Minutes of a Meeting of the Industrial Commission of North Dakota

Held on September 22, 2026, beginning at 9:00 a.m.

Governor's Conference Room – State Capitol

Present: Governor Kelly Armstrong, Chairman

Attorney General Drew H. Wrigley

Agriculture Commissioner Doug Goehring

Also Present: This meeting was open through Microsoft Teams; therefore, not all attendees were identified. Agency representatives joined various portions of the meeting.

Governor Armstrong called the meeting of the Industrial Commission to order at approximately 9:01 a.m.

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

RENEWABLE ENERGY PROGRAM

Mr. Jordan Kannianen provided an update on the Renewable Energy Program. The program currently has 10 active projects, with $28.63 million in cumulative grants and a total project value of $175.24 million. The Renewable Energy Fund has a cash balance of approximately $7.37 million.

REP-58-A – Full Circle Innovations: Full Circle Innovations requested $260,020 for the Woody Biomass Utilization for Energy, Grid, and Manufacturing project, with a total project cost of $520,040. The project would utilize woody biomass and agricultural residues to produce value-added products through energy-efficient and renewable processes. The technical reviewers gave the project an average score of 191 out of 250 and recommended funding.

REP-58-C – 4H2, Inc.: 4H2, Inc. requested $351,842 for the Direct Ethanol Fuel Cell Full System Development and Application Design for Field-Ready Demonstration project, with a total project cost of $703,684. The project would develop an existing 1 kW fuel cell stack into a standalone power generation system for portable, mobile and off-grid applications. The technical reviewers gave the project an average score of 189.33 out of 250 and recommended funding.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accept the recommendation of the Renewable Energy Council, approve the funding of the following projects in the amounts recommended, and authorize the Office of the Industrial Commission to enter into contracts for the projects:

REP-058-A: **$260,020 grant to Full Circle Innovations**, "Woody Biomass Utilization for Energy, Grid, and Manufacturing"

REP-058-C: $**351,842 grant to 4H2, Inc.**, "Direct Ethanol Fuel Cell (DEFC) Full System Development and Application Design for Field-Ready Demonstration"

Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

NORTH DAKOTA TRANSMISSION AUTHORITY

Mr. Claire Vigesaa provided an update on available Infrastructure Investment and Jobs Act (IIJA) grant funding. Mr. Vigesaa reported that Burke-Divide Electric Cooperative declined its $550,000 grant award due to Build America, Buy America requirements. Combined with $432,000 in previously unawarded IIJA funds, approximately $825,000 was available for re-award while retaining a buffer for future administrative expenses.

Mr. Vigesaa presented two smaller projects identified within the City of Hillsboro and City of Lakota applications and recommended awards of $612,750 to the City of Hillsboro and $212,595 to the City of Lakota, for a total award of $825,345.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accept the recommendation of the Transmission Authority Executive Director and approve the following grant requests under the Infrastructure Investment and Jobs Act Grid Resiliency Grant Program with funding made available from the returned commitment of a previously approved project:
City of Hillsboro (12.5kV transmission line project) $612,750
City of Lakota (Sectionalizing switches) $212,595
Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

DEPARTMENT OF MINERAL RESOURCES

Case No. 32730/Order No. 35656: Application of Lime Rock Resources III-A, L.P. for an order amending the applicable orders for the Dimond-Bakken Pool to establish six overlapping standup 1920-acre spacing units described as Sections 1, 12 and 13; Sections 2, 11 and 14; Sections 3, 10 and 15; Sections 4, 9 and 16; Sections 5, 8 and 17; and Sections 6, 7 and 18, T.160N., R.91W., Burke County, ND, and authorize four horizontal wells to be drilled on each such unit, or granting such other relief as may be appropriate.

