



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Kelly Armstrong
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Thursday, April 24, 2025

Governor's Conference Room or Microsoft Teams – 12:30 pm

Join on your computer or mobile app

[Join the meeting now](#)

Or call in (audio only)

[+1 701-328-0950,,230948206#](#)

I. Roll Call and Pledge of Allegiance

(approximately 12:35 pm)

II. North Dakota Public Finance Authority – DeAnn Ament

A. Consideration of Approval of the Following State Revolving Fund Loans:

- i. East Central Regional Water District – Drinking Water - \$8,554,000 (Attachment 1A-F)
- ii. City of Mandan – Drinking Water - \$4,507,000 (Attachment 2A-F)
- B. Presentation of Memo from NDPFA Advisory Committee Regarding SRF Loans Approved Under Policy P-3B (Attachment 3)
 - i. City of Ashley – Clean Water - \$461,000 (Attachment 3A)
 - ii. City of Colfax – Clean Water - \$1,251,000 (Attachment 3B)
 - iii. City of Colfax – Clean Water - \$1,072,000 (Attachment 3C)
 - iv. City of Mandan – Drinking Water - \$1,930,000 (Attachment 3D)
 - v. City of Portland – Drinking Water - \$1,930,000 (Attachment 3E)
- C. Legislative Update (Attachment 4)
- D. Other NDPFA Business

(approximately 12:45 pm)

III. Department of Mineral Resources – Nathan Anderson, Mark Bohrer

A. Consideration of Approval of Recommended Order in the Following Case:

- i. Order 33526 in Case No. 30866 – North Dakota Industrial Commission v. Sakakawea Ventures, LLC Administrative Complaint, Imposition of Civil Penalties and Recovery of Investigative Costs (Attachment 5)
- B. Discussion of Temporary Waiver of Well Completion Requirement (Attachment 6)
- C. Legislative Update
- D. Other DMR Business

(approximately 1:15 pm)

IV. North Dakota Pipeline Authority – Justin Kringstad

- A. Overview of NDPA's Pipeline Project Capacity Acquisition Authority (Attachment 7)
- B. Other NDPA Business

(approximately 1:30 pm)

V. Bank of North Dakota – Don Morgan

- A. **Presentation and Consideration of Approval of BND Smart Plan** – Don Morgan (Attachment 8A-D)
- B. Legislative Update
- C. Presentation of February 19 and 20, 2025 Non-confidential Advisory Board and Committee Minutes (Attachment 9)
- D. Other BND Business

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

(approximately 2:15pm)

VI. Bank of North Dakota Executive Session – Don Morgan, Craig Hanson

- A. **Consideration of Approval of Four Loans** – Don Morgan (Confidential Attachments 10, 11)
- B. Presentation of February 19 and 20, 2025 Confidential Advisory Board and Committee Minutes (Confidential Attachment 12)

Meeting Returns to Open Session

(approximately 3:00 pm)

VII. Executive Session Actions

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

- A. **Consideration of March 25, 2025, Industrial Commission Meeting Minutes** (Attachment 13)
- B. **Consideration of Approval of Interview Committee for Housing Finance Agency Executive Director** (Attachment 14)
- C. Legislative Update (Attachment 15)
- D. Other Office of Industrial Commission business

IX. Adjournment

Next Meeting – Thursday, May 22, 2025
10:00 am – 12:00 pm
1:00 pm – 4:00 pm
Governor's Conference Room

April 16, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its April 16, 2025 meeting, reviewed, discussed, and recommends approval of a \$8,554,000 Drinking Water State Revolving Fund Program loan to the East Central Regional Water District.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Public Finance Authority

Memorandum

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

From: DeAnn Ament, Executive Director

Date: March 31, 2025

Re: East Central Regional Water District
Drinking Water State Revolving Fund Loan

Purpose of the Project: Expand the drinking water treatment capacity at the City of Hillsboro water treatment plant. This project will provide iron and manganese removal through filtration and reverse osmosis technology.

Project Amount:

| | |
|-------------------------------|--------------|
| DWSRF Request | \$ 8,554,000 |
| DWSRF Loan Forgiveness | (2,840,000) |
| DWSRF Net Loan | \$ 5,714,000 |

| | |
|------------------------|--------------|
| DWSRF Request | \$ 8,554,000 |
| DWR Cost-Share | 17,140,837 |
| EC in SDC Grant | 8,305,550 |
| Project Total | \$34,000,387 |

Users to Benefit from the Project: 21,076

Users Served by the System: 3,659 connections plus 11 municipal and 1 water district with a total population of 8,092

The requested loan term is 30 years. The District will issue revenue bonds payable with user fees for this loan. The average annual payment on the net \$5,714,000 DWSRF loan will be \$244,656. The required debt service reserve is \$253,750 and the 110% net operating coverage requirement is \$269,122.

The District encompasses the southern half of Grand Forks County, Traill County and eastern Steele County and provides water services to 3,568 residential connections and 43 bulk users including Agassiz Water Users District as well as the Cities of Grandin, Mayville, Clifford, Hillsboro, Portland, Arvilla, Emerado, Hatton, Larimore and Northwood as well as Climax, MN.

User Connections:

| | | | | Projected | |
|----------------|-------|-------|-------|-----------|-------|
| | 2023 | 2024 | 2025 | 2026 | 2027 |
| Residential | 3,597 | 3,659 | 3,659 | 3,689 | 3,869 |
| Bulk/Municipal | 45 | 43 | 43 | 44 | 44 |

Monthly Base Rates:

| | | | | Projected | |
|-----------------------------------|---------|---------|---------|-----------|---------|
| | 2023 | 2024 | 2025 | 2026 | 2027 |
| Traill Rural Water District | \$60.00 | \$60.00 | \$63.00 | \$65.00 | \$65.00 |
| Grand Forks Traill Water District | \$40.00 | \$40.00 | \$42.00 | \$44.00 | \$44.00 |

The volume use charge is \$8/1,000 gallons.

Net Operating Coverage:

| | Unaudited | | | |
|---------------------------------|-------------|-------------|-------------|-------------|
| | 2021 | 2022 | 2023 | 2024 |
| Interest Revenue | \$24,925 | \$23,410 | \$71,819 | \$8,580 |
| Operating Revenue | 4,479,051 | 4,896,960 | 5,083,480 | 5,355,046 |
| Operating Expenses | 3,805,188 | 4,415,772 | 5,229,246 | 3,311,841 |
| Net Operating Revenue | 698,788 | 504,598 | -73,947 | 2,051,785 |
| Depreciation | 974,639 | \$1,201,556 | \$1,387,290 | \$- |
| Adjusted Net Operating Revenue | \$1,673,427 | \$1,706,154 | \$1,313,343 | \$2,051,785 |
| Bond Payments | \$765,199 | \$687,710 | \$918,534 | \$908,985 |
| Net Operating Coverage | 219% | 248% | 143% | 226% |
| Proforma DWSRF Payments | | | | \$244,656 |
| Proforma Net Operating Coverage | | | | 178% |

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

Total outstanding debt of as of December 31, 2024:

| | <u>Original Debt</u> | <u>Outstanding Debt</u> |
|----------------------------------|---------------------------------|------------------------------------|
| Revenue Bonds | \$ 2,988,000 | \$ 1,802,080 |
| NDPFA Revenue Bonds ¹ | <u>22,878,674</u> | <u>7,929,243</u> |
| Totals | <u>\$ 25,866,674</u> | <u>\$ 9,731,323</u> |

¹ Payments to the NDPFA have been made as agreed. The District has five Drinking Water State Revolving Fund loans with a total outstanding balance of \$7,929,273.

The largest employers in the District are American Crystal Sugar which employs 350, Mayville State University with 240 employees and Sanford Health has 177 employees.

District Population:

| 2020 | 2010 | 2000 |
|-------------|-------------|-------------|
| 81,114 | 75,098 | 74,476 |

School Enrollment:

| 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|------------------|------------------|------------------|------------------|------------------|
| 3,076 | 3,133 | 3,188 | 3,193 | 3,208 |



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Suite 2950
Minneapolis, MN 55402

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www.pfm.com

Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 14, 2025

RE: Marketplace Analysis - Drinking Water State Revolving Fund Program
East Central Regional Water District

The East Central Regional Water District (“District”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$8,554,000 loan of which \$2,840,000 will be loan forgiveness for a total net loan of \$5,714,000 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 District intends to use the proceeds to expand the drinking water treatment capacity at the City of Hillsboro water treatment plant to provide iron and manganese removal through filtration and reverse osmosis technology.

The municipal securities to be acquired by the Authority will be revenue bonds payable with water user fees. The District’s average annual payment under the proposed loan will be approximately \$244,656 indicating a 110% net revenue coverage requirement of approximately \$269,122. The District will be required to deposit \$253,750 into a reserve fund with payments of \$50,750 per year for the first five years of the loan. Net operating coverage of the Water Fund was 2.19x, 2.48x, 1.43x and 2.26x for 2021-2024, respectively. The existing net operating revenues will provide sufficient coverage to meet the 110% coverage requirement.

As of December 31, 2024, the District has outstanding Revenue Bonds of \$1,802,080. The District currently has five Drinking Water SRF loans outstanding with a balance of \$7,929,243. The District is current in its payments for its outstanding Authority loans.

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.

Attachment 1E

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: April 1, 2025

RE: East Central Regional Water District
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$8,554,000 loan to East Central Regional Water District under the Drinking Water State Revolving Fund (DWSRF). This project is eligible for \$2,840,000 of DWSRF loan forgiveness, making the net loan \$5,714,000. The total cost of the project is \$34,000,387, with \$17,140,837 coming from a Department of Water Resources grant and \$8,305,550 coming from an EPA Emerging Contaminants in Small and Disadvantaged Communities grant.

The project will expand the water treatment capacity at the City of Hillsboro water treatment plant. The requested loan term is 30 years. The District will issue revenue bonds payable from user fees. The annual payment will average \$244,646.

Debt Service Coverage:

| | 2021 | 2022 | 2023 | Projected |
|---------------------------|------------|------------|------------|------------|
| Operating Revenue | 4,479,051 | 4,896,960 | 5,083,480 | 5,355,046 |
| Interest Revenue | 24,925 | 23,410 | 71,819 | 8,580 |
| Operating Expenses | -3,805,188 | -4,415,772 | -5,229,246 | -3,311,841 |
| Net Operating Revenue | 698,788 | 504,598 | -73,947 | 2,051,785 |
| Add: Depreciation | 974,639 | 1,201,556 | 1,387,290 | 0 |
| Adjusted Operating Income | 1,673,427 | 1,706,154 | 1,313,343 | 2,051,785 |
| Current Debt Service | 765,199 | 687,710 | 918,534 | 908,985 |
| Proposed Debt Service | | | | 244,656 |
| Current Debt Service | 765,199 | 687,710 | 918,534 | 1,153,641 |
| Debt Service Coverage | 218.69% | 248.09% | 142.98% | 177.85% |

Currently, Traill Rural Water District users pay a monthly base rate of \$63.00 and Grand Forks Traill Water District users pay a monthly base rate of \$42.00. The volume charge for all users is \$8.00 per 1,000 gallons. The existing user fees will generate sufficient net operating revenues to service both the new and existing debt.

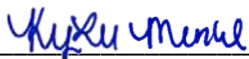
Outstanding Debt (as of December 31, 2024):

| | Original Amount | Amount Outstanding |
|---------------------|----------------------------|-------------------------------|
| PFA Revenue Bonds | \$22,878,674 | \$7,929,243 |
| Other Revenue Bonds | 2,988,000 | 1,802,080 |
| | <u>\$25,866,674</u> | <u>\$9,731,323</u> |

Average annual debt service requirements are estimated at \$1,153,641, which is an average of \$54.74 per resident of the District.

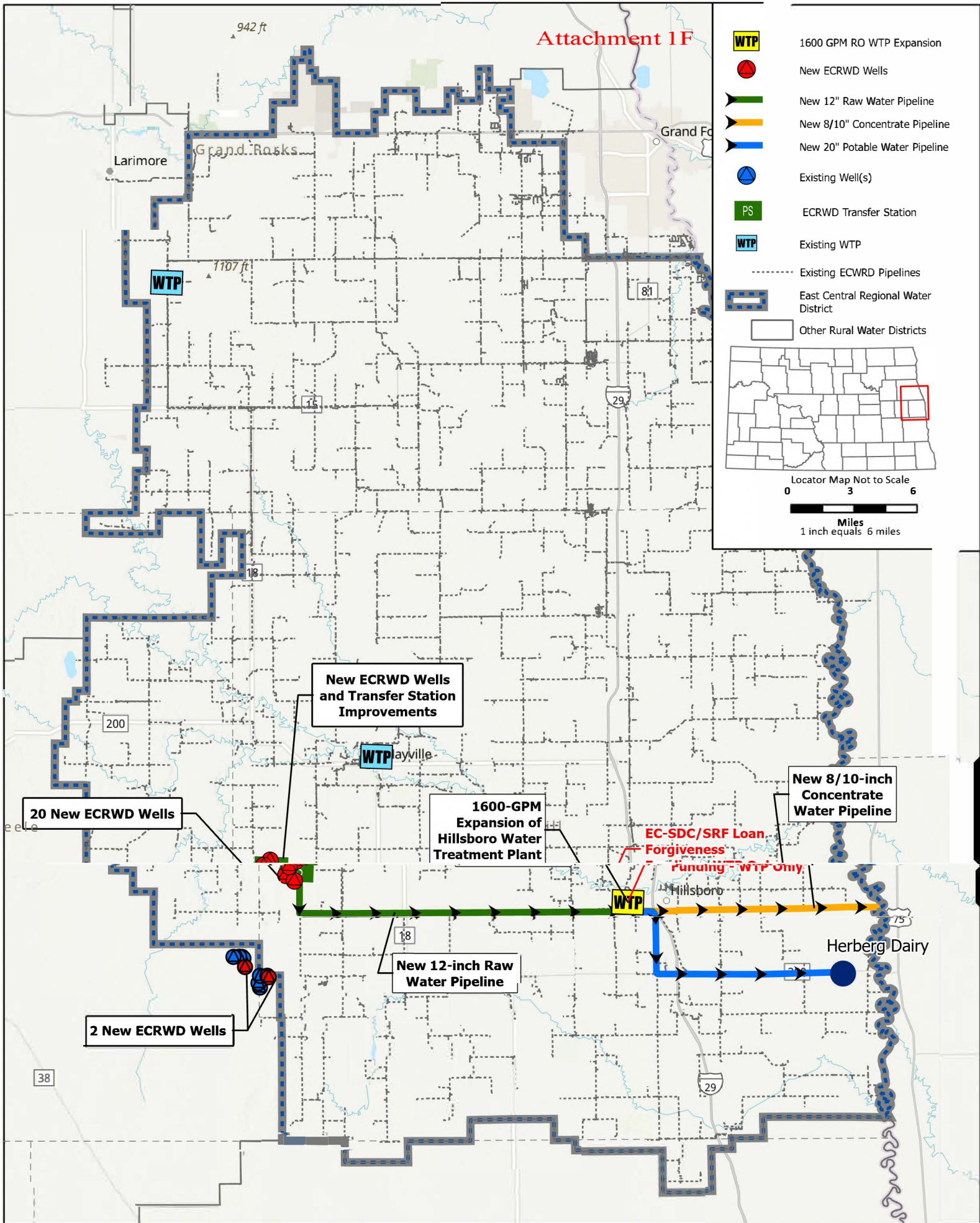
The District currently serves 3,659 residential connections and 43 bulk users, including Agassiz Water Users District, and the Cities of Grandin, Galesburg, Mayville, Clifford, Hillsboro, Portland, Arvilla, Emerado, Hatton, Larimore, Northwood and Climax, MN. The District encompasses southern Grand Forks County, Traill County and eastern Steele County. The District's estimated population is 21,076.

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

Attachment 1F



April 16, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its April 16, 2025 meeting, reviewed, discussed, and recommends approval of a \$4,507,000 Drinking Water State Revolving Fund Program loan to the City of Mandan.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

Industrial Commission
of North Dakota
Kelly Armstrong
GOVERNOR
Drew H. Wrigley
ATTORNEY GENERAL
Doug Goehring
AGRICULTURE COMMISSIONER



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Memorandum

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

From: DeAnn Ament, Executive Director

Date: April 2, 2025

Re: City of Mandan
Drinking Water State Revolving Fund Program Loan Application

Purpose of the Project: Water treatment plant phase III optimization project.

Project Amount:

| | |
|-----------------------|---------------|
| DWSRF Request | \$ 4,507,000 |
| DWR Cost Share | 6,760,000 |
| Project Total | \$ 11,267,000 |

Population to Benefit from the Project: 24,206
Population Served by the System: 24,206 plus Missouri West Water System which serves 8,100 people

The requested term for the DWSRF loan is 20 years. Accordingly, the average annual payment loan will be approximately \$270,057. The required debt service reserve is \$274,050 and the 110% net operating coverage requirement is \$297,063.

The City currently has 8,615 residential connections that pay a water/wastewater base rate of \$32.05 and 796 commercial connections that pay a water/wastewater base rate of \$64.10 and both pay \$3.00/100 cubic foot of water usage and \$1.65/100 cubic foot of wastewater disposal. Effective January 1, 2025, these rates reflect the monthly base rate increase for residential users of \$4.75 and for commercial users \$9.50 which will result in annual revenue of approximately \$581,799.

Water & Wastewater Fund:

| | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|-------------|--------------|--------------|--------------|
| Operating Revenue | \$9,038,542 | \$12,373,258 | \$11,710,926 | \$10,216,792 |
| Operating Expenses | 5,806,222 | 6,253,921 | 6,315,164 | 6,648,226 |
| Net Operating Revenue | 3,232,320 | 6,119,337 | 5,395,762 | 3,568,566 |
| Depreciation | 2,365,212 | 2,579,500 | 2,530,360 | 2,801,245 |
| Adjusted Net Operating Revenue | \$5,597,532 | \$8,698,837 | \$7,926,122 | \$6,369,811 |
| Revenue Bond Payments | \$2,763,599 | \$2,704,720 | \$2,724,636 | \$2,710,801 |
| Net Operating Coverage | 203% | 322% | 291% | 235% |
| Proforma Rate Increase Revenue | \$581,799 | \$581,799 | \$581,799 | \$581,799 |
| Proforma DWSRF Payment | \$590,493 | \$270,057 | \$270,057 | \$270,057 |
| Proforma Net Operating Coverage | 184% | 312% | 284% | 233% |

Existing net revenues coupled with the implemented water/wastewater base rate increases should allow the City to continue meeting the coverage requirements.

Outstanding Debt as of November 4, 2024:

| | Original Debt | Outstanding Debt |
|--|--------------------------|-----------------------------|
| General Obligation Bonds - Bridge | \$ 870,000 | \$ 130,000 |
| Improvement Bonds | 61,951,888 | 48,615,567 |
| Sales Tax Revenue Bonds - Sports Complex | 15,275,000 | 9,565,000 |
| Revenue Bonds - Water & Sewer ¹ | 38,436,239 | 20,227,605 |
| Total | \$ 116,533,127 | \$ 78,538,172 |

¹ Payments to the NDPFA have been made as agreed. The City has eight DWSRF loans with a total outstanding balance of \$14,847,605 and five Clean Water SRF loans that total \$5,305,000. The City had debt service reserves of \$3,615,306.

The average annual payment of all outstanding debt including this new request is \$10,324,824 which is \$427 per resident.

The City of Mandan is located in Morton County on Interstate 94. Based on the 2020 census, the total population is 24,206; this is an increase of 5,875 over the 2010 census. The largest employers in the City are Mandan Public Schools with 697 employees, HIT, Inc. (social assistance) employs 641 and NISC (information services) with 460 employees.

