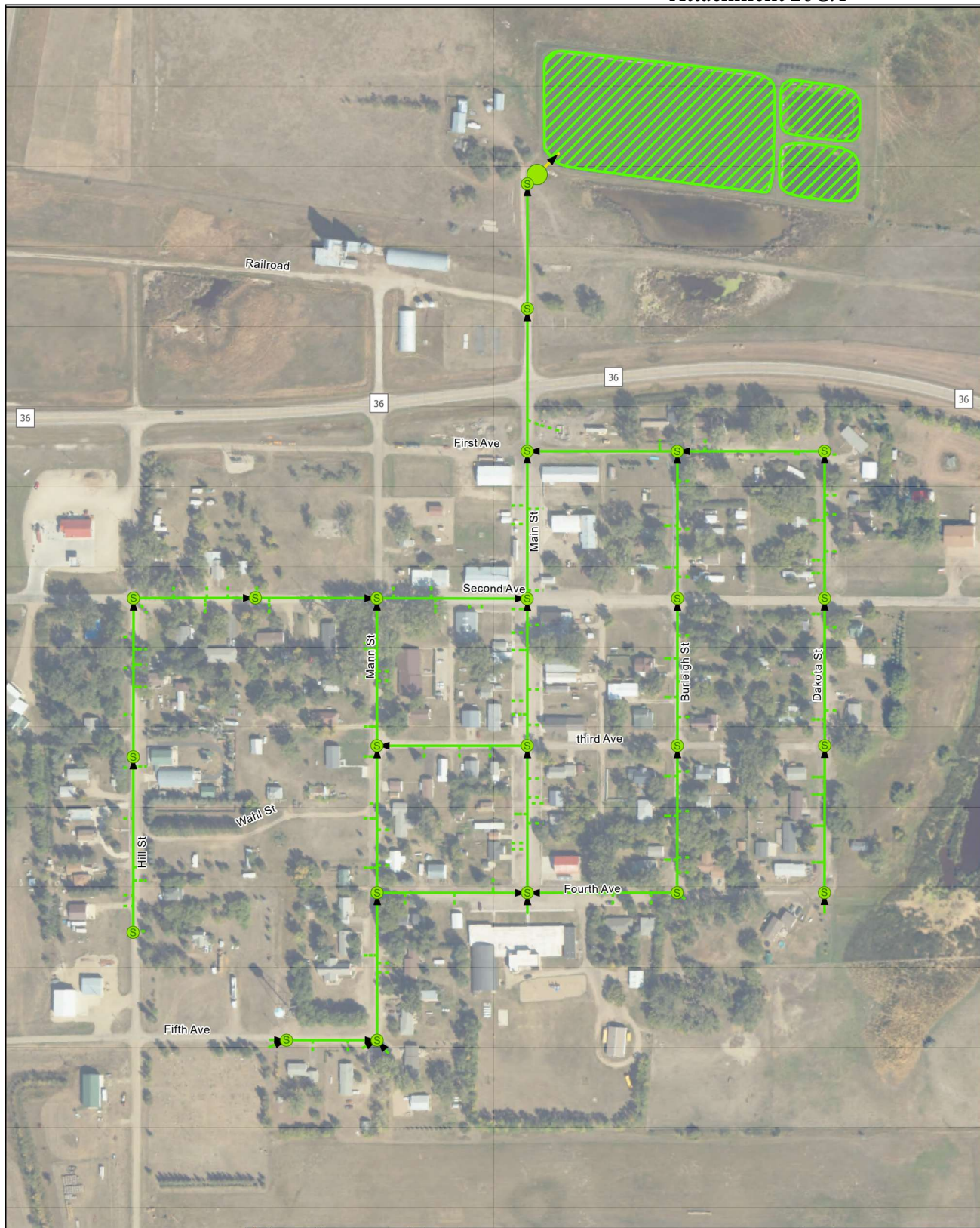
Average annual debt service requirements are estimated at \$55,980, which is an average of \$424.09 per resident.

Historical census populations for the City of Wing were 132 in 2020, 152 in 2010 and 124 in 2000. Current school enrollment is 59, a decrease of 7 from the prior year. The largest employers in the City are Wing Public Schools, S & N Holdings and Cenex.