Case No. 32925/Order No. 35854: Application of Phoenix Operating LLC for an order amending the applicable orders for the Dimond-Bakken Pool to establish a laydown 2560-acre spacing unit comprising Sections 7, 8, 9, and 10, T.160N., R.91W., Burke County, ND, and authorize up to four horizontal wells to be drilled in such unit, and/or granting such other relief as may be appropriate.

Case No. 32926/Order No. 35855: Application of Phoenix Operating LLC for an order amending the applicable orders for the Dimond-Bakken Pool to establish a laydown 2560-acre spacing unit comprising Sections 15, 16, 17, and 18, T.160N., R.91W., Burke County, ND, and authorize up to four horizontal wells to be drilled in such unit, and/or granting such other relief as may be appropriate.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 35656 issued in Case No. 32730, approving the application of Lime Rock Resources III-A, L.P. regarding spacing and horizontal well development in the Dimond-Bakken Pool; Order No. 35854 issued in Case No. 32925, denying the application of Phoenix Operating LLC regarding proposed spacing and horizontal well

development in the Dimond-Bakken Pool; and Order No. 35855 issued in Case No. 32926, denying the application of Phoenix Operating LLC regarding proposed spacing and horizontal well development in the Dimond-Bakken Pool. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

Dr. Clint Boyd presented the Geological Survey Quarterly Report for the period April 1 through June 30, 2026. He reported that county-scale mapping of the Brenna Formation in the Red River Valley was completed during the quarter. Geophysical investigations also began in eastern North Dakota as part of the U.S. Geological Survey Earth MRI project, including aeromagnetic flights and ground-based gravity data collection to evaluate potential deposits of metals and critical minerals. Dr. Boyd also provided an update on the Burke County mammoth excavation, where bones and bone fragments were recovered.

Mr. Nathan Anderson provided an update on Department of Mineral Resources (DMR) activities. DMR is preparing for the 70th Legislative Assembly and anticipates bringing minor legislative updates to the Commission related to industry growth and technology advancements. DMR has also submitted its proposed biennial budget to the Office of Management and Budget.

Mr. Anderson provided updates on Geological Survey activities, including the Lithium Brine Potential report and a critical mineral drilling program underway in southwest North Dakota. He also noted staffing changes, including the upcoming retirement of Finance Manager Robyn Loumer, the hiring of Amanda Westlake as Finance Manager and efforts to fill the Paleontology Manager position following Dr. Clint Boyd's promotion to State Geologist.

Mr. Anderson reviewed oil and gas activity, noting 34 active rigs and 19 operators drilling in the state. July oil production was approximately 1.155 million barrels per day, while gas production reached an all-time high of 3.621 BCF per day. He also provided updates on drilling permits, well completions, operational efficiencies and oil pricing.

NORTH DAKOTA HOUSING FINANCE AUTHORITY

Ms. Kayla Axtman provided an update on the North Dakota Housing Finance Agency's Home Mortgage Finance Program bond sale, priced September 10, 2026. The bond sale included $200 million in tax-exempt 2026A bonds and $65 million in taxable 2026BC bonds, with bond yields of 4.81% and 5.67%. Current 30-year fixed interest rates were 6.00% for FirstHome government loans, 6.25% for FirstHome conventional loans, 6.65% for Roots government loans and 6.90% for Roots conventional loans.

Ms. Axtman also presented the 2027 Annual Series Resolution for the Home Mortgage Finance Program, which includes the North Dakota Roots Program. The resolution authorizes up to $750 million in long-term bonds and $100 million in short-term bonds from January 1, 2027, through January 31, 2028.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission authorize the 2027 Annual Series Resolution for the issuance of up to $750,000,000 in long-term Mortgage Revenue Bonds and up to $100,000,000 in short-term

Mortgage Revenue Bonds for the North Dakota Housing Finance Agency Home Mortgage Finance Program. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

City of Drayton – Clean Water State Revolving Fund: The City of Drayton requested a $5,050,000 Clean Water State Revolving Fund loan for the replacement of sewer mains, water mains and street improvements that are at the end of their useful life. The total project cost is $13,920,979, which includes an $8.3 million Drinking Water State Revolving Fund loan, a $402,979 Infrastructure Revolving Loan Fund loan and $168,000 in Department of Water Resources cost-share funding. The proposed loan term is 30 years.