K-12 School Enrollment:

| 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|-----------|-----------|-----------|-----------|-----------|
| 4,037 | 4,223 | 4,277 | 4,368 | 4,375 |

The City's 2024 taxable valuation was \$131,480,934. This is an increase of \$32,318,077 over the 2020 taxable valuation.

Property Tax Levies and Collections as of 12/31/2024:

| Levy Year | Dollar Amount of Levy | Amount Collected to Date of Application | Percentage Collected |
|-----------|-----------------------|---|----------------------|
| 2024 | \$7,888,079 | \$3,024,747 | 38% |
| 2023 | \$7,939,478 | \$7,842,807 | 99% |
| 2022 | \$7,223,291 | \$7,185,035 | 99% |
| 2021 | \$6,608,207 | \$6,607,326 | 100% |

Special Assessment Levies and Collections 12/31/2024:

| Year | Dollar Amount | Amount Collected to Date of Application | Percentage Collected |
|------|---------------|---|----------------------|
| 2024 | \$6,737,373 | \$3,857,291 | 57% |
| 2023 | \$4,541,789 | \$4,242,323 | 93% |
| 2022 | \$4,602,813 | \$4,421,783 | 96% |
| 2021 | \$4,625,863 | \$4,607,694 | 100% |

City of Mandan Mill Levy:

| Year | City | School | Park District | State and County | Other | Total for Each Year |
|------|-------|--------|---------------|------------------|-------|---------------------|
| 2024 | 64.09 | 128.14 | 29.15 | 55.09 | 4.13 | 280.60 |
| 2023 | 63.93 | 127.22 | 29.13 | 56.74 | 4.10 | 281.12 |
| 2022 | 63.85 | 130.15 | 29.15 | 60.23 | 4.41 | 287.79 |
| 2021 | 63.98 | 130.15 | 28.29 | 58.74 | 4.47 | 285.63 |
| 2020 | 63.21 | 108.15 | 28.84 | 57.71 | 4.41 | 262.32 |



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Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 14, 2025

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

The City of Mandan (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$4,507,000 loan under Drinking Water State Revolving Fund Program (“DWSRF Program”). The DWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various water treatment, distribution, and storage facilities as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The City intends to use the proceeds for Phase III of the water treatment plant optimization project.

The municipal securities to be acquired by the Authority will be revenue bonds payable from water & wastewater user fees. The City’s average annual payment under the proposed loan will be approximately \$270,057 indicating a 110% net revenue coverage requirement of approximately \$297,063. The City will be required to deposit \$274,050 into a reserve fund with payments of \$54,810 per year for the first five years of the loan. Effective January 2025, the City raised the monthly base rates for residential users by \$4.75 and commercial users by \$9.50, which will generate annual revenues of approximately \$582,000. Pro forma net operating coverage of the Water & Wastewater Fund was 1.84x, 3.12x, 2.84x and 2.33x for 2020-2023, respectively. The existing net operating revenue and increase in rates will provide sufficient net revenues to meet the 110% coverage requirement.

As of November 4, 2024, the City has outstanding \$130,000 of General Obligation Bonds, \$48,615,567 of Improvement Bonds, \$9,565,000 of Sales Tax Revenue Bonds, and \$20,227,605 of Water/Sewer Revenue Bonds outstanding. The City currently has five Clean Water SRF totaling \$5,305,000 outstanding and eight Drinking Water SRF loans totaling \$14,922,605 outstanding. 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: April 2, 2025

RE: City of Mandan
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$4,507,000 loan to the City of Mandan under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is \$11,267,000, with the City receiving a Department of Water Resources cost-share grant of \$6,760,000.

The project will complete Phase III of a water treatment plant optimization project. The requested loan term is 20 years. The City will issue a revenue bond payable with water/wastewater user fees. The annual payment will average \$270,057.

Debt Service Coverage:

| Water and Wastewater Fund | 2021 | 2022 | 2023 | Projected |
|-------------------------------|------------|------------|------------|------------|
| Operating Revenue | 12,373,258 | 11,710,926 | 10,216,792 | 10,216,792 |
| Projected Rate Increase | | | | 581,799 |
| Operating Expenses | -6,253,921 | -6,315,164 | -6,648,226 | -6,648,226 |
| Net Operating Revenue | 6,119,337 | 5,395,762 | 3,568,566 | 4,150,365 |
| Plus: Depreciation | 2,579,500 | 2,530,360 | 2,801,245 | 2,801,245 |
| Adjusted Net Operating Income | 8,698,837 | 7,926,122 | 6,369,811 | 6,951,610 |
| | | | | |
| Current Debt Service | 2,704,720 | 2,724,636 | 2,710,801 | 2,710,801 |
| Proposed Debt Service | | | | 270,057 |
| Total Debt Service | | | | 2,980,858 |
| | | | | |
| Debt Service Coverage | 322% | 291% | 235% | 233% |

The City currently provides service to 8,615 residential connections that pay a water/wastewater monthly base rate of \$32.05 and 796 commercial connections that pay a water/wastewater monthly base rate of \$64.10. All connections pay a usage rate of \$3.00 per cubic 100 foot of water and \$1.65 per 100 cubic foot of wastewater disposal. In January 2025, the City increased the monthly base rate by \$4.75 per residential user and by \$9.50 per commercial user. This will generate approximately \$581,799 of annual revenues. The existing revenues, combined with the rate increase, will generate sufficient net operating revenues to service the existing and proposed debt.

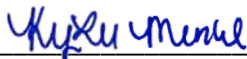
Outstanding Debt (as of November 4, 2024):

| | Original Amount | Current Balance |
|---------------------------|----------------------------|----------------------------|
| General Obligation Bonds | 870,000 | 130,000 |
| Improvement Bonds | 61,951,888 | 48,615,567 |
| Sales Tax Revenue Bonds | 15,275,000 | 9,565,000 |
| Water/Sewer Revenue Bonds | 38,436,239 | 20,227,605 |
| | 116,533,127 | 78,538,172 |

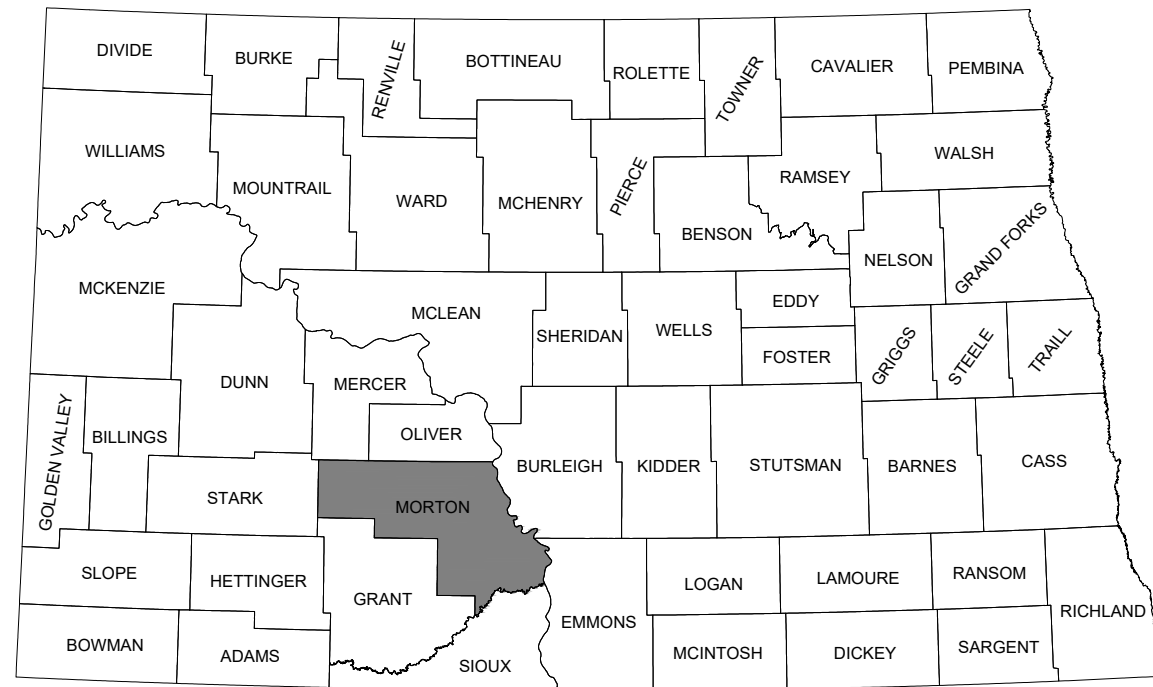
Average annual debt service requirements are estimated at \$10,324,824, which is an average of \$426.54 per resident.

Historical census populations for the City of Mandan were 24,206 in 2020 and 18,331 in 2010. The largest employers in the City are Mandan Public Schools, HIT, Inc. and National Information Solutions Cooperative.

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



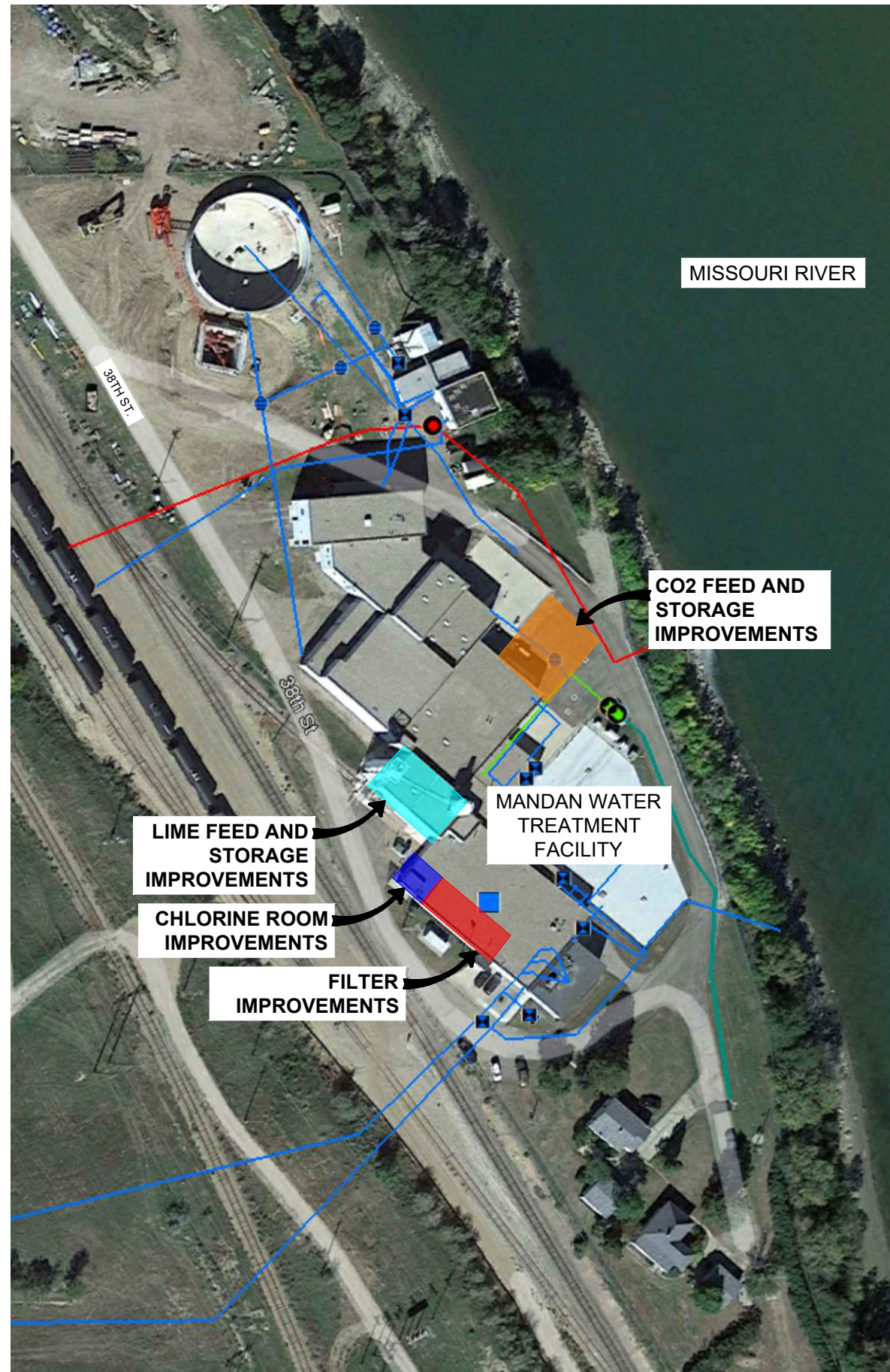
STATE OF NORTH DAKOTA

1 PROJECT LOCATION MAP

001 MORTON COUNTY



2 PROJECT VICINITY MAP
001 MORTON COUNTY



3
001 PROJECT AERIAL MAP
MORTON COUNTY



Certification of Individual Project Design Disciplines Are Included On Their Individual Drawings, Respectively

Attachment 2F

| | |
|---------|------------------------------------|
| STATUS: | PRELIMINARY - NOT FOR CONSTRUCTION |
|---------|------------------------------------|

PHASE III OF LIMEZATION
Advanced Engineering and Environmental Services, LLC www.ae2s.com

PROJECT TITLE:

SHEET TITLE:

PHASE III OPTIMIZATION

CLIENT:

CITY OF MANDAN
MANDAN, NORTH DAKOTA

| |
|------------------|
| PREPARED BY: TRK |
|------------------|

CHECKED BY: LDH

CHECKED BY: LDA

PROJECT NO: 00510-2022-002

| |
|-------------------|
| SHEET DESIGNATOR: |
|-------------------|

SHEET NO:

DATE: JUNE 2023

ALT PROJECT NO: XXX-XXXX

EX

001

Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Public Finance Authority

Memorandum

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

From: DeAnn Ament, Executive Director

Date: April 16, 2025

Re: Ashley, Clean Water State Revolving Fund
Colfax, Clean Water State Revolving Fund
Colfax, Clean Water State Revolving Fund
Mandan, Drinking Water State Revolving Fund
Portland, Drinking Water State Revolving Fund

Under current policy, the Public Finance Authority can make loans under the State Revolving Fund Program in an amount not to exceed \$2,000,000 and under the Capital Financing Program in an amount not to exceed \$500,000 without seeking the final approval of the Industrial Commission. Within this policy, once the loan has been approved, the Public Finance Authority is required to provide the details of the loan to the Industrial Commission. Accordingly, the Public Finance Authority and its Advisory Committee used this policy to approve the following loans.

The committee reviewed the City of Ashley's Clean Water State Revolving Fund (CWSRF) application for a \$461,000 loan towards a \$1,100,500 project. A CDBG grant will provide \$639,500 of funding. This project will rehabilitate manholes and sanitary sewer vitrified pipe with cured in place pipe. The requested term for the loan is 30 years. The City will issue revenue bonds payable with sewer user fees.

The committee reviewed the City of Colfax's CWSRF application for a \$1,251,000 loan towards a \$1,692,190 project. The Bank of North Dakota Infrastructure Revolving Loan Fund will provide a \$441,190 loan. The project will construct a new sanitary lift station to serve the Performing Arts Center and growth on the east side of the City. The requested term for the loan is 30 years. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The committee reviewed the City of CWSRF application for a \$1,072,000 loan towards a \$1,865,126 project. The Bank of North Dakota Infrastructure Revolving Loan Fund will provide a \$793,126 loan. The project will construct a stormwater retention pond, sanitary sewer mains, services and manholes to serve Colfax Reserve First Addition. The requested term for the loan is 30 years. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The committee reviewed the City of Mandan's Drinking Water State Revolving Fund (DWSRF) application for a \$1,930,000 loan towards a \$10,320,381 project. The Department of Water Resources Cost Share will provide \$4,777,086 and local funds on hand of \$3,613,295 will be used. The project will replace the aging cast iron pipe water main, services, hydrants and gate valves in an area that has experienced over 20 watermain breaks in the last 15 years. The requested term for the loan is 16 years. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The committee reviewed the City of Portland's DWSRF application for a \$1,930,000 loan towards a \$3,858,500 project. The Department of Water Resources Cost Share will provide \$642,510 and USDA-RD will fund \$1,285,990. This project will replace a 50,000-gallon storage tank with a new 150,000-gallon elevated tank and upsize pipe and add looping in four different sections of the distribution system to ensure adequate flows within the system. The requested term for the loan is 30 years. The City will issue revenue bonds payable with water user fees.

The Public Finance Authority's Advisory Committee approved these loans at their April 16, 2025, meeting.

Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: April 4, 2025

Re: City of Ashley
Clean Water State Revolving Fund Program Loan

Purpose of the Project: Rehabilitate manholes and sanitary sewer vitrified pipe with cured in place pipe.

Project Amount:

| | |
|---------------------------|--------------|
| CWSRF Request | \$ 461,000 |
| CDBG Grant | 639,500 |
| Total Project Cost | \$ 1,100,500 |

Population to Benefit from the Project: 613

Population Served by the System: 613

The City will issue revenue bonds payable with sewer user fees. The requested term for the loan is 30 years. The average annual payment for the revenue bonds will be \$19,305. The reserve requirement will be \$20,440 and the 110% coverage requirement will be \$21,235.

The City has 450 residential and 57 commercial connections which pay a monthly base rate of \$11.50 which is a \$1.50 increase from the 2024 monthly rate. This rate increase will generate approximately \$9,126 annually.

Water and Sewer Fund:

| | Unaudited | | | |
|---------------------------------|-----------|-----------|-----------|-----------|
| | 2021 | 2022 | 2023 | 2024 |
| Operating Revenue | \$176,490 | \$178,545 | \$191,187 | \$234,697 |
| Operating Expenses | 163,623 | 319,254 | 154,368 | 139,087 |
| Net Operating Revenue (Expense) | 12,867 | -140,710 | 36,819 | 95,609 |
| Depreciation | 3,300 | 195,836 | - | - |
| Adjusted Net Operating Revenue | \$16,167 | \$55,126 | \$36,819 | \$95,609 |
| Proforma Rate Increase Revenue | \$9,126 | \$9,126 | \$9,126 | \$9,126 |
| Proforma CWSRF Bond Payment | \$19,305 | \$19,305 | \$19,305 | \$19,305 |
| Proforma Net Operating Coverage | 131% | 333% | 238% | 543% |

Existing net revenues coupled with the implemented water/wastewater base rate increases should allow the City to continue meeting the coverage requirements.

Outstanding Debt December 31, 2024:

| | Original Amount | Outstanding Amount |
|--------------------------------|--------------------|-----------------------|
| Improvement Bonds ¹ | \$3,761,441 | \$3,227,949 |
| Total | \$3,761,441 | \$3,227,949 |

¹ All payments have been made as agreed. The City has one Drinking Water SRF loan with an outstanding balance of \$305,292.

The average annual payment of all debt is \$191,974 which is \$313 per resident.

The City of Ashley is located in McIntosh County 121 miles southeast of Bismarck. Based on the 2020 census, the total population was 613; this is a decrease of 136 from the 2010 census. The largest employers in the City are Ashley Veterinary Clinic with 15 employees, Ashley Public Schools with 28 employees and Ashley Medical Center which employs 125.

School Enrollment:

| | | | | Projected |
|-----------|-----------|-----------|-----------|-----------|
| 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
| 141 | 129 | 127 | 112 | 110 |

The City's 2024 taxable valuation was \$1,415,292. This is an increase of \$300,375 from the 2020 taxable valuation.