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

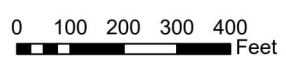
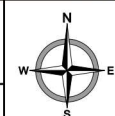


Kylee Merkel  
Business Banker



- Legend**
- Manhole
  - Lift Station
  - Gravity Main
  - Force Main
  - ⋯ Sanitary Service
  - ▨ Sanitary Lagoon

**DWR MAP**  
**WING, NORTH DAKOTA**



Created By: BAS Date Created: 01/10/2024 Date Saved: 12/05/23 Date Plotted: <ACP>N/A-<ACP>  
 Plotted By: brook smith Date Exported: <ACP>01/10/25 Parcel Date: N/A Aerial Image: 2020 County NAIP SIDS  
 Elevation Data: Horizontal Datum: N/A Vertical Datum: NAVD1988  
 T:\BaseData\ND\City\Wing\09\_ArcPro\Wing Sanitary Sewer 23137\Wing Sanitary Sewer 23137.aprx

## 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:** May 28, 2026

**Re:** City of Grafton  
 Drinking Water State Revolving Fund

### **Purpose of the Project:**

Identify, remove and replace any known lead service lines with PVC water mains.

### **Project Cost:**

DWSRF Request	\$1,125,000
DWSF Loan Forgiveness	(594,000)
Net DWSR Loan	\$ 531,000

Population to Benefit from the Project: 225

Population Served by the System: 4,120

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 15 years. Accordingly, the average annual payment on the loan will be approximately \$35,400. The City will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City 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.

### **Water Rates:**

The City has 1,879 users paying a monthly water base rate of \$19 and a volume charge of \$11/1,000 gallons for the first 24,000 gallons and \$9.31/1,000 thereafter.

## Water Fund Net Operating Coverage:

	Unaudited			
	2022	2023	2024	2025 <sup>1</sup>
<b>Interest Revenue</b>	\$7,839	\$22,654	\$25,761	\$16,635
<b>Operating Revenue</b>	1,088,684	1,064,900	1,061,301	1,357,221
<b>Operating Expenses</b>	958,461	985,369	1,180,011	1,234,458
<b>Net Operating Revenue</b>	138,062	102,185	-92,949	139,399
<b>Depreciation</b>	274,372	277,912	297,146	307,629
<b>Adjusted Net Operating Revenue</b>	\$412,434	\$380,097	\$204,197	\$447,028
<b>Revenue Bond Payments</b>	\$220,575	\$204,858	\$125,500	\$128,500
<b>Net Operating Coverage</b>	187%	186%	163%	348%

<sup>1</sup> In May 2025, the monthly base rate increased \$2.50 and volume charge increased \$2/1,000 gallons.

## Outstanding Indebtedness December 31, 2025:

	Initial Amount	Outstanding Balance
<b>Improvement Bonds</b>	\$ 23,283,378	\$ 16,232,984
<b>Revenue Bonds<sup>2</sup></b>	6,624,517	2,644,356
	\$ 29,907,895	\$ 18,877,341

<sup>2</sup> Bond payments have been made as agreed. The City has two Clean Water State Revolving Fund and two DWSRF loans with \$1,591,687 outstanding.

The average annual payment of all bonded debt will be \$1,722,738 or \$413 per resident.

## Population and Employment

The City of Grafton is located in Walsh County 41 miles northwest of Grand Forks on US Highway 81. Based on the 2020 census, the total population is 4,170; this is a decrease of 112 from the 2010 census. The largest employers in the City are Marvin Windows (manufacturing) with 500 employees, Life Skills & Transition Center (nursing and residential care) has approximately 200 employees and Grafton Public School employs 200.

## Grafton K-12 School Enrollment:

<i>Projected</i>				
2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
899	878	877	800	885

The City's 2025 taxable valuation was \$11,507,342. This is an increase of \$3,292,388 over the 2021 taxable valuation.