City of Drayton – Drinking Water State Revolving Fund: The City of Drayton requested an $8,300,000 Drinking Water State Revolving Fund loan for the replacement of water mains, sewer mains and street improvements that are at the end of their useful life. The total project cost is $13,920,979, which includes a $5.05 million Clean Water State Revolving Fund loan, a $402,979 Infrastructure Revolving Loan Fund loan and $168,000 in Department of Water Resources cost-share funding. The proposed loan term is 30 years.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve a $5,050,000 Clean Water State Revolving Fund loan and an $8,300,000 Drinking Water State Revolving Fund loan to the City of Drayton for the replacement of sewer mains, water mains and street improvements that are at the end of their useful life. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

The following resolutions were adopted:

RESOLUTION APPROVING
LOAN FROM CLEAN WATER STATE REVOLVING FUND

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

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

WHEREAS, the City of Drayton (the "Political Subdivision") has requested a loan in the amount of $5,050,000 from the Program to replace sewer mains, water mains and streets which are at the end of their useful life; and

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

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

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

1. The Loan is hereby approved, as recommended by the Advisory Committee.

2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.

3. The Executive Director is authorized to fund the Loan from funds on hand in the Clean Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.

4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: September 22, 2026

RESOLUTION APPROVING
LOAN FROM DRINKING WATER STATE REVOLVING FUND

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

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

WHEREAS, the City of Drayton (the “Political Subdivision”) has requested a loan in the amount of $8,300,000 from the Program to replace sewer mains, water mains and streets which are at the end of their useful life; and

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

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

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

1. The Loan is hereby approved, as recommended by the Advisory Committee.

2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.

3. The Executive Director is authorized to fund the Loan from funds on hand in the Drinking Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.

4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: September 22, 2026

Ms. Ament reported on State Revolving Fund loans approved by the Public Finance Authority Advisory Committee. Under current policy, the loans were within the Public Finance Authority's approval authority and did not require final approval of the Industrial Commission. The loans included Drinking Water State Revolving Fund loans for the City of Cando ($1,500,000), City of Harwood ($1,320,000), City of Washburn ($732,000), and City of Williston ($2,000,000).

NDSU RESEARCH & TECHNOLOGY PARK INC.
DBA NDEAVOR BARRY D BATCHELLER TECH PARK GRANT PROGRAM

An update was provided by Brenda Wyland and Mike Zietz on NDeavor's quarterly activities and progress under the Research Technology Park Grant Program. The report highlighted ongoing technology and product development, workforce and educational activities, and efforts to advance robotic and artificial intelligence capabilities.

NDeavor also provided updates on commercialization efforts, including field testing of its semi-autonomous UTV and continued development of its Recall capability, which incorporates artificial intelligence to support search and rescue and other operations.

NORTH DAKOTA MILL & ELEVATOR

Ms. Cathy Dub introduced Julie Leake as the new Chief Financial Officer for the North Dakota Mill and Elevator.

An update was provided by Ms. Dub on the North Dakota Mill and Elevator's fourth quarter and fiscal year-end operations. Fourth quarter profit was $8,969,843, with fiscal year profit totaling $26,341,857 on sales of $456,681,029.