Property Taxes Levied & Collected 2/28/2025:

| Levy Year | Dollar Amount of Levy | Amount Collected to Date of Application | Percentage Collected |
|-----------|-----------------------|---|----------------------|
| 2024 | \$445,070 | \$299,069 | 67% |
| 2023 | \$476,652 | \$376,888 | 79% |
| 2022 | \$349,057 | \$326,441 | 94% |

Special Assessments Levied & Collected 2/28/2025:

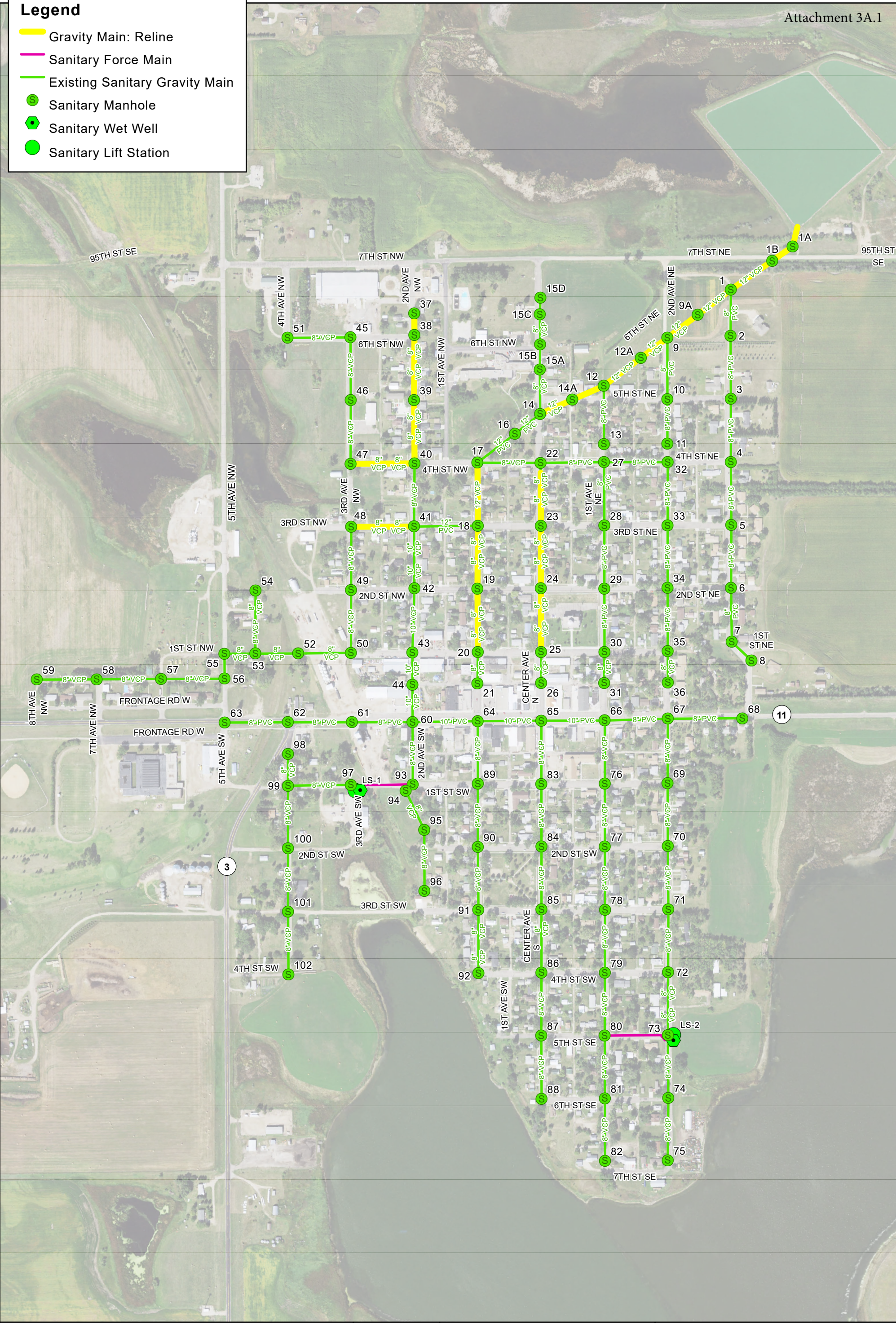
| Year | Dollar Amount | Amount Collected to Date of Application | Percentage Collected |
|------|---------------|---|----------------------|
| 2024 | \$14,902 | \$11,778 | 14% |
| 2023 | \$- | \$- | - |
| 2022 | \$76,625 | \$63,030 | 82% |

City of Ashley Mill Levy History:

| Year | City | School | Park District | State and County | Other | Total for Each Year |
|------|--------|--------|---------------|------------------|-------|---------------------|
| 2024 | 118.82 | 104.80 | 39.64 | 107.36 | 16.87 | 387.49 |
| 2023 | 114.42 | 102.50 | 40.00 | 106.28 | 5.00 | 368.20 |
| 2022 | 104.42 | 71.07 | 40.00 | 102.69 | 5.00 | 323.18 |
| 2021 | 122.52 | 71.20 | 40.00 | 104.98 | 5.00 | 343.70 |
| 2020 | 122.56 | 65.18 | 40.00 | 108.47 | 5.00 | 341.21 |

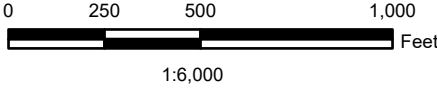
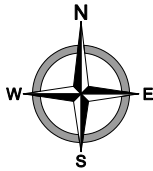
Legend

- Gravity Main: Reline
- Sanitary Force Main
- Existing Sanitary Gravity Main
- Sanitary Manhole
- Sanitary Wet Well
- Sanitary Lift Station



SANITARY SEWER RELINING
CITY OF ASHLEY
MCINTOSH COUNTY, NORTH DAKOTA

Created By: TJS/BAS Date Created: 08/12/19 Date Saved: 06/14/24 Date Plotted: N/A Date Exported: 06/14/24
Plotted By: brook.smith Parcel Date: N/A Aerial Image: 2018 County NAIP SIDS
Elevation Data: LidarHorizontal Datum: NAD 1983 StatePlane North Dakota South FIPS 3302 Feet Vertical Datum: NAVD1988
T:\Projects\22800\22986_Ashley Sanitary\10_ArcPro\Sanitary Televising\Sanitary Televising.aprx



Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Public Finance Authority

Memorandum

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

From: DeAnn Ament, Executive Director

Date: April 7, 2025

Re: City of Colfax
Clean Water State Revolving Fund Program Loan

Purpose of the Project: Construct a new sanitary lift station to serve the Performing Arts Center and growth on the east side of the City.

Project Amount:

| | |
|----------------------|-------------|
| CWSRF Request | \$1,251,000 |
| BND IRLF | 441,190 |
| Project Total | \$1,692,190 |

Population to Benefit from the Project: 80

Population Served by the System: 172

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. Accordingly, the average annual payment will be approximately \$52,636. 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.

The City has 101 connections which pay a monthly base rate of \$12.50 per connection (includes 3,000 gallons) and \$0.50/1,000 gallons.

Sewer Fund:

| | Unaudited | | | |
|--------------------------------|-----------|----------|----------|----------|
| | 2021 | 2022 | 2023 | 2024 |
| Operating Revenue | \$19,896 | \$20,980 | \$23,678 | \$28,211 |
| Operating Expenses | 5,314 | 15,077 | 6,860 | 9,192 |
| Net Operating Revenue | 14,582 | 5,903 | 16,818 | 19,019 |
| Transfer In | 3,575 | - | - | - |
| Adjusted Net Operating Revenue | \$18,157 | \$5,903 | \$16,818 | \$19,019 |
| Revenue Bond Payments | \$12,000 | \$12,860 | \$12,700 | \$12,540 |
| Net Operating Coverage | 151% | 46% | 132% | 152% |

Outstanding Debt December 31, 2024:

| | Original Amount | Outstanding Amount |
|--------------------------------|--------------------|-----------------------|
| Improvement Bonds ¹ | \$4,173,133 | \$ 2,937,585 |
| Revenue Bonds ¹ | 329,500 | 222,400 |
| Total Bonds | \$4,502,633 | \$ 3,159,985 |

¹ All payments have been made as agreed. The City has one CWSRF with an outstanding balance of \$416,000 and one recently approved Drinking Water SRF loan.

The average annual bond payment including these two new issues and the related BND IRLF debt is approximately \$264,535 or \$1,176 per resident.

The City of Colfax is located in Richland County approximately 28 miles northwest of Wahpeton on Interstate 29. The total population according to the 2020 census is 172; this is an increase of 51 from the 2010 census. The current estimated population is 225. The largest employers in the area are Richland #44 High School with 27 employees, Minn-Kota Ag (agriculture) which employs 7 and Colfax Express (agriculture) with 5 employees.

Richland K-12 School Enrollment:

| | | | | Projected |
|-----------|-----------|-----------|-----------|-----------|
| 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
| 262 | 273 | 284 | 307 | 310 |

The City's 2024 taxable valuation was \$1,488,298. This is an increase of \$786,318 over the 2020 taxable valuation.

Property Tax Collections as of March 12, 2025:

| Levy Year | Dollar Amount of Levy | Amount Collected to Date of Application | Percentage Collected |
|------------------|------------------------------|--|-----------------------------|
| 2024 | \$207,156 | \$172,057 | 83% |
| 2023 | \$134,574 | \$126,427 | 94% |
| 2022 | \$113,450 | \$112,100 | 99% |

Special Assessment Collections as of March 12, 2025:

| Year | Dollar Amount | Amount Collected to Date of Application | Percentage Collected |
|-------------|----------------------|--|-----------------------------|
| 2023 | \$128,447 | \$98,934 | 77% |
| 2023 | \$86,823 | \$79,468 | 92% |
| 2022 | \$87,991 | \$87,146 | 99% |

Mill Levy History:

| Year | City | School | Park District | State and County | Other | Total for Each Year |
|-------------|-------------|---------------|----------------------|-------------------------|--------------|----------------------------|
| 2024 | 52.53 | 106.50 | 4.56 | 95.15 | 13.00 | 271.74 |
| 2023 | 40.92 | 106.50 | 4.56 | 95.35 | 8.07 | 255.40 |
| 2022 | 27.15 | 109.00 | 4.56 | 95.44 | 8.74 | 244.89 |
| 2021 | 35.12 | 110.00 | 4.56 | 98.44 | 9.29 | 257.41 |
| 2020 | 43.68 | 113.50 | 4.56 | 99.19 | 9.66 | 270.59 |



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Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 14, 2025

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

The City of Colfax (the “City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$1,251,000 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 construct a new sanitary lift station to serve the Performing Arts Center and growth on the east side of the City.

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 30 years with a subsidized interest rate of 1.50%. The City’s average annual payment under the proposed loan will be approximately \$52,636. 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, 2024, the City has \$2,937,585 of improvement bonds and \$222,400 of revenue bonds outstanding. The City has one Clean Water SRF with outstanding balance of \$416,000 and one Drinking Water SRF loan has been recently approved. The City is current in its payments for its outstanding Authority loan.

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

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: April 7, 2025

RE: City of Colfax
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,251,000 loan to the City of Colfax under the Clean Water State Revolving Fund (CWSRF). The entire cost of the project is \$1,692,190, with the City receiving a \$441,190 loan from the BND Infrastructure Revolving Loan Fund.

The project will construct a new sanitary sewer lift station and waterline extension to serve the Performing Arts Center and growth on the east side of the City. The requested loan term is 30 years. The City will issue an improvement bond payable with special assessment collections. The annual payment will average \$52,636.

Debt Service Coverage:

| Sewer Fund | 2021 | 2022 | 2023 |
|-------------------------------|--------|---------|--------|
| Operating Revenue | 19,896 | 20,980 | 23,678 |
| Operating Expenses | -5,314 | -15,077 | -6,860 |
| Net Operating Revenue | 14,582 | 5,903 | 16,818 |
| Plus: Transfers In | 3,575 | 0 | 0 |
| Adjusted Net Operating Income | 18,157 | 5,903 | 16,818 |
| Current Debt Service | 12,000 | 12,860 | 12,700 |
| Debt Service Coverage | 151% | 46% | 132% |

The City currently provides service to 101 connections that pay a monthly base rate of \$12.50 and a usage fee of \$0.50 per 1,000 gallons in excess of 3,000 gallons.


Outstanding Debt (as of December 31, 2024):

| | <u>Original Amount</u> | <u>Current Balance</u> |
|-------------------|-----------------------------------|-----------------------------------|
| Revenue Bonds | 329,500 | 222,400 |
| Improvement Bonds | 4,173,133 | 2,937,585 |
| | 4,502,633 | 3,159,985 |

Average annual debt service requirements are estimated at \$264,535, which is an average of \$1,176 per resident.

The current estimated population is 225. Historical census populations for the City of Colfax were 172 in 2020 and 121 in 2010. The largest employers in the City are Richland High School, Minn-Kota Ag and Colfax Express.

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

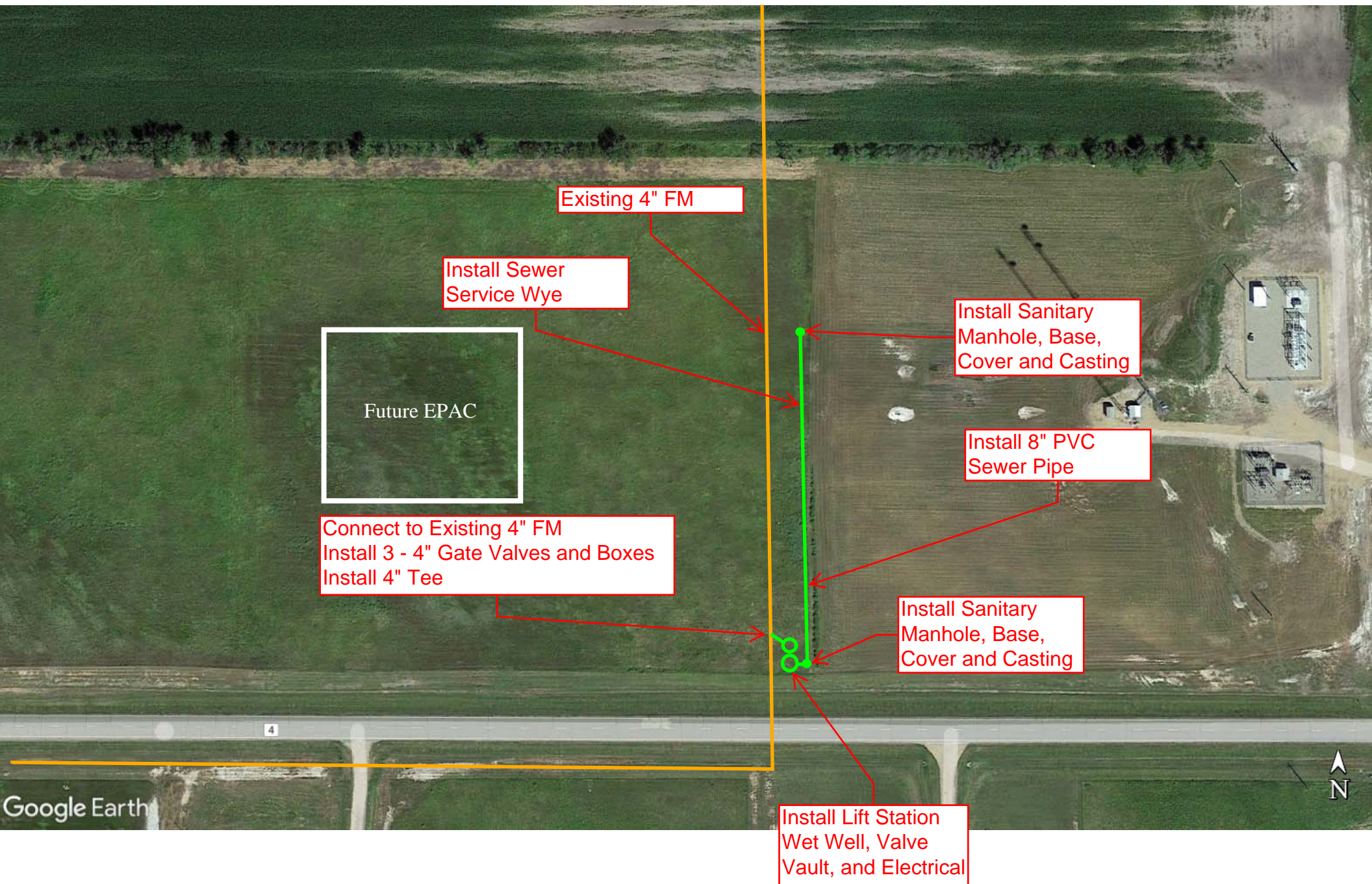


Kylee Merkel
Business Banker



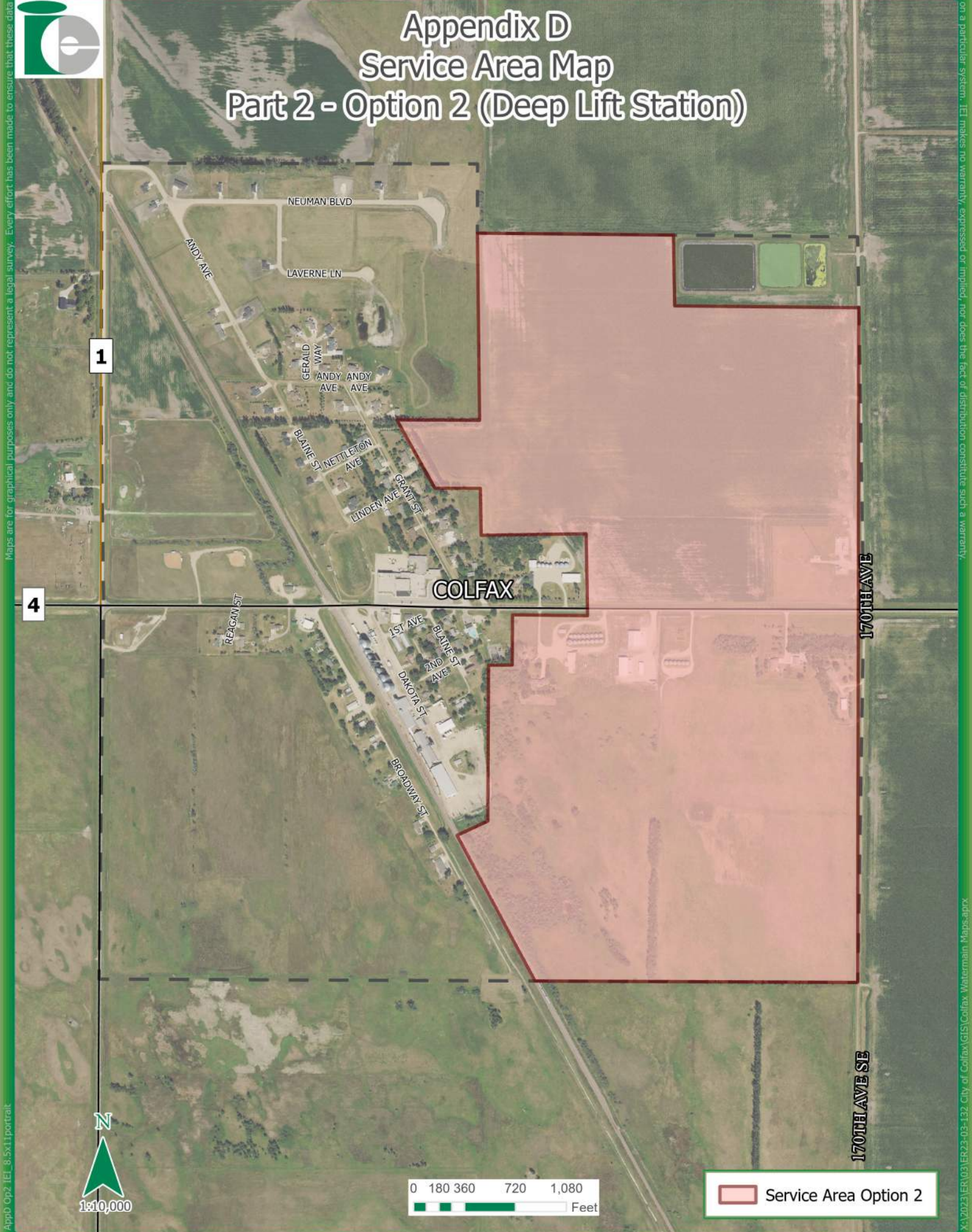
Preliminary Layout Sketch Part 2 - Options 1 & 2

Attachment 3B.3





Appendix D Service Area Map Part 2 - Option 2 (Deep Lift Station)



Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

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

From: DeAnn Ament, Executive Director

Date: April 7, 2025

Re: City of Colfax
Clean Water State Revolving Fund Program Loan

Purpose of the Project: Construct a stormwater retention pond, sanitary sewer mains, services and manholes to serve Colfax Reserve First Addition.