## Property Tax Levies and Collections as of 3/30/2026:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2025	1,268,050	1,160,541	92%
2024	1,229,403	1,193,014	97%
2023	1,206,827	1,194,037	99%

## Special Assessments Certified for Collection as of 3/30/2026:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2025	\$638,130	\$539,189	84%
2024	\$475,977	\$459,209	96%
2023	\$220,566	\$215,583	98%

## City of Grafton Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2025	110.20	130.28	42.94	118.57	1.32	403.31
2024	115.98	126.40	43.90	119.55	0.96	406.79
2023	116.01	127.76	43.65	128.77	1.90	418.09
2022	120.06	130.00	43.67	119.70	1.08	414.51
2021	123.52	130.00	43.00	111.00	1.50	409.02



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

**FROM:** PFM Financial Advisors LLC

**DATE:** June 16, 2026

**RE:** Marketplace Analysis - Drinking Water State Revolving Fund Program  
City of Grafton

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The City of Grafton (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$1,125,000 loan of which \$594,000 is loan forgiveness for a total loan of \$531,000 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 to identify, remove and replace any known lead service lines with PVC water mains.

The municipal securities to be acquired by the Authority will be improvement bonds of the City payable from special assessments levied against the benefited property. The proposed term of the loan is 15 years with a subsidized interest rate. Accordingly, the City’s average annual payment under the proposed loan will be approximately \$35,400. The improvement bonds will be a contingent general obligation of the City, which will be required by law to levy a general deficiency tax if the revenues collected from the levy of special assessments are insufficient to make the debt service payments.

As of December 31, 2025, the City has \$2,644,356 of Revenue Bonds and \$16,232,984 of Improvement Bonds outstanding. The City has two Clean Water SRF and two Drinking Water SRF loans with a total outstanding balance of \$1,591,687. 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: May 29, 2026

RE: City of Grafton  
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,125,000 loan to the City of Grafton under the Drinking Water State Revolving Fund (DWSRF). The project is eligible for \$594,000 of DWSRF loan forgiveness, making the net loan amount \$531,000.

The project will identify, remove and replace lead service lines with PVC water mains. The requested loan term is 15 years. The City will issue improvement bonds payable with special assessment collections. The annual payment will average \$35,400.

**Water Fund Net Operating Coverage:**

Water Fund	2022	2023	2024
Operating Revenue	1,088,684	1,064,900	1,061,301
Interest Revenue	7,839	22,654	25,761
Operating Expenses	-958,461	-985,369	-1,180,011
Net Operating Revenue	138,062	102,185	-92,949
Plus: Depreciation	274,372	277,912	297,146
Adjusted Net Operating Income	412,434	380,097	204,197
Current Debt Service	220,575	204,858	125,500
Debt Service Coverage	187%	186%	163%

The City currently serves 1,879 connections that pay a monthly base rate of \$19 and a usage charge of \$11 per 1,000 gallons for the first 24,000 gallons and \$9.31 per 1,000 gallons thereafter.



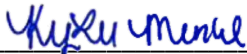
**Outstanding Debt (as of December 31, 2025):**

	<b>Original Amount</b>	<b>Current Balance</b>
Improvement Bonds	23,283,378	16,232,984
Revenue Bonds	6,624,517	2,644,357
	29,907,895	18,877,341

Average annual debt service requirements are estimated at \$1,722,738, which is an average of \$413.13 per resident.