Ms. Dub also presented the FY 2027 Gain Sharing Plan for approval. The plan provides a potential 4 percent payout based on performance goals and an un-capped potential payout based on profits.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the North Dakota Mill and Elevator FY 2027 gain sharing plan as presented. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

Ms. Dub provided an update on current construction projects at the Mill. The A and B Mill ninth floor project remains on schedule, and construction of the terminal bucket elevator and leg is beginning. She noted that several projects are underway and progressing well. Ms. Dub also reported that the first quarter of FY 2027 looks strong.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring, that under the authority of North Dakota Century Code Sections 6-09-35, 44-04-18.4 and 44-04-19.2, the Industrial Commission enter executive session for the purpose of North Dakota Mill and Elevator confidential business and Bank of North Dakota confidential business. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

Governor Armstrong reminded the Commission members and those present in executive session that the discussion must be limited to the announced purposes. The executive session began at 10:35 a.m.

NORTH DAKOTA MILL & ELEVATOR EXECUTIVE SESSION ATTENDANCE

Commission Members Present:
Governor Kelly Armstrong
Attorney General Drew Wrigley
Agriculture Commissioner Doug Goehring

Industrial Commission Office Staff:
Karen Tyler
Jordan Kannianen
Natalie Henes

Governor's Office Staff:
Jacy Schafer
Chris Joseph

Attorney General's Office Staff:
Matt Sagsveen
Matthew Swanson
Anine Merkens

Department of Agriculture Office Staff:
Dutch Bialke

Mill & Elevator Staff:
Cathy Dub
Julie Leake

BANK OF NORTH DAKOTA EXECUTIVE SESSION ATTENDANCE

Commission Members Present:

Governor Kelly Armstrong
Attorney General Drew Wrigley
Agriculture Commissioner Doug Goehring

Industrial Commission Office Staff:
Karen Tyler
Jordan Kannianen
Natalie Henes

Governor's Office Staff:
Jacy Schafer
Chris Joseph

Attorney General's Office Staff:
Matt Sagsveen
Matthew Swanson
Anine Merkens

Department of Agriculture Office Staff:
Dutch Bialke

Bank of North Dakota Staff:
Don Morgan
Rick Geloff
Kirby Evanger

The executive session ended at 11:32 a.m. and the Commission reconvened in open session.

During the Mill and Elevator executive session, the confidential topic listed on the agenda was presented and discussed.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the North Dakota Mill and Elevator FY 2027 Strategic Plan. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

During the Bank of North Dakota executive session, the confidential topics listed on the agenda were presented and discussed. No action was requested.

NORTH DAKOTA INDUSTRIAL COMMISSION OFFICE

Ms. Karen Tyler presented August 25, 2026, Industrial Commission meeting minutes for consideration of approval.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the August 25, 2026, Industrial Commission meeting minutes. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

Mr. Jordan Kannianen presented the Lignite Research, Development and Marketing Program Technical Adviser Contract with the Lignite Energy Council. The contract provides technical and professional services for the administration of the program. The contract is for the period of July 1, 2026 through June 30, 2027, at a rate of $15,542 per month, plus reimbursement for travel and other extraordinary expenses.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the renewal of the professional services contract for the Lignite Research, Marketing, and Development Program Technical Advisor for the term July 1, 2026, through June 30, 2027, and directs the Industrial Commission Deputy Executive Director to execute the renewed contract. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.

BANK OF NORTH DAKOTA

Mr. Don Morgan reported that BND's 2026 annual goals and third-quarter strategic priorities are generally on track. BND has secured approximately $190 million in additional funding through new deposit opportunities, and the projected SMART Plan payout increased to 14.10% for the second quarter.

BND's overall risk profile remained within the moderate category, with credit quality continuing to perform above expectations. Liquidity remains a strategic focus, and management continues to pursue strategies to increase deposit funding and manage the loan-to-deposit ratio. No material policy or program updates were reported.

ADJOURNMENT

The next regular Industrial Commission meeting will be held Friday, October 30, 2026, at the Bank of North Dakota in the Executive Board Room from 9:00 a.m. – 12:30 p.m.

With no further business, Governor Armstrong adjourned the meeting of the Industrial Commission at 11:45 a.m.

Karen Tyler
Executive Director

Natalie Henes
Executive Assistant