Project Amount:

| | |
|----------------------|-------------|
| CWSRF Request | \$1,072,000 |
| BND IRLF | 793,126 |
| Project Total | \$1,865,126 |

Population to Benefit from the Project: 80

Population Served by the System: 172

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. Accordingly, the average annual payment will be approximately \$45,005. 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.

The City has 101 connections which pay a monthly base rate of \$12.50 per connection (includes 3,000 gallons) and \$0.50/1,000 gallons.

Sewer Fund:

| | Unaudited | | | |
|--------------------------------|-----------|----------|----------|----------|
| | 2021 | 2022 | 2023 | 2024 |
| Operating Revenue | \$19,896 | \$20,980 | \$23,678 | \$28,211 |
| Operating Expenses | 5,314 | 15,077 | 6,860 | 9,192 |
| Net Operating Revenue | 14,582 | 5,903 | 16,818 | 19,019 |
| Transfer In | 3,575 | - | - | - |
| Adjusted Net Operating Revenue | \$18,157 | \$5,903 | \$16,818 | \$19,019 |
| Revenue Bond Payments | \$12,000 | \$12,860 | \$12,700 | \$12,540 |
| Net Operating Coverage | 151% | 46% | 132% | 152% |

Outstanding Debt December 31, 2024:

| | Original Amount | Outstanding Amount |
|--------------------------------|--------------------|-----------------------|
| Improvement Bonds ¹ | \$4,173,133 | \$ 2,937,585 |
| Revenue Bonds ¹ | 329,500 | 222,400 |
| Total Bonds | \$4,502,633 | \$ 3,159,985 |

¹ All payments have been made as agreed. The City has one CWSRF with an outstanding balance of \$416,000 and one recently approved Drinking Water SRF loan.

The average annual bond payment including these two new issues and the related BND IRLF debt is approximately \$264,535 or \$1,176 per resident.

The City of Colfax is located in Richland County approximately 28 miles northwest of Wahpeton on Interstate 29. The total population according to the 2020 census is 172; this is an increase of 51 from the 2010 census. The current estimated population is 225. The largest employers in the area are Richland #44 High School with 27 employees, Minn-Kota Ag (agriculture) which employs 7 and Colfax Express (agriculture) with 5 employees.

Richland K-12 School Enrollment:

| | | | | Projected |
|-----------|-----------|-----------|-----------|-----------|
| 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
| 262 | 273 | 284 | 307 | 310 |

The City's 2024 taxable valuation was \$1,488,298. This is an increase of \$786,318 over the 2020 taxable valuation.

Property Tax Collections as of March 12, 2025:

| Levy Year | Dollar Amount of Levy | Amount Collected to Date of Application | Percentage Collected |
|------------------|------------------------------|--|-----------------------------|
| 2024 | \$207,156 | \$172,057 | 83% |
| 2023 | \$134,574 | \$126,427 | 94% |
| 2022 | \$113,450 | \$112,100 | 99% |

Special Assessment Collections as of March 12, 2025:

| Year | Dollar Amount | Amount Collected to Date of Application | Percentage Collected |
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| 2023 | \$86,823 | \$79,468 | 92% |
| 2022 | \$87,991 | \$87,146 | 99% |

Mill Levy History:

| Year | City | School | Park District | State and County | Other | Total for Each Year |
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| 2024 | 52.53 | 106.50 | 4.56 | 95.15 | 13.00 | 271.74 |
| 2023 | 40.92 | 106.50 | 4.56 | 95.35 | 8.07 | 255.40 |
| 2022 | 27.15 | 109.00 | 4.56 | 95.44 | 8.74 | 244.89 |
| 2021 | 35.12 | 110.00 | 4.56 | 98.44 | 9.29 | 257.41 |
| 2020 | 43.68 | 113.50 | 4.56 | 99.19 | 9.66 | 270.59 |



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Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 14, 2025

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

The City of Colfax (the “City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$1,072,000 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 construct a stormwater retention pond, sanitary sewer mains, and services and manholes to serve Colfax Reserve First Addition.

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 30 years with a subsidized interest rate of 1.50%. The City’s average annual payment under the proposed loan will be approximately \$45,005. 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, 2024, the City has \$2,937,585 of improvement bonds and \$222,400 of revenue bonds outstanding. The City has one Clean Water SRF with outstanding balance of \$416,000 and one Drinking Water SRF loan has been recently approved. The City is current in its payments for its outstanding Authority loan.

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

Memorandum

Attachment 3C.2

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: April 7, 2025

RE: City of Colfax
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,072,000 loan to the City of Colfax under the Clean Water State Revolving Fund (CWSRF). The entire cost of the project is \$1,865,126, with the City receiving a \$793,126 loan from the BND Infrastructure Revolving Loan Fund.

The project will construct a stormwater retention pond and infrastructure needed for the First Addition of Colfax Reserve development. The requested loan term is 30 years. The City will issue an improvement bond payable with special assessment collections. The annual payment will average \$45,005.

Debt Service Coverage:

| Sewer Fund | 2021 | 2022 | 2023 |
|-------------------------------|--------|---------|--------|
| Operating Revenue | 19,896 | 20,980 | 23,678 |
| Operating Expenses | -5,314 | -15,077 | -6,860 |
| Net Operating Revenue | 14,582 | 5,903 | 16,818 |
| Plus: Transfers In | 3,575 | 0 | 0 |
| Adjusted Net Operating Income | 18,157 | 5,903 | 16,818 |
| Current Debt Service | 12,000 | 12,860 | 12,700 |
| Debt Service Coverage | 151% | 46% | 132% |

The City currently provides service to 101 connections that pay a monthly base rate of \$12.50 and a usage fee of \$0.50 per 1,000 gallons in excess of 3,000 gallons.


Outstanding Debt (as of December 31, 2024):

| | <u>Original Amount</u> | <u>Current Balance</u> |
|-------------------|-----------------------------------|-----------------------------------|
| Revenue Bonds | 329,500 | 222,400 |
| Improvement Bonds | 4,173,133 | 2,937,585 |
| | 4,502,633 | 3,159,985 |

Average annual debt service requirements are estimated at \$264,535, which is an average of \$1,176 per resident.

The current estimated population is 225. Historical census populations for the City of Colfax were 172 in 2020 and 121 in 2010. The largest employers in the City are Richland High School, Minn-Kota Ag and Colfax Express.

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

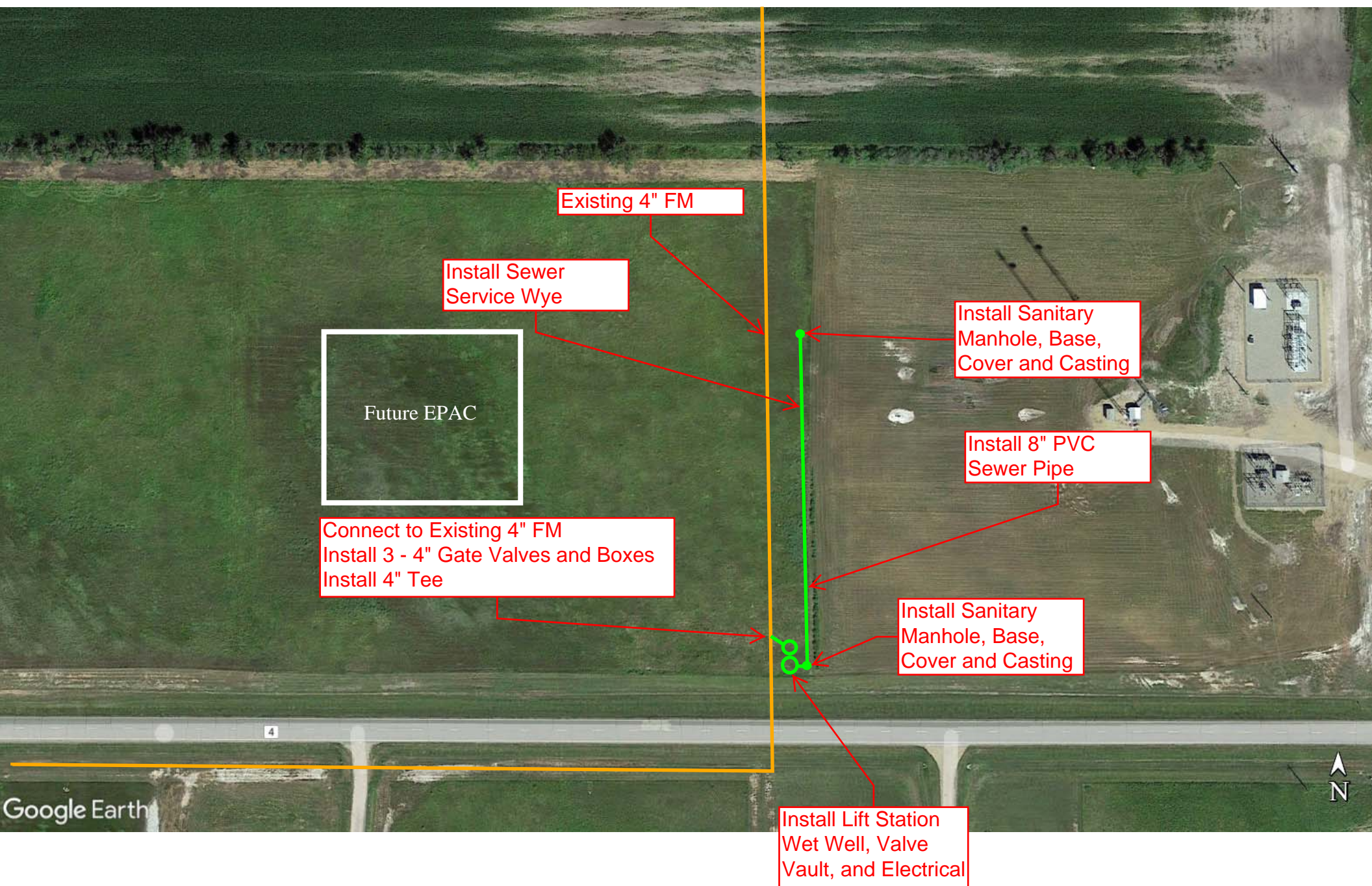


Kylee Merkel
Business Banker



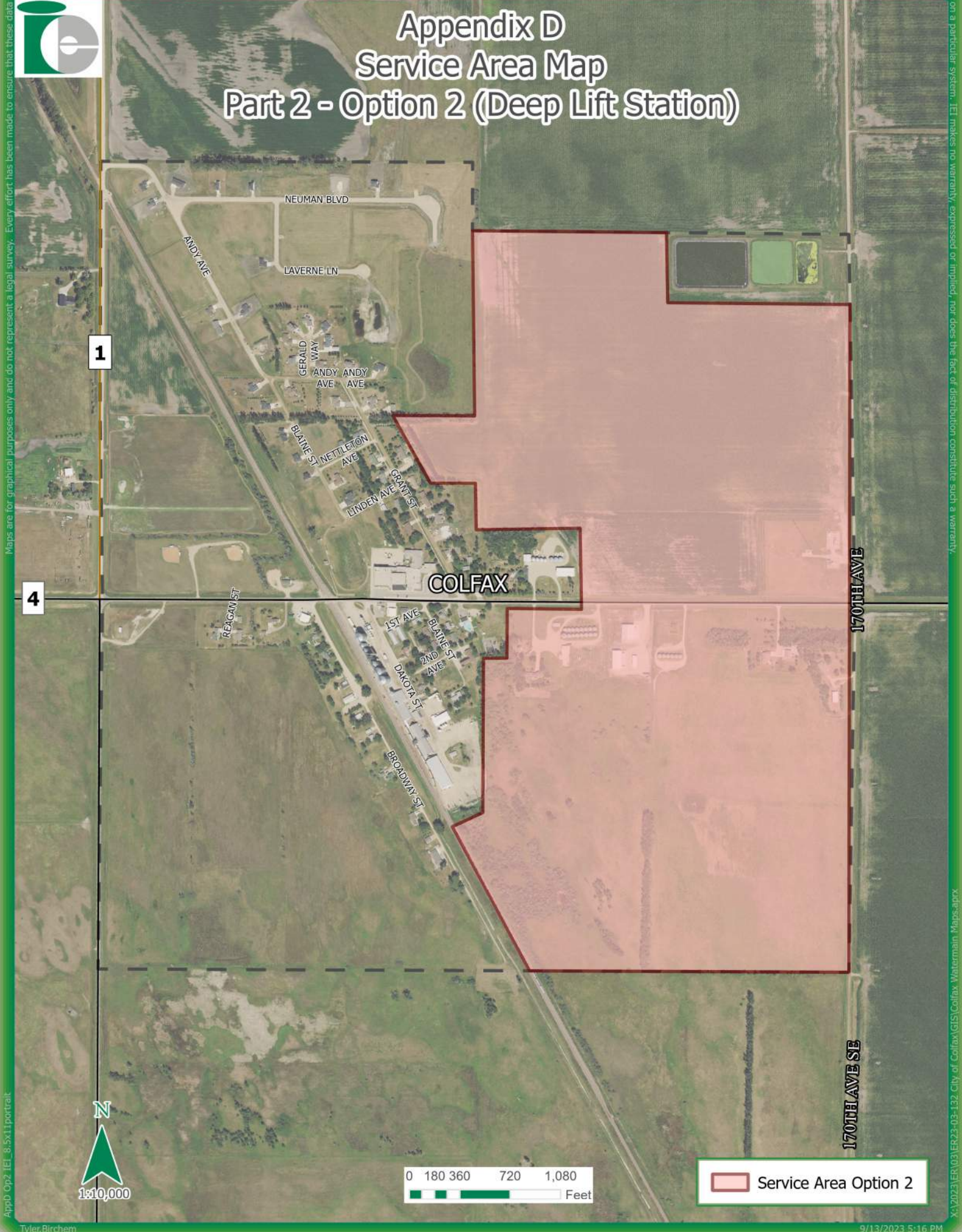
Preliminary Layout Sketch

Part 2 - Options 1 & 2





Appendix D Service Area Map Part 2 - Option 2 (Deep Lift Station)



Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Public Finance Authority

Memorandum

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

From: DeAnn Ament, Executive Director

Date: April 4, 2025

Re: City of Mandan
Drinking Water State Revolving Fund Program Loan Application

Purpose of the Project: Replace the aging cast iron pipe water main, services, hydrants and gate valves in an area that has experienced over 20 watermain breaks in the last 15 years.

Project Amount:

| | |
|-----------------------|---------------|
| DWSRF Request | \$ 1,930,000 |
| DWR Cost Share | 4,777,086 |
| Local - Cash | 3,613,295 |
| Project Total | \$ 10,320,381 |

Population to Benefit from the Project: 400

Population Served by the System: 24,206 plus Missouri West Water System which serves 8,100 people

The requested term for the DWSRF loan is 16 years. Accordingly, the average annual payment loan will be approximately \$137,816. 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.

The City currently has 8,615 residential connections that pay a water/wastewater base rate of \$36.80 and 796 commercial connections that pay a water/wastewater base rate of \$73.60 and both pay \$3.00/100 cubic foot of water usage and \$1.65/100 cubic foot of wastewater disposal.

Water & Wastewater Fund:

| | 2020 | 2021 | 2022 | 2023 |
|--------------------------------|-------------|--------------|--------------|--------------|
| Operating Revenue | \$9,038,542 | \$12,373,258 | \$11,710,926 | \$10,216,792 |
| Operating Expenses | 5,806,222 | 6,253,921 | 6,315,164 | 6,648,226 |
| Net Operating Revenue | 3,232,320 | 6,119,337 | 5,395,762 | 3,568,566 |
| Depreciation | 2,365,212 | 2,579,500 | 2,530,360 | 2,801,245 |
| Adjusted Net Operating Revenue | \$5,597,532 | \$8,698,837 | \$7,926,122 | \$6,369,811 |
| Revenue Bond Payments | \$2,763,599 | \$2,704,720 | \$2,724,636 | \$2,710,801 |
| Net Operating Coverage | 203% | 322% | 291% | 235% |

Outstanding Debt as of December 31, 2024:

| | Original Debt | Outstanding Debt |
|--|-----------------------|----------------------|
| General Obligation Bonds - Bridge | \$ 870,000 | \$ 130,000 |
| Improvement Bonds | 61,951,888 | 48,615,567 |
| Sales Tax Revenue Bonds - Sports Complex | 15,275,000 | 9,065,000 |
| Revenue Bonds - Water & Sewer ¹ | 38,436,239 | 20,322,905 |
| Total | \$ 116,533,127 | \$ 78,133,472 |

¹ Payments to the NDPFA have been made as agreed. The City has eight DWSRF loans with a total outstanding balance of \$14,847,605 and five Clean Water SRF loans that total \$5,305,000. The City had debt service reserves of \$3,615,306. There are two DWSRF loans and one CWSRF loan that have been approved but not closed totaling \$24,849,000.

The average annual payment of all outstanding debt including approved but not closed and this new request is \$11,028,963 which is \$456 per resident.

The City of Mandan is located in Morton County on Interstate 94. Based on the 2020 census, the total population is 24,206; this is an increase of 5,875 over the 2010 census. The largest employers in the City are Mandan Public Schools with 697 employees, HIT, Inc. (social assistance) employs 641 and NISC (information services) with 460 employees.

K-12 School Enrollment:

| 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|-----------|-----------|-----------|-----------|-----------|
| 4,037 | 4,223 | 4,277 | 4,368 | 4,375 |

The City's 2024 taxable valuation was \$131,480,934. This is an increase of \$32,318,077 over the 2020 taxable valuation.

Property Tax Levies and Collections as of 12/31/2024:

| Levy Year | Dollar Amount of Levy | Amount Collected to Date of Application | Percentage Collected |
|------------------|------------------------------|--|-----------------------------|
| 2024 | \$7,888,079 | \$3,024,747 | 38% |
| 2023 | \$7,939,478 | \$7,842,807 | 99% |
| 2022 | \$7,223,291 | \$7,185,035 | 99% |
| 2021 | \$6,608,207 | \$6,607,326 | 100% |

Special Assessment Levies and Collections 12/31/2024:

| Year | Dollar Amount | Amount Collected to Date of Application | Percentage Collected |
|-------------|----------------------|--|-----------------------------|
| 2024 | \$6,737,373 | \$3,857,291 | 57% |
| 2023 | \$4,541,789 | \$4,242,323 | 93% |
| 2022 | \$4,602,813 | \$4,421,783 | 96% |
| 2021 | \$4,625,863 | \$4,607,694 | 100% |

City of Mandan Mill Levy:

| Year | City | School | Park District | State and County | Other | Total for Each Year |
|-------------|-------------|---------------|----------------------|-------------------------|--------------|----------------------------|
| 2024 | 64.09 | 128.14 | 29.15 | 55.09 | 4.13 | 280.60 |
| 2023 | 63.93 | 127.22 | 29.13 | 56.74 | 4.10 | 281.12 |
| 2022 | 63.85 | 130.15 | 29.15 | 60.23 | 4.41 | 287.79 |
| 2021 | 63.98 | 130.15 | 28.29 | 58.74 | 4.47 | 285.63 |
| 2020 | 63.21 | 108.15 | 28.84 | 57.71 | 4.41 | 262.32 |



Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 14, 2025

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

The City of Mandan (the “City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$1,930,000 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 the aging cast iron pipe water main, services, hydrants and gate valves.