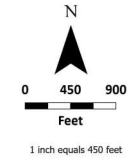
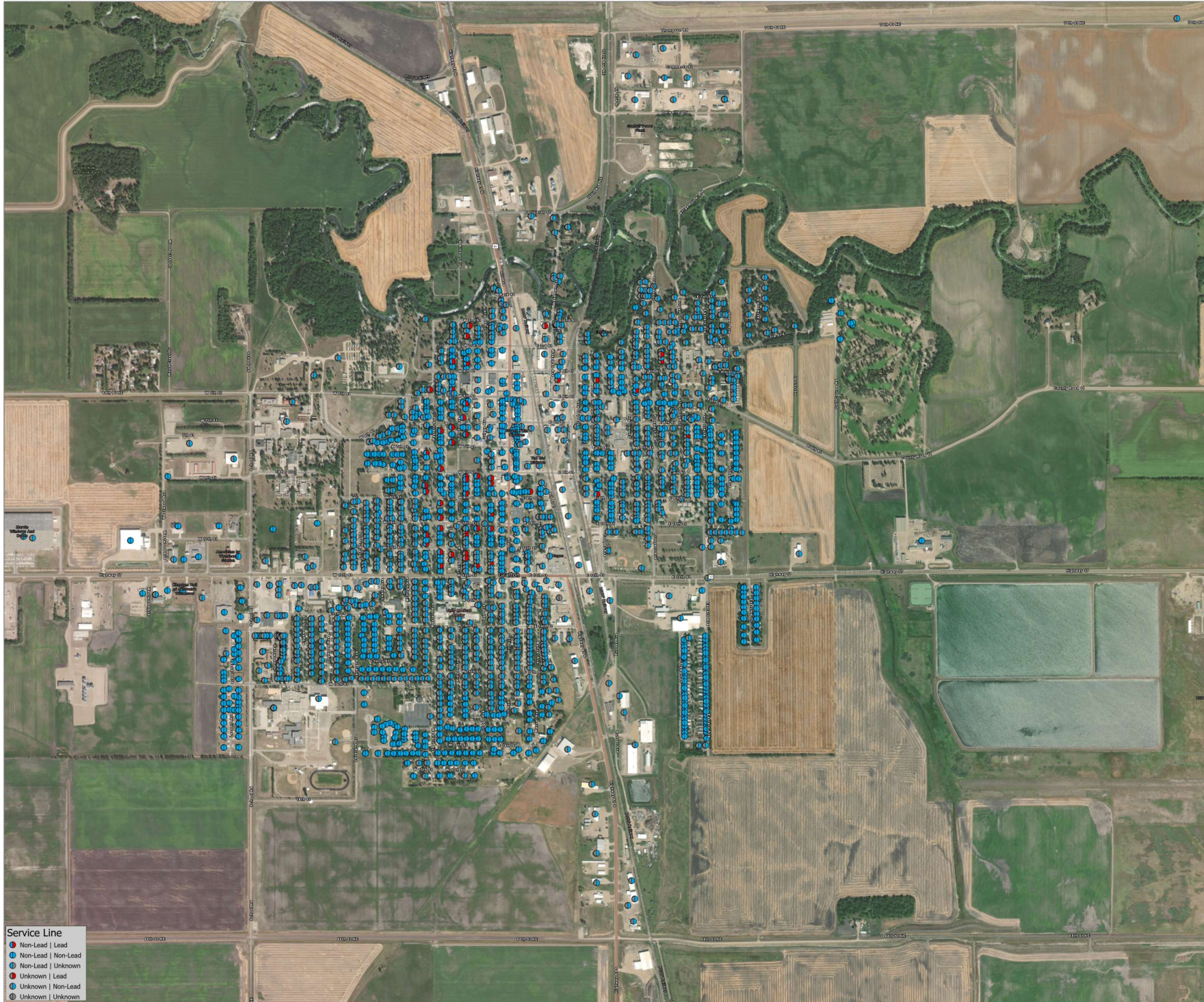
Historical census populations for the City of Grafton were 4,170 in 2020, 4,284 in 2010 and 4,516 in 2000. The largest employers in the City are Marvin Windows, ND Life Skills & Transition Center and Grafton Public Schools.

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





Locator Map Not to Scale

Grafton  
Walsh County, ND

**CITY OF GRAFTON  
LEAD SERVICE LINE  
MAP**

GRAFTON

Date: 10/10/2025



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

Coordinate System: NAD 1983 2011 StatePlane North Dakota North FIPS 3301 Fm | Edited by: Clidenberg | C:\Data\Projects\Nasuni\N\North Dakota\10651-2023-001\GIS\North Dakota LCR Compliance - Grafton - Mapping and Analysis.aprx | Printed Service Line Map

## Memorandum

**To:** Public Finance Authority Advisory Committee

**From:** DeAnn Ament, Executive Director

**Date:** June 15, 2026

**Re:** City of Jamestown  
Drinking Water State Revolving Fund

### **Purpose of the Project:**

Restoration of the Mill Hill water tower.

### **Project Cost:**

DWSRF Request	\$ 579,000
Project Total	\$ 579,000

Population to Benefit from the Project: 4,000

Population Served by the System: 15,849

The City will issue revenue bonds payable with water user fees. The requested term for the loan is 20 years. The average annual payment for the revenue bonds will be \$33,675. The reserve requirement will be \$37,100 and the 110% coverage requirement will be \$37,042.

### **Water Rates:**

The City has 5,430 water connections which monthly pay \$29.10 including the first 400 cubic feet (CF) per connection and \$3.64/100 CF for usage in excess of 400 CF.