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 16 years with a subsidized interest rate of 1.50%. The City’s average annual payment under the proposed loan will be approximately \$137,816. 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, 2024, the City has \$130,000 of general obligation bonds, \$48,615,567 of improvement bonds, \$9,065,000 of sales tax revenue bonds and \$20,322,905 of revenue bonds outstanding. The City has five Clean Water SRF and eight Drinking Water SRF loans with outstanding balances of \$5,305,000 and \$14,847,605, respectively. The City is current in its payments for its outstanding Authority loan.

Funding the construction of the City’s improvements has been included in a list of approved uses 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

Attachment 3D.2

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: April 7, 2025

RE: City of Mandan
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,930,000 loan to the City of Mandan under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is \$10,320,381, with Department of Water Resources providing a \$4,777,086 cost-share grant and the City using \$3,613,295 of local funds on hand.

The project will replace cast iron pipe water main, services, hydrants and gate valves. The requested loan term is 16 years. The City will issue an improvement bond payable with special assessment collections. The annual payment will average \$137,816.

Water & Wastewater Fund:

| Water and Wastewater Fund | 2021 | 2022 | 2023 |
|-------------------------------|------------|------------|------------|
| Operating Revenue | 12,373,258 | 11,710,926 | 10,216,792 |
| Projected Rate Increase | | | |
| Operating Expenses | -6,253,921 | -6,315,164 | -6,648,226 |
| Net Operating Revenue | 6,119,337 | 5,395,762 | 3,568,566 |
| Plus: Depreciation | 2,579,500 | 2,530,360 | 2,801,245 |
| Adjusted Net Operating Income | 8,698,837 | 7,926,122 | 6,369,811 |
| | | | |
| Current Debt Service | 2,704,720 | 2,724,636 | 2,710,801 |
| | | | |
| Debt Service Coverage | 322% | 291% | 235% |

The City currently serves 8,615 residential connections that pay a monthly water/wastewater base rate of \$36.80 and 796 commercial connections that pay a monthly water/wastewater base rate of \$73.60. All connections pay a volume charge of \$3.00 per 100 cubic feet of water usage and \$1.65 per 100 cubic feet of wastewater disposal.

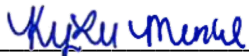
Outstanding Debt (as of December 31, 2024):

| | <u>Original Amount</u> | <u>Current Balance</u> |
|---------------------------|-----------------------------------|-----------------------------------|
| General Obligation Bonds | 870,000 | 130,000 |
| Improvement Bonds | 61,951,888 | 48,615,567 |
| Sales Tax Revenue Bonds | 15,275,000 | 9,065,000 |
| Water/Sewer Revenue Bonds | 38,436,239 | 20,322,905 |
| | 116,533,127 | 78,133,472 |

Average annual debt service requirements are estimated at \$11,028,963, which is an average of \$455.63 per resident.

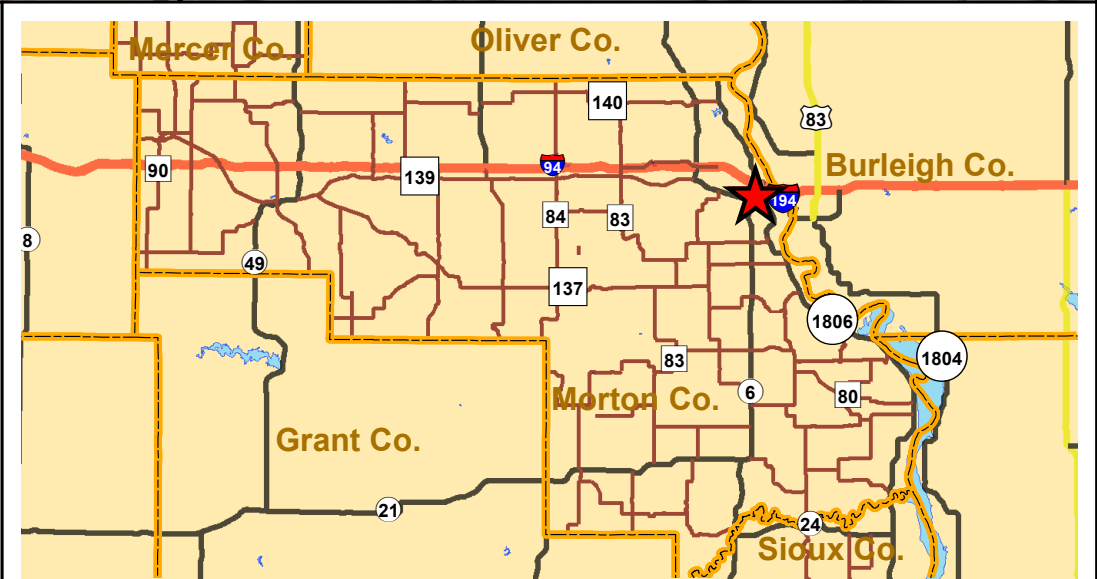
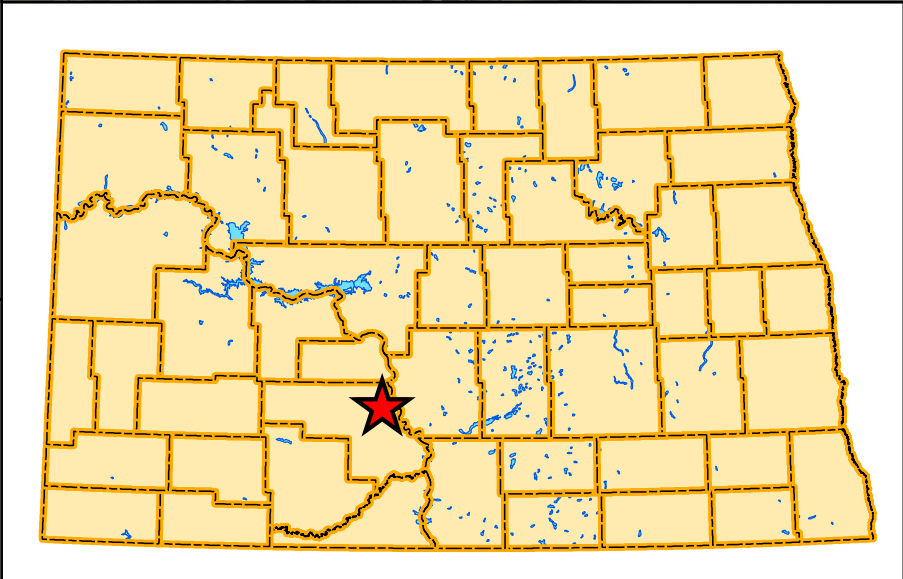
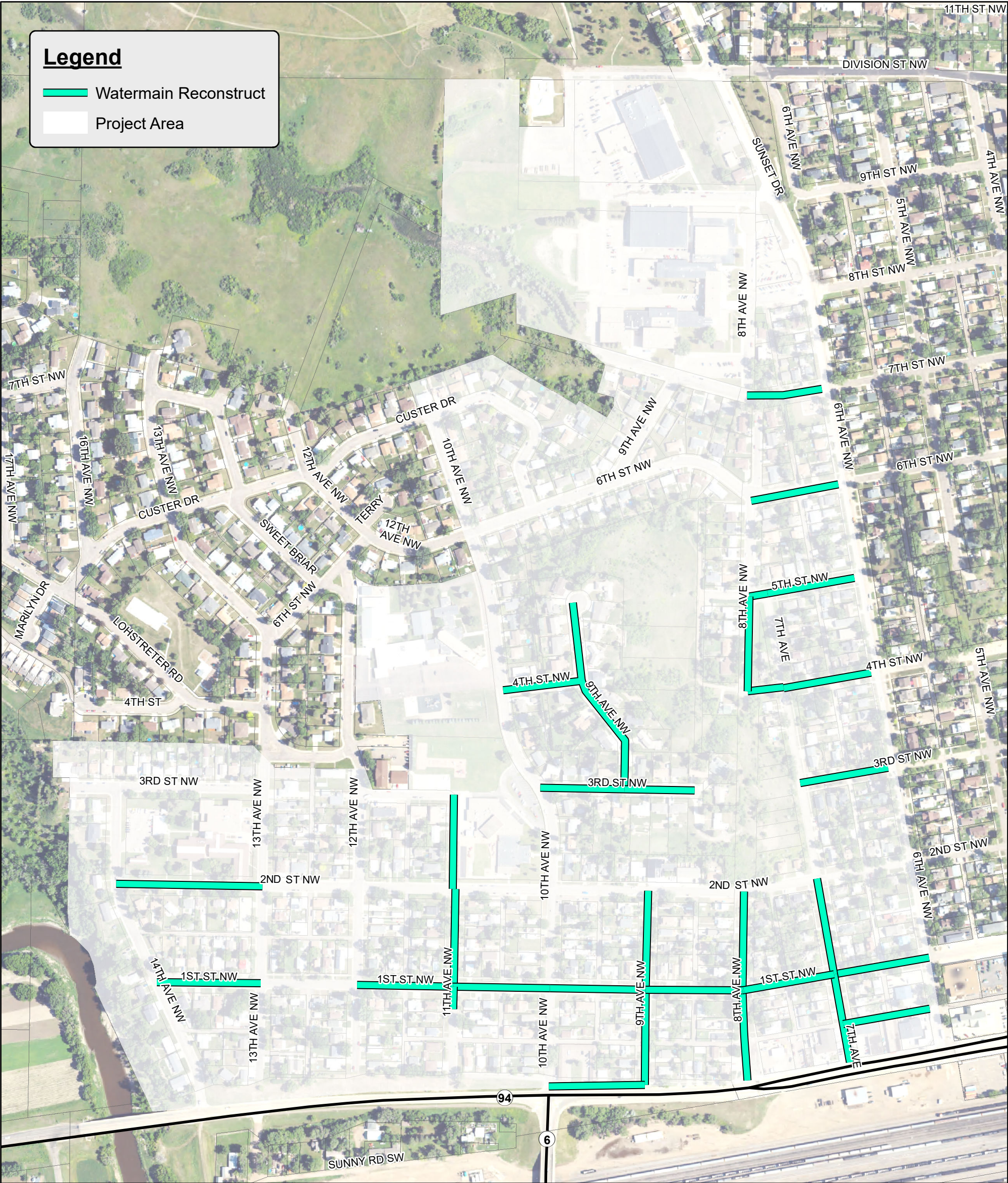
Historical census populations for the City of Mandan were 24,206 in 2020, 18,331 in 2010 and 16,718 in 2000. The largest employers in the City are Mandan Public School District, Housing Industry Training (HIT) and National Information Solutions Cooperative (NISC).

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

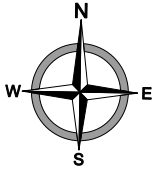


Kylee Merkel
Business Banker





**RECOMMENDED WATER SYSTEM IMPROVEMENTS
MANDAN, NORTH DAKOTA**



Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

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

From: DeAnn Ament, Executive Director

Date: March 24, 2025

Re: City of Portland
Drinking Water State Revolving Fund Program Loan

Purpose of the Project: Replace a 50,000-gallon storage tank with a new 150,000-gallon elevated tank. Also, upsize pipe and add looping in four different sections of the distribution system to ensure adequate flows within the system.

Project Amount:

| | |
|-----------------------|--------------|
| DWSRF Request | \$ 1,930,000 |
| DWR Cost Share | 642,510 |
| USDA-RD | 1,285,990 |
| Project Total | \$ 3,858,500 |

Population to Benefit from the Project: 578

Population Served by the System: 578

The City will issue revenue bonds payable with water user fees. The requested term for the loan is 30 years. The average annual payment for the revenue bonds will be \$80,953. The reserve requirement will be \$87,550 and the 110% coverage requirement will be \$89,049.

The City has 280 water connections which monthly pay a minimum of \$25 per connection or \$10/1,000 gallons. On January 7, 2025, the monthly water base rate was raised \$11.25 per user. The city anticipates another increase of \$11.25 per user in the next year. Combined they will annually generate \$75,600.

Water Fund:

| | Unaudited | | | | |
|---------------------------------|-----------|----------|----------|----------|-----------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Interest Revenue | \$1,204 | \$11 | \$14 | \$21 | \$- |
| Operating Revenue | 165,039 | 204,301 | 216,439 | 229,878 | 330,246 |
| Operating Expenses | 219,412 | 204,418 | 202,795 | 172,771 | 221,907 |
| Net Operating Revenue (Expense) | -\$53,169 | -\$106 | \$13,659 | \$57,128 | \$108,339 |
| Proforma Rate Increase | \$75,600 | \$75,600 | \$75,600 | \$75,600 | \$75,600 |
| Proforma Revenue Bond Payments | \$80,953 | \$80,953 | \$80,953 | \$80,953 | \$80,953 |
| Proforma Net Operating Coverage | 28% | 93% | 110% | 164% | 227% |

With the current and proposed rate increases, the City should meet the 110% net operating coverage requirement.

Outstanding Debt as of September 30, 2024:

| | Original Amount | Outstanding Amount |
|----------------------------|-----------------|--------------------|
| Improvement Bonds | \$2,638,868 | \$ 770,728 |
| Revenue Bonds ¹ | 507,173 | 421,000 |
| Total Bonds | \$3,146,041 | \$ 1,191,728 |

¹ All bonds have been paid as agreed. The City has three Clean Water SRF bonds outstanding with a balance of \$421,000.

The average annual bond payment including this new issue is \$340,753 or \$590 per resident.

The City of Portland is located in Traill County approximately 46 miles southwest of Grand Forks. The total population according to the 2020 census is 578; this is a decrease of 28 from the 2010 census. The largest employers are May-Port School with 15 employees, SRF Commodities (agriculture) employs 15 and Cenex (fuel) with 11 employees.

May-Port CG K-12 School Enrollment:

| | | | | Projected |
|-----------|-----------|-----------|-----------|-----------|
| 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
| 498 | 480 | 496 | 504 | 504 |

The City's 2024 taxable valuation was \$2,032,497. This is an increase of \$462,404 over the 2020 taxable valuation.

Property Tax Collections as of March 25, 2025:

| Levy Year | Dollar Amount of Levy | Amount Collected to Date of Application | Percentage Collected |
|------------------|------------------------------|--|-----------------------------|
| 2024 | \$99,841 | \$89,266 | 89% |
| 2023 | \$180,691 | \$178,746 | 98% |
| 2022 | \$116,379 | \$115,572 | 99% |

Special Assessment Collections as of March 25, 2025:

| Year | Dollar Amount | Amount Collected to Date of Application | Percentage Collected |
|-------------|----------------------|--|-----------------------------|
| 2024 | \$226,018 | \$189,447 | 84% |
| 2023 | \$227,381 | \$216,063 | 95% |
| 2022 | \$226,834 | \$222,186 | 98% |

Mill Levy History:

| Year | City | School | Park District | State and County | Other | Total for Each Year |
|-------------|-------------|---------------|----------------------|-------------------------|--------------|----------------------------|
| 2024 | 49.12 | 91.00 | 30.56 | 104.39 | 5.00 | 280.07 |
| 2023 | 94.27 | 86.83 | 14.71 | 110.46 | 5.00 | 311.27 |
| 2022 | 67.00 | 84.00 | 16.69 | 115.21 | 5.00 | 287.90 |
| 2021 | 60.59 | 84.24 | 16.68 | 120.01 | 5.00 | 286.52 |
| 2020 | 63.70 | 84.24 | 17.53 | 111.14 | 5.00 | 281.61 |



Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 14, 2025

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

The City of Portland ("City") has presented a request to the Authority and the North Dakota Department of Environmental Quality ("Department") for a \$1,930,000 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 a 50,000-gallon storage tank with a new 150,000-gallon elevated tank, and ensure adequate flows within the system by upsizing pipe and adding looping in four different sections of the distribution system.

The municipal securities to be acquired by the Authority will be revenue bonds payable with water user fees. The City's average annual payment under the proposed loan will be approximately \$80,953 indicating a 110% net revenue coverage requirement of approximately \$89,049. The City will be required to deposit \$87,550 into a reserve fund with payments of \$17,510 per year for the first five years of the loan. In January 2025, the City raised the monthly water base rate by \$11.25 per user and plans to raise it an additional \$11.25 in the next year, which combined will generate annual revenues of \$75,600. Proforma net operating coverage of the Water Fund was 0.93x, 1.10x, 1.64x and 2.27x for 2021-2024, respectively. The combined increase in water user rates will provide sufficient net revenues to meet the 110% coverage requirement.

As of September 30, 2024, the City has outstanding Improvement Bonds of \$770,728, and outstanding Revenue Bonds of \$421,000. The City currently has three Clean Water SRF loans outstanding with a balance of \$421,000. 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

Attachment 3E.2

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: April 1, 2025

RE: City of Portland
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$1,930,000 loan to the City of Portland under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is \$3,858,500, with the City receiving a Department of Water Resources cost-share grant of \$642,510 and a USDA Rural Development grant of \$1,285,990.

The project will replace the existing water storage tank as well as complete distribution system upgrades. The requested loan term is 30 years. The City will issue a revenue bond payable with water user fees. The annual payment will average \$80,953.

Debt Service Coverage:

| Water Fund | 2021 | 2022 | 2023 | Projected |
|-------------------------|----------|----------|----------|-----------|
| Operating Revenue | 204,289 | 216,439 | 229,878 | 229,878 |
| Projected Rate Increase | | | | 75,600 |
| Interest Revenue | 11 | 14 | 21 | 21 |
| Operating Expenses | -204,418 | -202,795 | -172,771 | -172,771 |
| Net Operating Revenue | -117 | 13,659 | 57,128 | 132,728 |
| Proposed Debt Service | | | | 80,953 |
| Debt Service Coverage | | | | 164% |

The City currently provides service to 248 residential connections and 32 commercial connections. The City increased monthly base rates by \$22.50 in January 2025. This resulted in a new monthly base rate of \$47.50 per connection. The increase will generate an approximate \$75,600 of additional annual revenues. The existing revenues, combined with the rate increase, will generate sufficient net operating revenues to service the proposed debt.

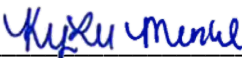
Outstanding Debt (as of September 30, 2024):

| | <u>Original Amount</u> | <u>Current Balance</u> |
|-------------------|-----------------------------------|-----------------------------------|
| Revenue Bonds | 507,173 | 421,000 |
| Improvement Bonds | 2,638,868 | 770,728 |
| | 3,146,041 | 1,191,728 |

Average annual debt service requirements are estimated at \$336,650, which is an average of \$582.44 per resident.

Historical census populations for the City of Portland were 578 in 2020 and 606 in 2010. The largest employers in the City are Mayville-Portland School District, SRF Commodities and Cenex.

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



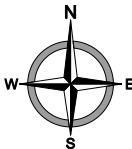
Kylee Merkel
Business Banker



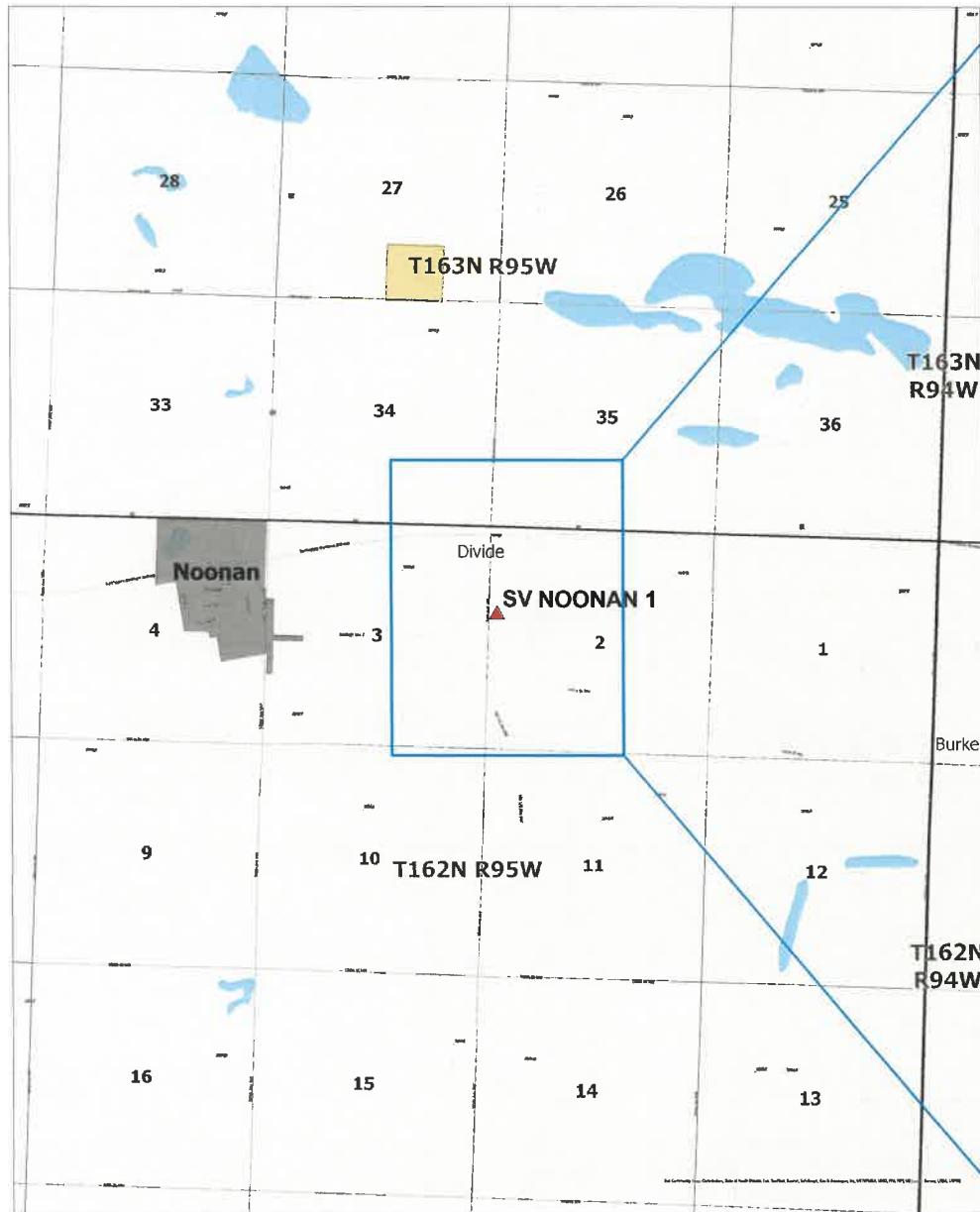


**PROPOSED WATER SYSTEM GATE VALVES
TRAIL COUNTY, NORTH DAKOTA**

Created By: TJS Date Created: 05/11/21 Date Saved: 05/24/21 Date Exported: 05/24/21
Plotted By: Tanner Schmidt Parcel Date: N/A Aerial Image: 2020 County NAIP SIDS Elevation Data: N/A
Horizontal Datum: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet Vertical Datum: NAVD1988
T:\Projects\21000\21083\21083_Water_Gate_Valves.mxd



moore
engineering, inc.

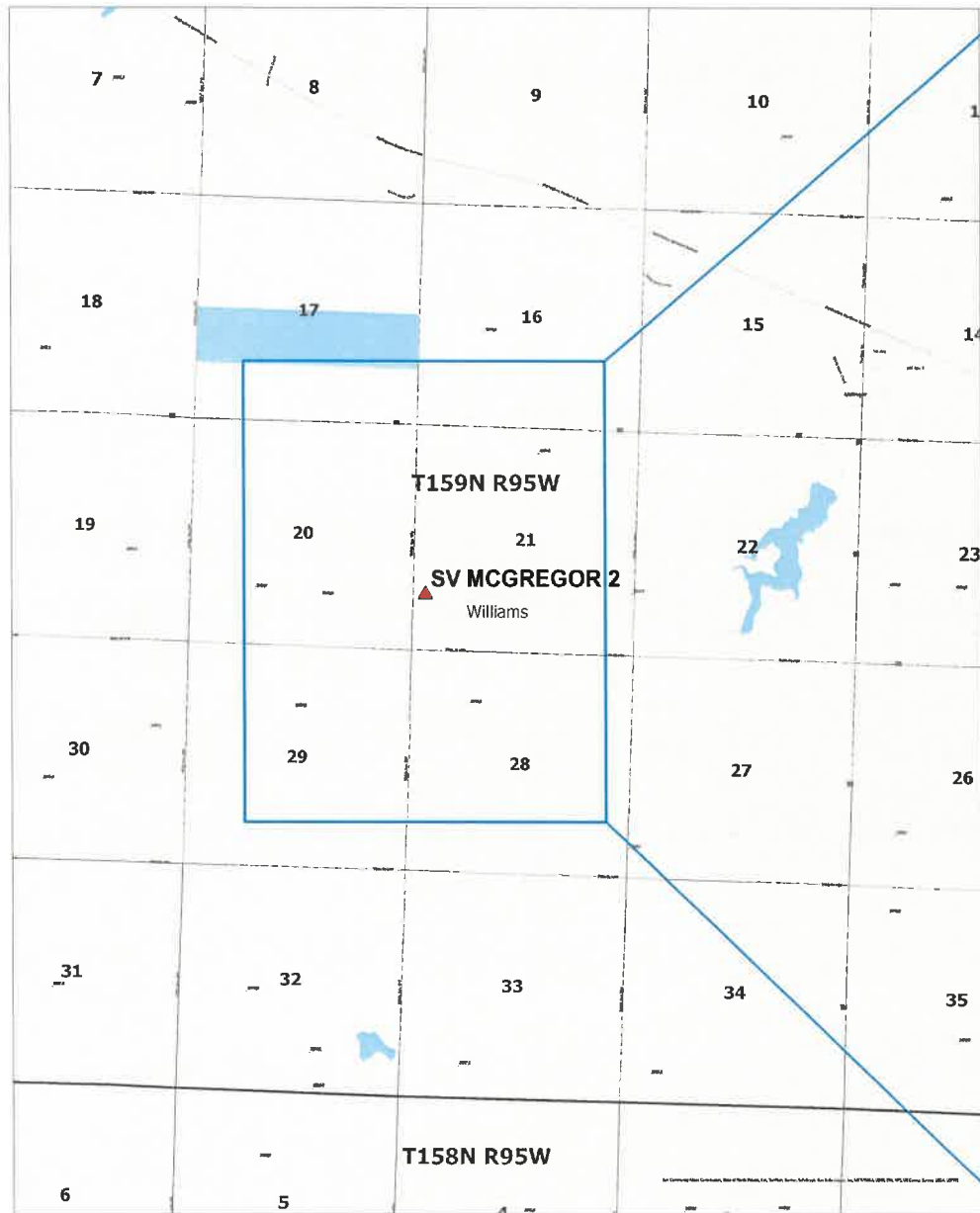


- Sections
- Townships
- City Boundary
- Bureau of Land Management
- ▲ Well



4/15/2025





Sections Townships Surface Trust Land Well



4/15/2025



STATE OF NORTH DAKOTA
NORTH DAKOTA INDUSTRIAL COMMISSION

| | | |
|---|--|--|
| North Dakota Industrial Commission, <div style="text-align: right;">Complainant,</div> <div style="text-align: center;">v.</div> Sakakawea Ventures, LLC, <div style="text-align: right;">Respondent.</div> | | ADMINISTRATIVE COMPLAINT CASE NO. 30866 |
|---|--|--|

TO: SAKAKAWEA VENTURES, LLC., c/o NATIONAL REGISTERED AGENTS, INC., REGISTERED SERVICE AGENT, 120 WEST SWEET AVENUE, BISMARCK, NORTH DAKOTA 58504-5566.

[¶1] YOU ARE HEREBY REQUIRED to appear and defend against the Administrative Complaint ("Complaint") in this action, which is herewith served, by serving upon the undersigned an Answer or other proper written response within twenty (20) days after service of this Complaint upon you, exclusive of the date of service. If you fail to answer within twenty (20) days after service, as required by N.D.C.C. § 28-32-21(1)(e), the allegations in the Complaint may be deemed admitted and the North Dakota Industrial Commission may enter an order in default as the facts and law may warrant.

[¶2] If you serve an Answer to the Complaint on the undersigned within twenty (20) days of service, the Complainant, the North Dakota Industrial Commission (the "Commission"), will designate a hearing examiner to conduct an evidentiary hearing under N.D.C.C. ch. 28-32. The Commission, as and for its cause of action against the Respondent Sakakawea Ventures, LLC ("Sakakawea"), states:

1. This is an administrative action brought by the Commission under North Dakota Century Code Chapters 38-08 and 28-32. The Commission is a state agency and is responsible for regulating the oil and gas industry. The Commission requests administrative relief against Sakakawea for violations of the North Dakota Administrative Code governing the oil and gas industry.
2. The Commission is authorized to bring this action under N.D.C.C. § 38-08-04 and N.D. Admin. Code § 43-02-03-05.

ATTACHMENT

1

3. Section 38-08-16, N.D.C.C., provides that anyone who violates any rule or regulation of the Commission is subject to a maximum penalty of \$12,500 for each offense, and each day's violation is a separate offense.
4. Sakakawea is a company registered in the state of North Dakota as a foreign corporation which was formed in the state of Delaware and transacts business in the state of North Dakota. The principal address listed for Sakakawea is 5610 Ward Road, Suite 300, Arvada, CO 80002-1309. Its registered agent in North Dakota is National Registered Agents, Inc., 120 West Sweet Avenue, Bismarck, ND 58504-5566.
5. Sakakawea at all times relevant to this Complaint owned and/or operated injection wells in the state of North Dakota, including the following wells:

SV McGregor 2 well (File No. 90337) located in NW/4 SW/4 of Section 21, Township 159 North, Range 95 West, Williams County, North Dakota; and

SV Noonan 1 well (File No. 90237) located in SW/4 NW/4 of Section 2, Township 162 North, Range 95 West, Divide County, North Dakota.

Count One

6. The allegations in paragraphs 1 – 5 are realleged.
7. Section 43-02-03-15(2), N.D. Admin. Code, provides in part that wells utilized for commercial injection operations must be bonded in the amount of one hundred thousand dollars.
8. The SV McGregor 2 well is held on a \$50,000.00 single well bond.
9. On January 11, 2024, after the Commission became aware the SV McGregor 2 well was utilized for commercial injection operations, the Commission required Sakakawea to increase the bond amount from \$50,000.00 to \$100,000.00 by March 8, 2024.
10. Sakakawea violated N.D. Admin. Code § 43-02-03-15(2) by failing to post the required bond amount by March 8, 2024.

Count Two

11. The allegations in paragraphs 1 – 10 are realleged.
12. Section 43-02-03-15(2), N.D. Admin. Code, provides in part that wells utilized for commercial injection operations must be bonded in the amount of one hundred thousand
13. The SV Noonan 1 well is held on a \$50,000.00 single well bond.
14. On January 11, 2024, after the Commission became aware the SV Noonan 1 well was utilized for commercial injection operations, the Commission required Sakakawea to increase the bond amount from \$50,000.00 to \$100,000.00 by March 8, 2024.

15. Sakakawea violated N.D. Admin. Code § 43-02-03-15(2) by failing to post the required bond amount by March 8, 2024.

Count Three

16. The allegations in paragraphs 1 – 15 are realleged.
17. On or about February 22, 2024, during a routine inspection, Commission staff observed a spill on the SV McGregor 2 well location. Sakakawea submitted a spill report on February 28, 2024, indicating the spill happened on February 20, 2024.
18. Section 43-02-03-30, N.D. Admin. Code, provides in part that all persons controlling or operating any well, pipeline and associated aboveground equipment, receiving tank, storage tank, facility, treating plant, or any other receptacle or production facility associated with oil, gas, or water production, injection, processing, or well servicing shall verbally notify the director immediately and follow up utilizing the online initial notification report within twenty-four hours after discovery of any fire, leak, spill, blowout, or release of fluid.
19. On or about March 7, 2024, Commission staff, while conducting a site inspection found the spill had not yet been cleaned-up.
20. Sakakawea violated N.D. Admin. Code § 43-02-03-30 when it did not report the spill within twenty-four hours after discovery of the spill on the SV McGregor 2 well location.

Count Four

21. The allegations in paragraphs 1 – 20 are realleged.
22. On or about February 22, 2024, during a routine inspection, Commission staff observed a spill on the SV McGregor 2 well location. Because Sakakawea failed to meet the requirements of N.D. Admin. Code § 43-02-03-30.1, Commission staff sent emails outlining the appropriate steps needed to be taken along with a final deadline for the work to be completed.
23. Section 43-02-03-30.1, N.D. Admin. Code, provides in part that at no time shall any spill or leak be allowed to flow over, pool, or rest on the surface of the land or infiltrate the soil. Discharged fluids must be properly removed and may not be allowed to remain standing within or outside of diked areas. Operators and responsible parties must respond with appropriate resources to contain and clean up spills.
24. Sakakawea violated N.D. Admin. Code § 43-02-03-30.1 when it allowed a spill to flow over, pool, or rest on the surface of the land or infiltrate the soil and did not respond with appropriate resources on the SV McGregor 2 well location on or before February 20, 2024, and has not to date.

Count Five

25. The allegations in paragraphs 1 – 24 are realleged.

Administrative Complaint
Case No. 30866

26. Section 28-32-26, N.D.C.C., authorizes the Commission to assess the costs of an investigation to a person found to be in violation of a statute or rule as a result of an adjudicative proceeding or informal disposition, which costs may not exceed the statutorily authorized civil penalty for the violation.
27. In carrying out the investigation of Sakakawea's violations of North Dakota law, the Commission has incurred costs and expenses in the amount of \$349.61.


[¶3] Wherefore, the Commission requests the following:

1. For each violation of N.D. Admin. Code § 43-02-03-15(2) as set forth in Counts One and Two, Sakakawea pay a penalty in an amount to be determined at an administrative hearing.
2. For each violation of N.D. Admin. Code § 43-02-03-30 as set forth in Count Three, Sakakawea pay a penalty in an amount to be determined at an administrative hearing.
3. For each violation of N.D. Admin. Code § 43-02-03-30.1 as set forth in Count Four, Sakakawea pay a penalty in an amount to be determined at an administrative hearing.
4. Sakakawea pay the amount of \$349.61 to compensate the Commission for the reasonable costs and expenses incurred with regard to the violations explained in this Complaint.

Dated this 11th day of April, 2024.

State of North Dakota
Drew H. Wrigley
Attorney General

By:


Matthew Sagsveen
Assistant Attorney General
Director of Natural Resources and
Native American Affairs Division
State Bar ID No. 05613
Office of Attorney General
500 North 9th Street
Bismarck, ND 58501-4509
Telephone (701) 328-3640
Facsimile (701) 328-4300
Email masagsve@nd.gov

Attorneys for Complainant North Dakota Industrial
Commission.

INDUSTRIAL COMMISSION

Respondent.

NDIC Case No. 30866

[4] The Commission filed a Notice of Motion and Motion for Recommended Default Judgment dated February 6, 2025. The basis for the Commission's motion is Sakakawea's failure to answer the Complaint and failure to attend or participate in the prehearing conference. The Commission's motion requests the ALJ recommend an order finding Sakakawea violated the

Commission's rules as alleged in the complaint and ordering Sakakawea to pay a penalty of \$233,600 and costs and expenses of \$349.61. Sakakawea did not respond to the motion.

RECOMMENDED FINDINGS OF FACT

[5] On April 11, 2024, the Commission issued an Administrative Complaint (Complaint) against Sakakawea for violations of the Commission's rules. The first paragraph of the Complaint indicates that an answer to the Complaint must be served within 20 days of service or "the allegations in the Complaint may be deemed admitted and the [Commission] may enter an order in default as the facts and law may warrant."

[6] The Complaint contains four counts and alleges the following violations:

- Sakakawea violated N.D.A.C. § 43-02-03-15(2) by failing to post the required bond amount for the SV McGregor 2 well by March 8, 2024;
- Sakakawea violated N.D.A.C. § 43-02-03-15(2) by failing to post the required bond amount for the SV Noonan 1 well by March 8, 2024;
- Sakakawea violated N.D.A.C. § 43-02-03-30 by failing to report a spill on the SV McGregor 2 well location within twenty-four hours after discovery; and
- Sakakawea violated N.D.A.C. § 43-02-03-30.1 by allowing a spill to flow over, pool, or rest on the surface of the land or infiltrate the soil at the SV McGregor 2 well location and by failing to respond with appropriate resources on or before February 20, 2024.

The Complaint also requests that Sakakawea repay the Commission its investigation costs and expenses in the amount of \$349.61 for this proceeding.

[7] The Complaint was served on Sakakawea by registered mail to its registered agent National Registered Agents, Inc. The certified mail receipt was signed on April 12, 2024.

[8] Sakakawea responded with a letter from its President dated April 25, 2024, but did not file a formal answer to the Complaint.

[9] A prehearing conference was held on January 6, 2025, and Sakakawea did not attend or participate.

[10] The Commission's motion for default seeks to assess penalties in the amount of \$233,600 and costs of the investigation in the amount of \$349.61 for a total financial obligation of \$233,949.61. The motion does not indicate how the Commission arrived at the amount of the penalty or how much of the penalty is attributed to each count of the Complaint, however the penalty sought is less than the maximum penalty the Commission could assess based upon the alleged violations.

[11] A default judgment is appropriate due to Sakakawea's failure to answer the Complaint or attend the prehearing conference.

RECOMMENDED CONCLUSIONS OF LAW

[12] The Administrative Agency Practice Act (AAPA) provides:

A complaint may inform the respondent that an answer to the complaint must be served upon the complainant and the agency with which the complaint is filed within twenty days after service of the complaint, or the agency may deem the complaint to be admitted. If the respondent fails to answer as required within twenty days after service of the complaint, the agency may enter an order in default as the facts and law may warrant. Answers must be served in the manner allowed for service under the North Dakota Rules of Civil Procedure.

N.D.C.C. § 28-32-21(1)(e). Sakakawea has not served or filed an Answer to the Complaint.

Therefore, the AAPA authorizes the Commission to enter a default judgment against Sakakawea.

[13] The AAPA also provides that an agency may enter a default judgment against a party if the party fails to "attend or participate in a prehearing conference, hearing, or other stage of an adjudicative proceeding. N.D.C.C. § 28-32-30(1). Sakakawea did not file an Answer to the

complaint and did not appear or participate in the prehearing conference. Default judgment is an authorized remedy for Sakakawea's failure to participate in this proceeding.

[14] The facts and allegations contained in the Complaint are deemed admitted and true due to Sakakawea's failure to answer.