## Water Fund Net Operating Coverage:

	Unaudited			
	2022	2023	2024	2025
<b>Interest Revenue</b>	\$24,170	\$56,315	\$149,562	\$223,314
<b>Operating Revenue</b>	5,688,657	6,240,607	6,332,958	6,305,767
<b>Operating Expenses</b>	4,148,841	6,186,836	4,242,793	3,711,731
<b>Net Operating Revenue</b>	1,563,986	110,086	2,239,727	2,817,350
<b>Depreciation</b>	488,098	559,823	560,820	-
<b>Non-Cash Pension Adjustment</b>	-	1,936,986	-	-
<b>Transfer In</b>	2,541,826	-	-	-
<b>Adjusted Net Operating Revenue</b>	\$4,593,910	\$2,606,895	\$2,800,547	\$2,817,350
<b>Revenue Bond Payments</b>	\$3,242,730	\$1,268,750	\$1,384,275	\$940,713
<b>Net Operating Coverage</b>	142%	205%	202%	299%
<b>Proforma DWSRF Payment <sup>1</sup></b>	\$346,002	\$346,002	\$346,002	\$346,002
<b>Proforma Net Operating Coverage</b>	128%	161%	162%	219%

<sup>1</sup> Includes two previous Clean Water State Revolving Fund (CWSRF) and the new DWSRF bond payments which are to be paid from the Water Fund.

With the existing net operating revenues, the City will meet the 110% net operating coverage.

## Outstanding Indebtedness December 31, 2025:

	Original Debt	Outstanding Balance
<b>Revenue Bonds:</b>		
<b>Water <sup>2</sup></b>	\$ 17,820,097	\$ 6,620,145
<b>Sewer <sup>2</sup></b>	16,636,281	8,603,000
<b>Solid Waste <sup>2</sup></b>	7,039,147	2,938,017
	\$ 41,495,525	\$ 18,161,162
<b>Improvement Bonds:</b>		
<b>Water and Sewer <sup>2</sup></b>	\$ 15,541,941	\$ 8,387,809
<b>Other</b>	37,021,054	23,059,750
	\$ 56,107,995	\$ 31,447,559
<b>Total Debt</b>	\$ 97,603,520	\$ 49,608,721

<sup>2</sup> All payments have been made as agreed. The City has twelve CWSRF and fourteen DWSRF loans with outstanding balances of \$26,548,971. There is one DWSRF loan that is approved but not closed.

The 2026 annual bond payments are \$8,160,883, which is \$515 per resident.

## K-12 School Enrollment:

2022-2023	2023-2024	2024-2025	2025-2026	Projected 2026-2027
2,145	2,080	2,019	1,925	1,910

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 360 employees, the ND State Hospital with 450 employees and the Anne Carlsen Center with 595 employees.

The City's 2025 taxable valuation was \$58,376,143. This is an increase of \$9,845,290 over the 2021 taxable valuation.

## Property Tax Levies and Collections as of 4/30/2026:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2025	\$6,838,181	\$5,286,697	77%
2024	\$6,588,067	\$6,460,063	98%
2023	\$6,343,919	\$6,284,871	99%

## Special Assessments Certified for Collection as of 4/30/2026:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2025	\$3,264,247	\$2,953,483	90%
2024	\$3,086,650	\$3,016,225	98%
2023	\$2,933,865	\$2,885,338	98%

## City of Jamestown Mill Levy History:

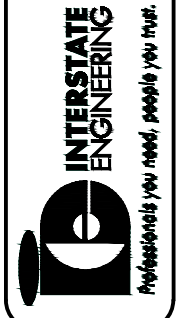
Year	City	School	Park District	State and County	Total for Each Year
2025	117.14	102.52	45.70	72.60	337.96
2024	118.38	102.00	46.60	69.58	336.56
2023	118.41	102.00	41.38	75.38	337.17
2022	117.92	102.00	40.20	71.98	332.10
2021	118.36	102.00	40.21	71.09	331.66



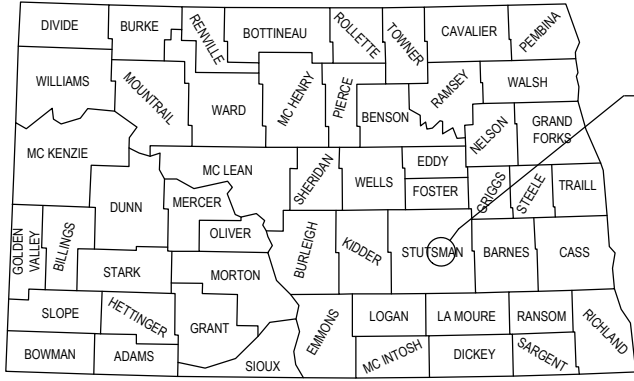
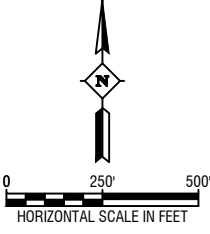
Rev No	Date	By	Description

1/4 MG - Mill Hill Water Tower  
 CITY OF JAMESTOWN  
 STUTSMAN COUNTY, ND  
**PROJECT LOCATION MAP**  
 Drawn By: JTB    Surveyed By:    Project No: XXXX-XX-XXX  
 Checked By:    Designed By:    Date: APRIL 7, 2026

Interstate Engineering  
 1903 12th Avenue SW  
 PO Box 2035  
 Jamestown, ND 58402  
 (701) 252.0234  
 www.interstateeng.com



SECTION  
**PL**  
 1  
 SHEET NO.



2022 AERIAL IMAGERY, NAIP

THIS DOCUMENT IS PRELIMINARY AND IS NOT INTENDED FOR CONSTRUCTION, RECORDING, OR IMPLEMENTATION PURPOSES.  
**PRELIMINARY**

## Memorandum

**To:** Public Finance Authority Advisory Committee

**From:** DeAnn Ament, Executive Director

**Date:** June 4, 2026

**Re:** City of Rocklake  
Drinking Water State Revolving Fund

### **Purpose of the Project:**

Rehabilitate the steel water tower by sandblasting the surface and adding paint to the exterior surface.

### **Project Cost:**

<b>DWSRF Request</b>	\$ 260,000
<b>CDBG Grant</b>	265,642
<b>Total Project</b>	<b>\$ 525,642</b>

Population to Benefit from the Project: 106

Population Served by the System: 106

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The City of Rocklake will issue revenue bonds payable with water user fees. The average annual payment for the revenue bonds will be \$10,848. The 110% coverage requirement will be \$11,933 and the required debt service reserve will be \$11,810.

### **Water Rates:**

The City has 80 water connections which pay a monthly base rate of \$55; this rate was increased by \$25 per month on January 1, 2026, and is anticipated to provide annual revenue of \$24,000.

### Water Fund Net Operating Coverage:

	2022	2023	2024	2025
Interest Revenue	\$115	\$418	\$44	\$462
Operating Revenue	102,672	106,593	130,287	135,802
Operating Expenses	96,812	125,833 <sup>1</sup>	117,060	105,992
Net Operating Revenue (Expense)	\$5,975	-\$18,822	\$13,271	\$30,272
Proforma Rate Increase Revenue	\$24,000	\$24,000	\$24,000	\$24,000
Revenue Bond Payments	\$10,848	\$10,848	\$10,848	\$10,848
Net Operating Coverage	55%	-174%	122%	279%

Unaudited

<sup>1</sup> Repairs and maintenance of \$28,614.

With the recent rate increase and existing water user fee revenues, the City will be able to meet the 110% net operating coverage requirement.

### Outstanding Debt as of May 31, 2026:

The City has no debt outstanding.

The average annual debt payment will be \$10,848 which is \$102.34 per resident.

### Population and Employment

The City of Rocklake is located in Towner County 132 miles northeast of Minot. Based on the 2020 census, the total population was 94; this is a decrease of 7 from the 2000 census. The largest employers in the City are Legacy Cooperative (agriculture) with 7 employees, Rocklake Bar and Grill with 6 employees, and Lil Prairie Greenhouse (horticulture) with 5 employees.

### Mt. Pleasant 4 School Enrollment:

2022-2023	2023-2024	2024-2025	2025-2026	<i>Projected</i> 2026-2027
267	281	253	250	250

### Tax Information

The City's 2025 taxable valuation was \$260,534. This is an increase of \$43,963 from the 2021 taxable valuation.