[15] Taking the facts and the allegations as true, Sakakawea's conduct, as alleged in the Complaint, violated the Commission's rules and North Dakota law regulated by the Commission and subject Sakakawea to administrative penalties.

[16] The legislature has authorized the Commission to assess a penalty of "not to exceed twelve thousand five hundred dollars for each offense, and each day's violation is a separate offense" for any violation of N.D.C.C. ch 38-08, the Commission's rules, regulations or orders. N.D.C.C. § 38-08-16(1). The Commission seeks to assess a penalty of \$233,600 plus \$349.61 in costs for the investigation. The amount of the penalty sought is less than the maximum penalty allowed by law and the Commission is authorized to assess said penalty.

[17] Under N.D.C.C. §§ 28-32-30 and 54-57-03(4), Sakakawea may file, within seven (7) days after the service of the notice of default, a written motion requesting the default order be vacated stating the grounds for the relief.

RECOMMENDED DEFAULT ORDER

[18] Sakakawea violated N.D.A.C. § 43-02-03-15(2) by failing to post the required bond amount for the SV McGregor 2 well and the SV Noonan 1 well by March 8, 2024. Sakakawea violated N.D.A.C. § 43-02-03-30 by failing to report a spill on the SV McGregor 2 well location within twenty-four hours after discovery. Sakakawea violated N.D.A.C. § 43-02-03-30.1 by allowing a spill to flow over, pool, or rest on the surface of the land or infiltrate the soil at the SV McGregor 2 well location and by failing to respond with appropriate resources on or before

February 20, 2024. Sakakawea should be assessed a penalty of \$233,949.61 (\$233,600 for penalties plus \$349.61 for the cost of the investigation).

Dated at Bismarck, North Dakota, this 27 day of March 2025.

State of North Dakota
Industrial Commission

By: 

Hope L Hogan
Administrative Law Judge
Office of Administrative Hearings
2911 North 14th Street – Suite 303
Bismarck, North Dakota 58503
Telephone: (701) 328-3200

STATE OF NORTH DAKOTA

INDUSTRIAL COMMISSION

North Dakota Industrial Commission)

Complainant,)

v.)

Sakakawea Ventures, LLC,)

Respondent.)

**CERTIFICATE
OF SERVICE**

OAH File No. 20240466
Case No. 30866

.....
The undersigned certifies that the original **RECOMMENDED ORDER GRANTING
MOTION FOR DEFAULT JUDGMENT** was mailed, inside mail, on the 27 day of March
2025 to:

Zachary Heier
Assistant Attorney General
Office of the Attorney General
500 North 9th Street
Bismarck, ND 58504

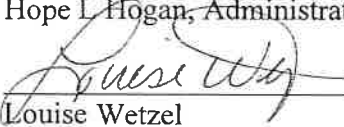
and that a true and correct copy of the above document was mailed, regular mail, on the 27 day
of March 2025 to:

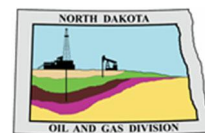
Sakakawea Ventures, LLC
c/o Stanley Roe, President
5610 Ward Road – Suite 300
Arvada, CO 80002

and that a true and correct copy of the above document was mailed, inside mail, at the State Capitol
on the 27 day of March 2025 to:

David Garner
Assistant Attorney General
Office of Attorney General
500 North 9th Street
Bismarck, ND 58501

OFFICE OF ADMINISTRATIVE HEARINGS
Hope L. Hogan, Administrative Law Judge


Louise Wetzel



General Guidelines for Not Completed - Waiver of Wells

Policy Goal:

The North Dakota Industrial Commission (NDIC) is charged with "fostering, ... encouraging, and ... promoting the development, production, and utilization of the state's natural resources of oil and gas in the state in such a manner as will prevent waste." The Commission is promulgating this Policy to prevent waste.

North Dakota Century Code § 38-08-04 (1) (1) and North Dakota Administrative Code (NDAC) § 43-02-03-55 (1) define what constitutes abandonment of a well and the operator's obligation to plug such a well and reclaim its site.

NDAC § 43-02-03-55 (2) allows the Director to give the operator of an abandoned well sufficient time either to restore production or plug and reclaim the well.

This Policy does nothing to change the existing text or application of NDAC § 43-02-03-55 (2) to a well which has previously produced oil or gas.

NDAC § 43-02-03-55 (3) allows the Director to eliminate the waste which would otherwise occur by application of NDAC § 43-02-03-55 (2) to horizontal Bakken wells for which completions have been deferred.

Due to extremely low commodity prices resulting in financial hardship, some operators have opted to postpone completion operations until oil prices rebound. The Director's guidelines contained herein outline the procedure necessary to protect the environment and correlative rights and was authorized by the Commission on March 24, 2020. The relief granted shall expire on the date the North Dakota Department of Transportation lifts the State Highway load limit restrictions in 2022.

Not Completed - Waiver (NCW) Status may only be given to wells that have been drilled but whose casing has not yet been perforated (i.e. the well is incapable of producing oil or gas because completion operations have not yet been performed).

1. Proposed NCW Approval Procedure

- A. The operator must submit a Sundry Notice intent to request a waiver to plug and reclaim an abandoned well pursuant to NDAC § 43-02-03-55 (3). The request must include:
 1. A current well bore schematic that identifies the dimensions and depths of casing, tubing, liner(s) and frac string installed in the well; completion design for the well; type and density of all fluids in the well in the intermediate casing and frac string; and wellhead equipment.
 2. Documentation that a successful pressure test was performed which adequately tested the integrity of the intermediate casing and packer element utilized to isolate the intermediate casing-production liner annulus from the intermediate casing to a



minimum pressure of one thousand five hundred pounds per square inch [10,342 kilopascals] gauge. If a successful pressure test is unable to be performed, the subject well may be considered for TATD status pursuant to General Guidelines for Suspension of Drilling Wells.

3. Documentation that a successful negative pressure test of the production liner was performed. The pressure must have been bled off and a flow check performed. If no flow was observed the integrity of the liner below the liner hanger will be considered proven.
 4. A cement evaluation log or the intermediate casing cementing job report. In addition, if a liner was run and cemented, the liner cement report must be filed.
 5. Statement that wellhead equipment complies with NDAC §§ 43-02-03-28 and 43-02-03-29.
 6. Proposed procedure to perform a NDIC witnessed surface pressure/flow test on the surface casing, the intermediate casing and frac string. Operator must notify the NDIC Field Inspector 48 hours prior to performing test. If pressure is present, the operator must relieve the pressure and install gauges. The operator must re-check the pressure gauges within 48 hours for pressure buildup.
- B. The NDIC Field Inspector should witness and document the initial surface pressure/flow test in the database and notify the Bismarck office via email of failed tests. The operator is required to file a sundry notice reporting the work done.
- C. A file review must be performed by the NDIC.

2. Subsequent Report of NCW Procedures

- A. The operator must submit for approval a subsequent report of the NCW procedures and request for a waiver to plug and reclaim an abandoned well pursuant to NDAC § 43-02-03-55 (3) being sure to include date and results of flow test.
- B. Ensure NDIC Field Inspector was properly notified of surface pressure/flow test.
- C. NCW status approved for one year. The director may extend a well's NCW status beyond one year.
- D. A file review must be performed.

3. NCW Extension Requirements

- A. The operator must submit for approval an annual request to extend the NCW status. The director may extend a well's NCW status beyond one year. An annual surface pressure/flow test should be witnessed by a NDIC Field Inspector. The operator must notify the NDIC Field Inspector 48 hours prior to performing test. If pressure is present, the operator must relieve the pressure and install gauges. The operator must re-check the pressure gauges within 48 hours for pressure buildup.
- B. The NDIC Field Inspector must witness and document the annual surface pressure/flow test in the database and notify the Bismarck office via email of failed tests.
- C. Documentation of quarterly inspections and surface pressure/flow tests with results. If no such tests were performed, that should be indicated also. Operator must provide the name of the NDIC Field Inspector and date notified of unwitnessed flow tests.
- D. A file review must be performed.

4. Inspections & Monitoring Requirements

- A. The NDIC Field Inspector must witness and document the initial surface pressure/flow test in the database and notify the Bismarck office via email of failed tests.
- B. Well must be inspected by the operator at least once per quarter for pressure or leakage on the surface casing, the intermediate casing and frac string and conduct additional monitoring during offset fracture operations. If pressure is present, the operator must notify the NDIC immediately, relieve the pressure and install gauges. The operator must re-check the pressure gauges within 48 hours for pressure buildup. If the NDIC Field Inspector is unable to witness the test, the operator must notify the NDIC Field Inspector of the results of the test and the NDIC Field Inspector will document the results in the database. If the NDIC Field Inspector witnesses the surface pressure/flow test, it should be documented in the database and the Bismarck office notified via email of failed tests. Note the operator must report the results and the respective inspection dates from the inspections and flow tests on any request to extend the NCW status.
- C. Operator must perform an annual NDIC witnessed surface pressure/flow test on the surface casing, the intermediate casing and frac string. Operator must notify the NDIC Field Inspector 48 hours prior to performing test. If pressure is present, the operator must relieve the pressure and install gauges. The operator must re-check the pressure gauges within 48 hours for pressure buildup.
- D. The NDIC Field Inspector must witness and document the annual surface pressure/flow test in the database and notify the Bismarck office via email of failed tests.
- E. Any pressure or leakage discovered by the operator must be reported to the NDIC immediately.

5. Revocation of NCW Status

- A. Failure of surface pressure/flow test.
- B. Fails inspection and monitoring requirements in part 4 above.
- C. Reason for NCW no longer valid.
- D. Consideration of mineral/landowner/NDIC (including field inspector) concerns.

6. Access to Well Sites

Reasonable access to NCW well sites must be maintained.

7. Other

Upon notice from the NDIC that a well drilled on a multi-well pad has met the definition of what constitutes abandonment of the well, the operator may apply for additional time to obtain NCW or TATD status by documenting the date that each well drilled on the multi-well pad during continuous drilling operations reached total depth. The Commission may grant an extension of the Not Completed (NC) well status to one year following the date the last well drilled on the multi-well pad during continuous drilling operations reached total depth.

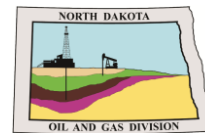


Note: The foregoing are guidelines only and may be altered for good cause to meet specific conditions.

Reference

Requirements of NDAC § 43-02-03-55

1. *The removal of production equipment or the failure to produce oil or gas, or the removal of production equipment or the failure to produce water from a source well, for one year constitutes abandonment of the well. The removal of injection equipment or the failure to use an injection well for one year constitutes abandonment of the well. The failure to plug a stratigraphic test hole within one year of reaching total depth constitutes abandonment of the well. The removal of treating plant equipment or the failure to use a treating plant for one year constitutes abandonment of the treating plant. An abandoned well must be plugged and its site must be reclaimed and an abandoned treating plant must be removed and its site must be reclaimed, pursuant to sections 43-02-03-34 and 43-02-03-34. 1.*
3. *...the director may also waive the duty to plug and reclaim an abandoned well for any other good cause found by the director. If the director exercises this discretion, the director shall set a date or circumstance upon which the waiver expires.*



Well Waiver Guidance

Date: April 1, 2020

How to submit a request through NorthSTAR – What sundry types to request:

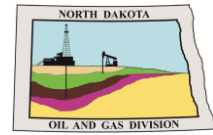
1. **Review guidelines online for all requirements needed to be met and documentation that will need to be submitted with your well waiver. Guidelines are saved in the Guidance and Policy section.**
(<https://www.dmr.nd.gov/oilgas/policies.asp>)
2. Well waiver requests are to be submitted through the new NorthSTAR database. [Click here for more information if you are new to NorthSTAR.](#)

Inactive Well Waiver & Noncompleted Well Waiver

- Review guidelines online for all requirements needed to be met and documentation that will need to be submitted with your well waiver. Guidelines are saved in the Guidance and Policy section.
(<https://www.dmr.nd.gov/oilgas/policies.asp>)
- The operator must submit a Sundry Notice intent to request a waiver to plug and reclaim an abandoned well pursuant to NDAC § 43-02-03-55 Part (3).
- You will need to submit a *Sundry Form* and choose the following in Step 1:
 - Facility Type: Well
 - Sundry Type: Notification of Work Performed
 - Category: Well Operations
 - Type of Work: Well Status Update
 - Description: Requesting [INSERT WAIVER NAME] for Well [INSERT FILE #]
- Ensure all proper documentation as outlined in the guidance documents is included and requirements have been met.
- Official guidance documents are in the Policies and Guidance section at www.dmr.nd.gov/oilgas

Suspension of Drilling Well Waivers

- Review guidelines online for all requirements needed to be met and documentation that will need to be submitted with your well waiver. Guidelines are saved in the Guidance and Policy section.
(<https://www.dmr.nd.gov/oilgas/policies.asp>)
- You will need to submit a *Sundry Form* and choose the following in Step 1:
 - Sundry Type: Request for Consideration/Waiver
 - Category: Well Operations
 - Type of Work: Suspension of Drilling
- Ensure all proper documentation as outlined in the guidance documents is included and requirements have been met.
- Official guidance documents are in the Policies and Guidance section at www.dmr.nd.gov/oilgas



Prior to submitting a request for any well waivers please consider the following:

DO NOT submit a request for a *Suspension of Drilling (SOD) Well Waiver* if:

- Conductor or Surface casing will be or have been set for less than 30 days.

DO NOT submit a request for a *Suspension of Drilling Extension (SOD) Well Waiver* if:

- A SOD was granted, and the allotted timeframe (i.e. 90 days) has not expired.

DO NOT submit a request for a *Temporarily Abandoned Conductor/Surface Casing (TASC) Well Waiver* if:

- The one-year timeframe from when either conductor or surface casing was set has not expired.

DO NOT submit a request for a *Temporarily Abandoned Production/Intermediate Casing (TAI) Well Waiver* if:

- The SOD Extension has not expired.

DO NOT submit a request for a *Temporarily Abandoned, Drilled to Total Depth (TATD) Well Waiver* if:

- The well reached total depth less than one year ago.

If you have questions related to the information above contact the North Dakota Oil and Gas Division at 701-328-8020 or by email at oilandgasinfo@nd.gov.

Pipeline Capacity Discussion



Image: Library of Congress



Justin J. Kringstad - North Dakota Pipeline Authority

April 24, 2025

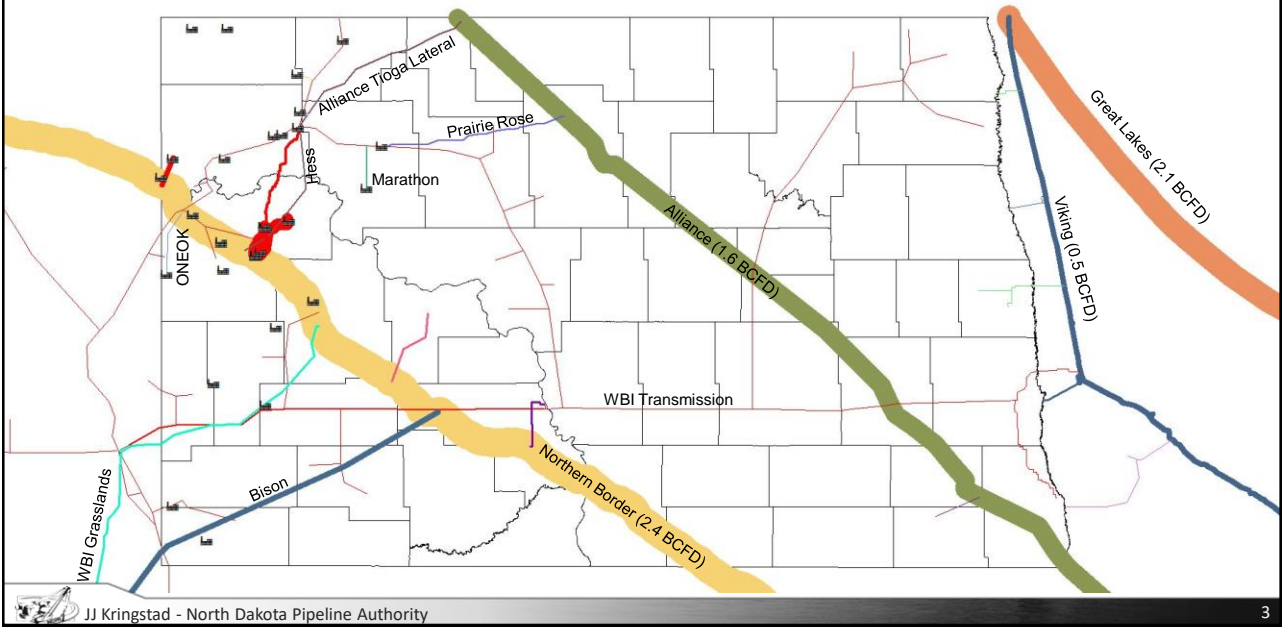
Major Residue Gas Pipeline Infrastructure



Justin J. Kringstad - North Dakota Pipeline Authority

2

Residue Gas Pipeline Capacity Visualization



3

WBI Energy: Proposed Bakken East Project



Natural Gas Pipeline Project Highlights

- Non-binding open season Dec 16 – Jan 31, 2025
- 375 Miles: 30" & 24" Pipe
- Proposed Capacity 760,000 Dth/Day
- Phase 1 (West) : Nov 2028 targeted in-service
- Phase 2 (East) : Nov 2029 targeted in-service
- Seeking commitments 20yrs or Longer

Estimated Rates

- \$0.85 to \$0.90/Dth + Fuel/Electric/Commodity
- Anchor Shipper Minimum: 100,000 Dth/Day
- Foundation Shipper Minimum: 250,000 Dth/Day

WBI ENERGY
An Energy Services Group Company

- ★ Cities
- Bakken East Pipeline Project
- Existing WBI Energy System

Justin J. Kringstad - North Dakota Pipeline Authority

4

Intensity Infrastructure Partners Proposed Pipeline



- Phase 1 Project Highlights**
- Non-binding open season Feb 3 – Mar 7, 2025
 - 136 Miles: 42" Pipe
 - Proposed Capacity 1,500,000 Dth/Day
 - January 2028 targeted in-service
 - Seeking commitments 10yrs or Longer

- Phase 1 Estimated Rates**
- \$0.50/Dth + Fuel/Electric/Commodity
 - Anchor Shipper Minimum: 100,000 Dth/Day
 - Foundation Shipper Minimum: 250,000 Dth/Day

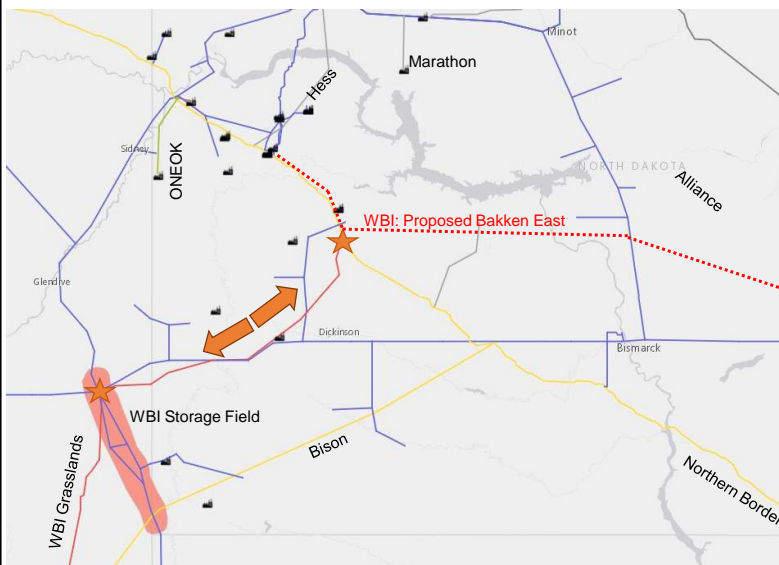
- Phase 2 Project Highlights**
- Non-binding open season Apr 17 – May 23, 2025
 - 208 Miles: 30" Pipe
 - Proposed Capacity 430,000 Dth/Day
 - January 2030 targeted in-service
 - Seeking commitments 10yrs or Longer