**Property Tax Collections 4/27/2026:**

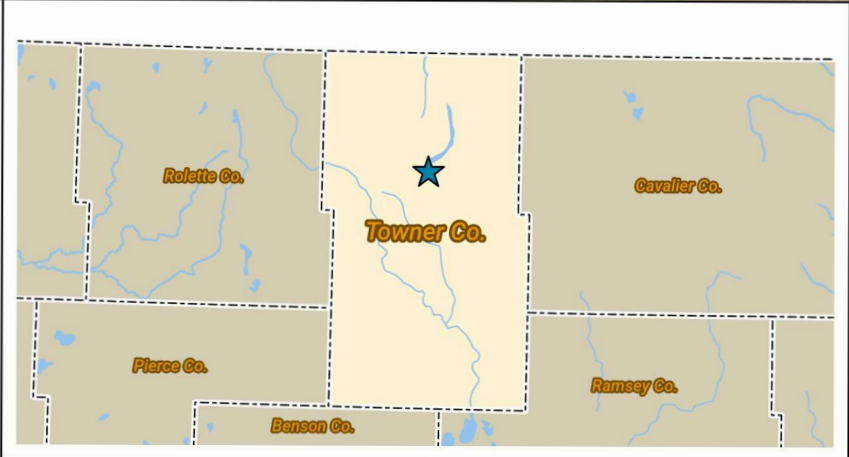
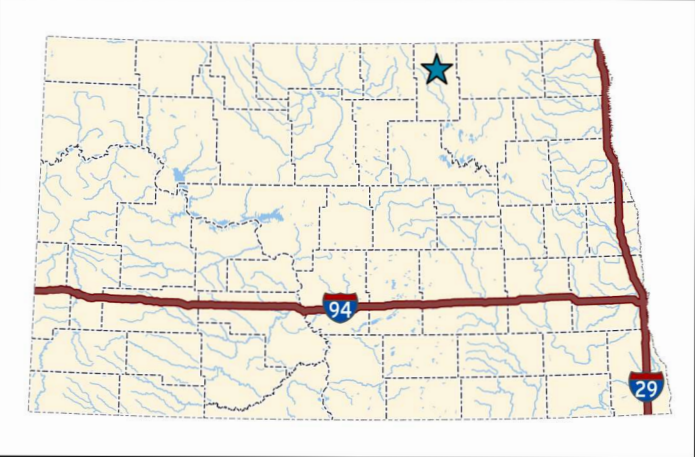
<b>Levy Year</b>	<b>Dollar Amount of Levy</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2025</b>	\$23,178	\$15,062	65%
<b>2024</b>	\$22,755	\$20,377	90%
<b>2023</b>	\$26,458	\$25,158	95%

**Special Assessment Tax Collections 4/27/2026:**

<b>Year</b>	<b>Dollar Amount</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2025</b>	\$10,353	\$2,372	23%
<b>2024</b>	\$15,052	\$11,509	76%
<b>2023</b>	\$12,412	\$11,291	91%

**City of Rocklake Mill Levy History:**

<b>Year</b>	<b>City</b>	<b>School</b>	<b>Park District</b>	<b>State and County</b>	<b>Other</b>	<b>Total for Each Year</b>
<b>2025</b>	105.00	95.16	-	107.57	5.00	312.73
<b>2024</b>	105.00	95.11	34.11	103.01	5.00	342.23
<b>2023</b>	105.00	91.19	35.00	101.35	5.00	337.54
<b>2022</b>	105.00	91.27	35.00	109.36	5.00	345.63
<b>2021</b>	105.00	90.65	35.00	107.60	4.80	343.05



**ROCKLAKE WATER TOWER REHAB**  
**ROCKLAKE, NORTH DAKOTA**

Created By: KMV Date Created: 03/18/26 Date Saved: 03/18/26 Project Number: 30312-605  
 Map Name: DWR Main Map Exported By: kyle.volk Date Exported: 03/18/26 Parcels: N/A Aerial Image: NAIP  
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Energy & Environmental Research Center (EERC)

# AI Framework to Support North Dakota Energy Innovation

North Dakota Industrial Commission Meeting

Bismarck, North Dakota

June 29, 2026

Charles Gorecki

CEO



# Objective

Develop a framework to position the State Energy Research Center to serve the state and its industries using future AI tools and resources.

## **A Secure, Reliable Environment**

A structured AI platform built to host any research project with redundancy, security, and reliability at the forefront.

## **AI-Ready Experts**

EERC employees developed into a team ready to take on AI work for the EERC, the state of North Dakota, and external clients.