- Phase 2 Estimated Rates**
- \$0.80/Dth + Fuel/Electric/Commodity
 - Anchor Shipper Minimum: 100,000 Dth/Day
 - Foundation Shipper Minimum: 250,000 Dth/Day

Justin J. Kringstad - North Dakota Pipeline Authority

5

WBI Energy Open Season: Storage/Pipe Enhancement



- Firm Transportation Project Highlights**
- Non-binding open season Apr 21 – May 20, 2025
 - Pipeline expansion: 72,000 Dth/Day
 - Oct 2029 targeted in-service
 - Seeking commitments 15yrs or longer
 - Pipe looping and new/upgraded compression

- Estimated Rates (+Fuel/Elec/Commodity)**
- Capacity reservation: \$0.58156/Dth

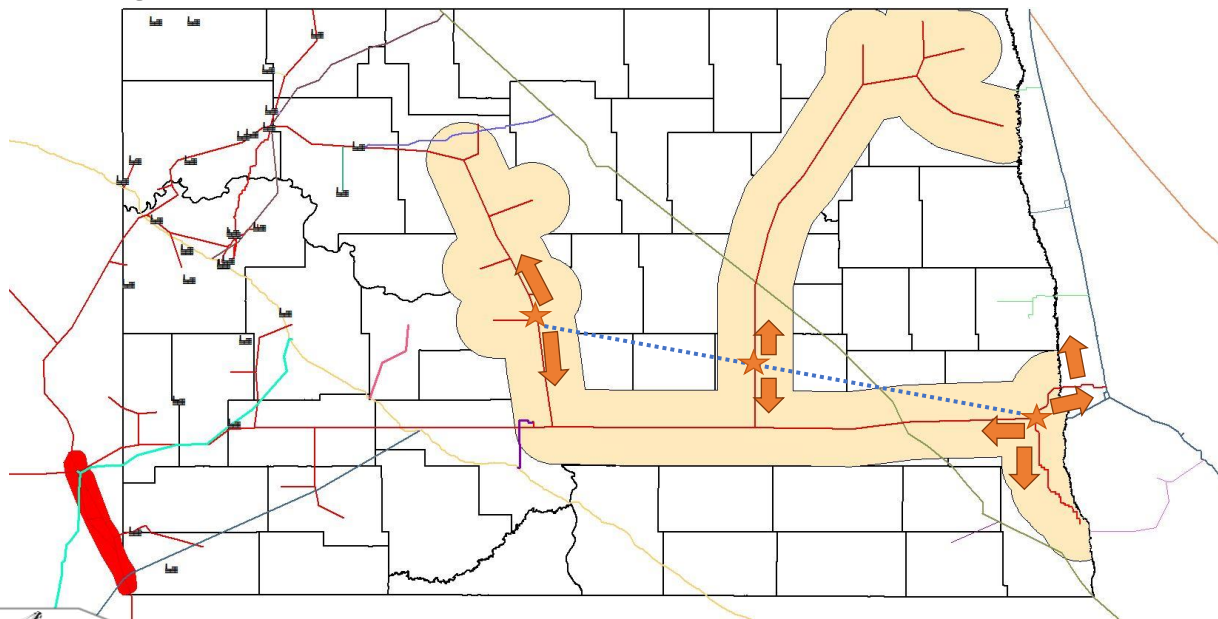
- Storage Project Highlights**
- Non-binding open season Apr 21 – May 20, 2025
 - Deliverability expansion: 72,000 Dth/Day
 - Up to ~10 BCF total of new seasonal service
 - Oct 2029 targeted in-service
 - Seeking commitments 15yrs or longer

- Estimated Rates (+Fuel/Elec/Commodity)**
- Capacity reservation: \$0.002113/Day
 - Deliverability reservation: \$0.31901/Day
 - Injection charge: \$0.00959/Dth
 - Withdrawal charge: \$0.00959/Dth

Justin J. Kringstad - North Dakota Pipeline Authority

6

Going East: Statewide Benefits of Interconnections



Justin J. Kringstad - North Dakota Pipeline Authority

7

Driving Forces for New Gas Pipelines



Supply Push



Demand Pull



System
Reliability/Security



JJ Kringstad - North Dakota Pipeline Authority

8

Who Signs Up For Capacity?

Shippers



Producers/Midstream



Marketing Firms



Industrial Consumers/LDC



State of North Dakota (PA/IC)

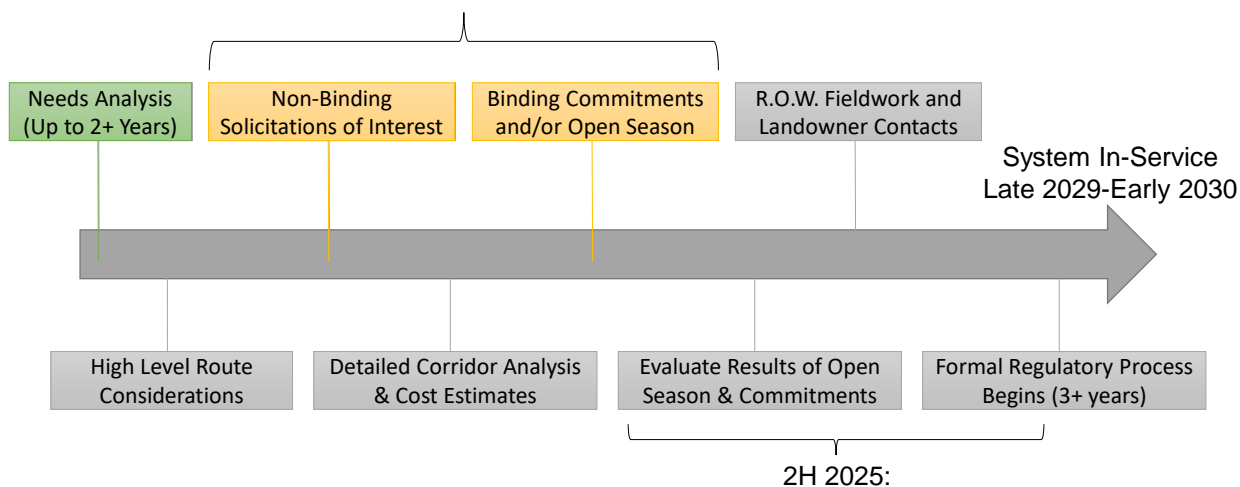


JJ Kringstad - North Dakota Pipeline Authority

9

Stages of Gas Pipeline Development

Current Phase: 1H 2025



JJ Kringstad - North Dakota Pipeline Authority

10

Pipeline Authority Century Code– 54-17.7-04.

3. Acquire, purchase, hold, use, lease, license, sell, transfer, and dispose of an undivided or other interest in or the right to capacity in any pipeline system or systems, including interconnection of pipeline systems, within or without the state of North Dakota in order to facilitate the production, transportation, distribution, or delivery of energy-related commodities produced in North Dakota. If the authority acquires, purchases, holds, uses, or leases capacity positions, the authority shall sell, transfer, release, or dispose of the capacity positions at intervals that are no more frequent than monthly and in an amount that is equal to or greater than the market rate, but only if the sale, transfer, release, or disposal of the capacity positions is sufficient to cover the expenses and obligations incurred. The authority's contract obligations for the capacity positions are limited to the capacity rates, charges, and terms.



Key Terms

Shipper

- Holds contractual rights to transport natural gas on a pipeline system between two or more pipeline points.

Anchor Shipper

- One of a few, large volume, long duration shippers supporting a new or expanding pipeline system.

Asset Management Arrangement (AMA)

- Contractual arrangement where one party agrees to manage gas marketing obligations for another party.

Capacity Release

- Method for firm transportation capacity holders to resell all, or a portion, of their capacity to a third party on a short- or long-term basis.

Tariff

- Formal documentation outlining a pipeline provider's transportation services, rates, terms, and conditions.



Key Terms (Continued)

Non-Binding Open Season

- Formal event where a pipeline operator solicits interest from potential shippers for a new or expanding project. No binding commitments required.

Binding Open Season

- Formal solicitation of interest by a pipeline operator to secure contractual take or pay commitments from customers to use a new or expanding pipeline system.

Reservation Rate

- AKA "demand charge". Fee paid to reserve space on a gas pipeline based on contract specifications. Paid whether or not gas is transported.

Residue Gas

- AKA "dry gas". Consumer ready natural gas exiting the tailgate of a gas processing facility that has been stripped of heavier natural gas liquids. Mostly comprised of methane and some ethane. BTU is typically 1,010 to 1,200 in North Dakota.

Gas Units

- 1 MCF = 1 MMBTU = 1 Dekatherm (Dth) @ 1,000 btu
- 1,150 btu "Bakken": 1 MCF = 1.15 MMBTU = 1.15 Dth



Firm Gas Transport Rate Breakdown

Reservation Charge

- Fixed charge for firm shippers based on maximum daily contracted quantity. Must be paid for the duration of contract term regardless if gas moves or not.
- Units = \$/Dekatherm

Commodity Charge

- Charges for physical gas transported.
- Units = \$/Dekatherm

Fuel/Electric

- Charges for fuel used to operator system compressors and ancillary equipment.
- Typically expressed as a percentage of gas transported and/or \$/Dekatherm.

Example Pipeline Case

Reservation: \$0.37356

Commodity: \$0.02546

Electric: \$0.00567

Subtotal: \$0.40469

Fuel: 1.147%

If gas value is \$2.00/Dth

Fuel expense: \$0.02294

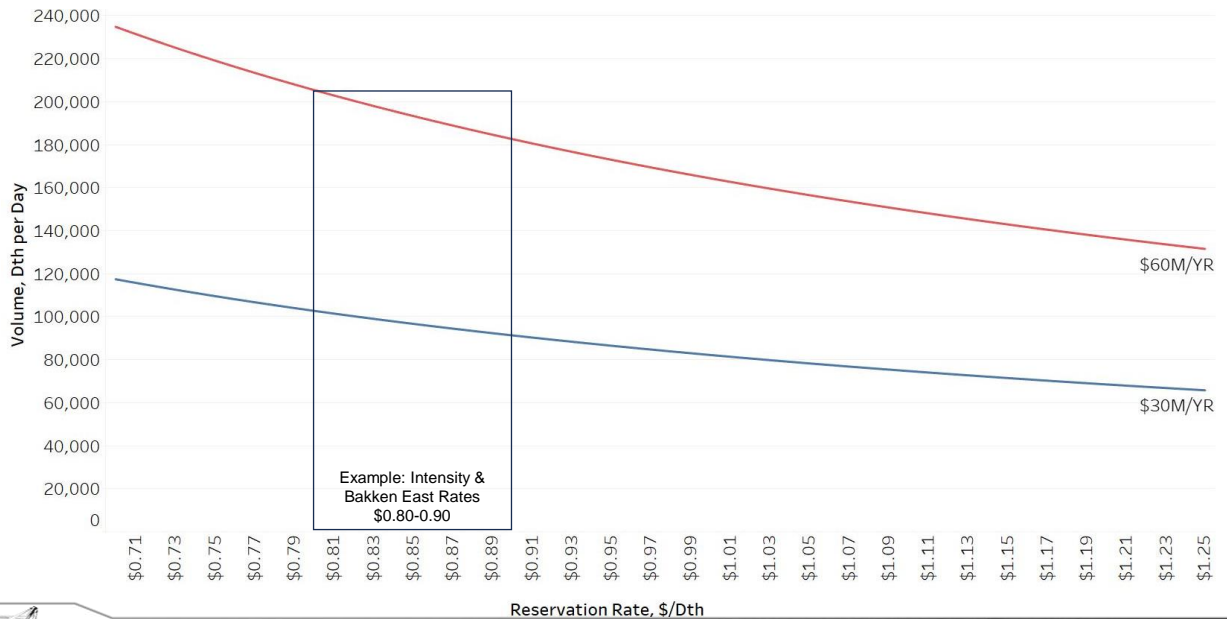
Total Transport:

\$0.42763/Dth

| Tariff Rate Charges (1) | | | | | | |
|-----------------------------------|-------------------------|---------|--------------------------|---------------------------|--------------------------|---------------------------|
| Firm Service Charges | Tariff Rate Charges (1) | | Fuel Reimbursement % | | Electric Power Charge | |
| | Maximum | Minimum | Effective as of 4/1/2025 | Effective as of 12/1/2024 | Effective as of 4/1/2025 | Effective as of 12/1/2024 |
| FT-1 (Firm Transportation) | | | | | | |
| Reservation Charge (per month) | 11.36247 | .00000 | | | | |
| Commodity Charge (1) | .02546 | .02546 | 1.147% | 1.419% | 0.00567 | 0.00474 |
| Reservation Charge (per day) | .37356 | .00000 | | | | |



Capacity and Reservation Rate

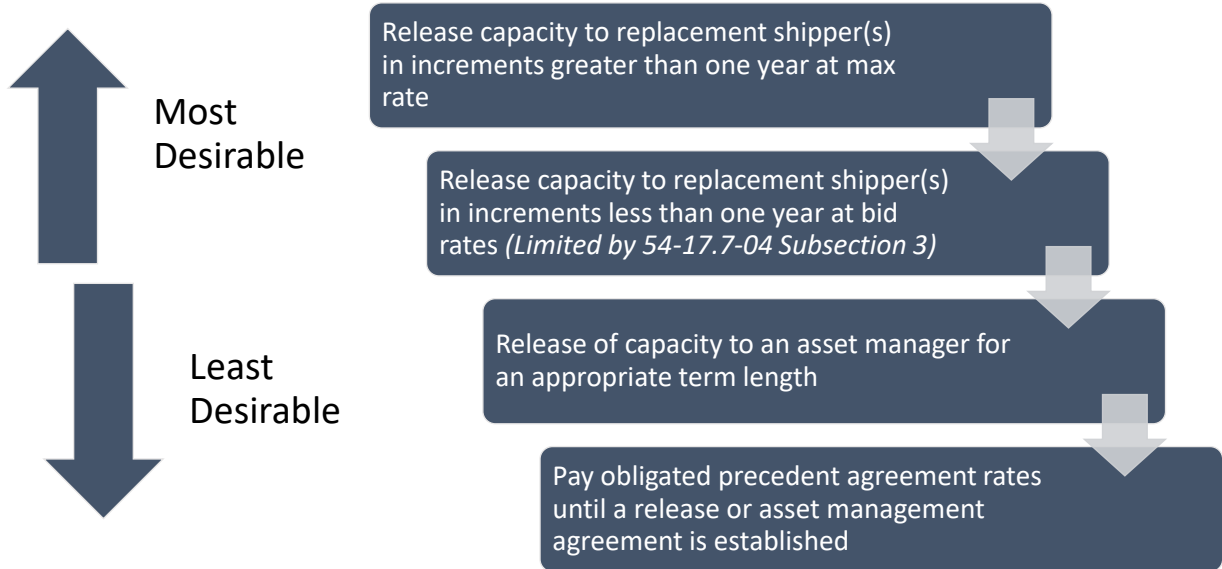


Simple Example Case

- Total project: 400,000 Dth/Day (~333.3 MMCFD @ 1,200 btu)
- Private sector anchor shippers: 320,000 Dth/Day
- NDPA/NDIC is anchor shipper: 80,000 Dth/Day
- NDPA/NDIC Precedent Agreement @ \$0.90 (\$26.3 Million/Yr)
- Term timeline: 2029-2039
- Final project recourse rate \$0.92 (AKA "Max Rate")



How Will NDPA Manage Contracted Capacity?



Capacity Release Term Considerations

31 Days or Less

FERC permitted with certain criteria

Forbidden under NDCC 54-17.7-04 Subsection 3

32 Days to 1 Year

Any rate (*NDCC Restrictions*)

Bidding required

AMA allowed without bidding

Rollovers allowed

Greater than 1 year

Max tariff rate only

No bidding required

AMA allowed without bidding

Rollovers allowed at max rate only

Example Capacity Release Scenarios

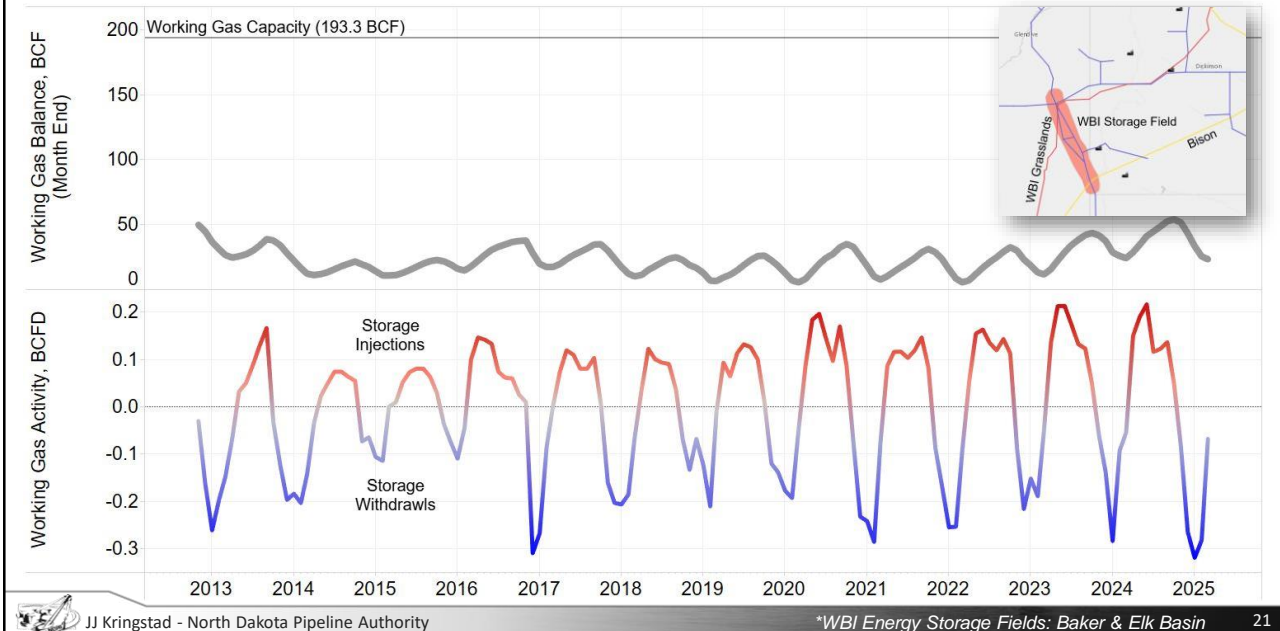
- New gas pipeline requiring 10 year anchor shipper terms
 - Party A: 3 year position (Years 1-3)
 - State of ND: 7 year position (Years 4-10)
 - State of ND has a prearranged agreement in place with Party A to release 13 month intervals of capacity at max rate with rollover (ROFR) rights to continue in 13 month intervals at max rate until term expires at year 10.
 - *May require similar arrangements with Parties B/C/... to release entire capacity position*
- New gas pipeline requiring 10 year anchor shipper terms
 - State of ND: 10 year position
 - ND has a prearranged agreement in place with Party A to release 13 month intervals of capacity at max rate with rollover (ROFR) rights to continue in 13 month blocks at max rate until term expires at year 10.
 - *May require similar arrangements with Parties B/C/... to release entire capacity position*



Regional Natural Gas Storage



Residue Gas Storage – WBI Energy*



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