## **A Proven, Turnkey Framework**

Tested end to end, so the result is a ready-to-use service that can support the state's needs—not just a concept.

# Built on a Proven Foundation

## Timeline

The project will be completed within 9 months.

## Budget

\$276,330

## Deliverables

Turnkey Service Capability  
Final Report

**Bottom line: Built once, used many times.**

A turnkey AI capability that can serve the state  
and bring future research opportunities.



**Charles Gorecki**  
**CEO**  
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701.777.5000

**Energy & Environmental  
Research Center**  
University of North Dakota  
15 North 23rd Street, Stop 9018  
Grand Forks, ND 58202-9018  
701.777.5000  
[www.undeerc.org](http://www.undeerc.org)

**THANK YOU**

Critical Challenges. Practical Solutions.

## **DEVELOPING AN AI FRAMEWORK TO SUPPORT NORTH DAKOTA ENERGY INNOVATION**

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**The overall goal of this effort is to position the State Energy Research Center (SERC) to serve the state and its industries using future AI tools and resources.**

The world of artificial intelligence (AI) is rapidly evolving and constantly expanding into new industries. While AI can bring many benefits, it has potential pitfalls, including incorrect application of AI solutions, misinterpretation of results, erroneous outputs, and inappropriate inputs. These pitfalls can result in AI being a hindrance, rather than a boon, to leaders and decision-makers.

The Energy & Environmental Research Center (EERC) proposes a project to develop a unified framework to support North Dakota in maximizing the benefit AI can bring to its industries and people. This project will combine the EERC's decades of proprietary energy data with secure, enterprise-grade AI infrastructure, to create a framework that will allow a consistent approach for a variety of clients and applications to serve North Dakota. To do this, we will create a structured AI environment that will be built to host any research projects, with redundancy, security, and reliability at the forefront.

### **DELIVERABLES**

The final deliverables for this project include the following:

- *Turnkey Service Capability*: The EERC will be capable of deploying AI solutions to serve North Dakota clients, including industry and state agencies, via separately funded engagements.
- *Final Report*: Details of the work performed, including overview of the framework, case studies, testing, and capabilities, will be presented in a final technical report.

### **BUDGET**

The cost to perform this work is \$276,330. This includes \$250,000 of funding from the North Dakota Industrial Commission portion of SERC, plus \$26,330 of funding remaining from the completed geothermal feasibility effort, which was authorized at the North Dakota Industrial Commission meeting on June 26, 2025.

### **TIMELINE**

**The expected duration of this project is 9 months.**



# Industrial Commission of North Dakota

Kelly Armstrong  
Governor

Drew H. Wrigley  
Attorney General

Doug Goehring  
Agriculture Commissioner

MEMORANDUM

June 29, 2026

Re: Continental Resources "A Multi-Well, Multi-Zone Enhanced Oil Recovery Project Utilizing Produced Natural Gas in Williams County – Durant Pad" G-062-126

## Oil and Gas Research Program – Project Change Proposal

For the above stated enhanced oil recovery (EOR) project by Continental Resources, for which NDIC funding was secured through the Oil and Gas Research Program, the request has been submitted to change the pad location from the Durant pad to the Vandenberg pad.

The reason for the change is that some of the original Durant wells selected for gas injection could not be cleaned out to the bottom. The alternative option, the Vandenberg pad, did not have the same issue and would be more suitable for the project.

The scope, budget, and timeline of the project would all remain the same. The only difference is that the project would move nearby to the Vandenberg pad, whose SE corner touches with the NW corner of the Durant pad.

I recommend approval.

Respectfully submitted,

Jordan Kannianen

Deputy Executive Director

# Industrial Commission of North Dakota



Kelly Armstrong  
Governor

Drew H. Wrigley  
Attorney General

Doug Goehring  
Agriculture Commissioner

MEMORANDUM

June 29, 2026

Re: Lignite Energy Council Education Program LRP-109-269

## Lignite Research Program – Project Effective Date

The project that is the continuation of the Lignite Energy Council Education Program was approved by the Commission May 12, 2026. The requested effective date in the project application was April 1, 2026, to align with the expiration date of the previous education program project of March 31, 2026. The motion language for the May 12 approval of the project did not specify the effective date, and therefore the proposed motion language included with this memorandum would satisfy that request.

Respectfully submitted,

Jordan Kannianen

Deputy Executive Director