



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

Kelly Armstrong  
Governor

Drew H. Wrigley  
Attorney General

Doug Goehring  
Agriculture Commissioner

Thursday, August 21, 2025

Governor's Conference Room or Microsoft Teams – 9:00 am

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

(approximately 9:00 am)

## **II. Research and Technology Park Grant Program – Brenda Wyland, CEO, Josh Gelinski, Chief Technology Officer**

- A. **Presentation and Consideration of Approval of Program Plan Pursuant to SB 2256** (Attachment 1)
- B. Other RTP Business

(approximately 9:20 am)

## **III. North Dakota Public Finance Authority – DeAnn Ament**

- A. **Consideration of Approval of Series Resolution for up to \$50,000,000 of North Dakota Public Finance Authority Capital Financing Program Bonds Series 2025A** (Attachment 2)
- B. **Consideration of Approval of the Following State Revolving Fund Loans:**
  - i. City of Grafton – Drinking Water - \$2,569,000 (Attachment 3)
  - ii. City of Jamestown – Drinking Water - \$5,760,000 (Attachment 4)
  - iii. City of Minot – Drinking Water - \$3,246,000 (Attachment 5)
  - iv. City of West Fargo – Drinking Water - \$2,700,000 (Attachment 6)
  - v. City of West Fargo – Clean Water - \$8,500,000 (Attachment 7)
- C. **Presentation of Memo from NDPFA Advisory Committee Regarding SRF Loans Approved Under Policy P-3B** (Attachment 8)
  - i. City of Kenmare - Drinking Water -\$638,000 (Attachment 8A)
- D. Other NDPFA Business

(approximately 9:40 am)

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

- A. **Order 34409 in Case 31677** – Regarding application of Continental Resources to amend field rules to create and establish two overlapping 1920 spacing units, authorize drilling on or near section line between existing spacing units and/or such further relief as appropriate (Attachment 9)
- B. **Order 34679 in Case 31937** – Regarding application of Phoenix Operating LLC to amend applicable orders for Zahl or Little Muddy-Bakken Pool to establish a standup 1920 spacing unit and authorize five horizontal wells or other such relief as appropriate (Attachment 10)
- C. **Order 34680 in Case 31938** – Regarding application of Phoenix Operating to amend applicable orders for Zahl-Bakken Pool to establish a standup 1920 spacing unit and authorize five horizontal wells or other such relief as may be appropriate (Attachment 11)
- D. **Order 34286 in Case 31554** - NDIC Complainant v. Missouri Basin Well Services Administrative Complaint (Attachment 12)
- E. **Order 34287 in Case 31555** – NDIC Complainant v. LeLand Oil & Gas, LLC Administrative Complaint (Attachment 13)
- F. **Order 34288 in Case 31556** – NDIC Complainant v. James M. Peterson LLC, Administrative Complaint (Attachment 14)
- G. **Order 34290 in Case 31558** – NDIC Complainant v. TD Services LLC Individually and TD Services LLC dba TD Environmental Administrative Complaint (Attachment 15)
- H. Other DMR Business

(approximately 10:15 am)

**V. North Dakota Pipeline Authority – Justin Kringstad**

- A. Discussion of West to East Pipeline RFI Responses and Presentations (Attachment 16, 16A, 16B, 16C)
- B. Other NDPA Business

**Meeting Closed to the Public for Executive Session Pursuant to NDCC  
6-09-35, 44-04-18.4, 44-04-19.1, 44-04-19.2 and 54-17.7-12**

(approximately 10:30 am)

**VI. North Dakota Pipeline Authority – Justin Kringstad**

- A. West to East Pipeline RFI Responses and Presentations – Discussion of Information Determined Confidential pursuant to 44-04-18.4 and 54-17.7-12 and Contract Discussions pursuant to 44-04-19.1(9) - Possible Action (Confidential Attachment 17)
- B. Other NDPA Confidential Business

(approximately 11:00 am)

**VII. Bank of North Dakota Confidential Business– Don Morgan**

- A. CEO Monthly Update – Confidential
  - i. Confidential Strategic and Enterprise Risk Management Discussion (Confidential Attachment 18)
- B. **Consideration of Approval of Two Loans** – (Confidential Attachments 19 and 20)
- C. Other BND Confidential Business

## **Meeting Returns to Public Session**

(approximately 11:20 am)

**VIII. Action on Executive Session Items**

**IX. Bank of North Dakota – Don Morgan**

- A. CEO Monthly Update – Open (Attachment 21)
  - i. Executive Summary
  - ii. Strategic
    - 1. Traction EOS
    - 2. New Initiatives
    - 3. Talent Management
    - 4. Governance
  - iii. Financials
    - 1. Balance Sheet
    - 2. Income Statement
  - iv. Risk
    - 1. ERM
    - 2. Credit Quality
    - 3. Liquidity
  - v. Policy and Program Approvals
- B. Other BND Business

(approximately 11:45 am)

- X. Industrial Commission Administrative Office – Karen Tyler, Jordan Kannianen**
  - A. Consideration of Approval of Agency and Program Budget Assessments as Directed in SB 2014** (Attachment 22)
  - B. Consideration of Approval of Clean Sustainable Energy Authority Policy Changes** (Attachment 23)
  - C. Other Office of Industrial Commission Business

**XI. Adjournment**

Next Regular Industrial Commission Meeting – Tuesday, September 30, 2025  
9:00 am – 12:30 pm  
Governor’s Conference Room



# Research Technology Park Grant Program

Presented by NDSU Research & Technology Park (RTP)

## Executive Summary

During the Sixty-ninth Legislative Assembly of North Dakota, SB2256 was passed into law establishing a Research Technology Park Grant Program. The Research Technology Park Grant Program is a strategic initiative aligned with ND Century Code 54-17, designed to substantially enhance North Dakota's economic competitiveness by accelerating technology development and commercialization in the agriculture, defense, and energy sectors. Key outcomes include advanced technological capabilities, intellectual property (IP) generation, robust industry partnerships, economic growth, innovation, and workforce development.

The Research Technology Park Grant Program addresses the critical transition from foundational research to commercial viability, emphasizing dual-use technologies beneficial for both commercial and defense markets. Industry standard Technology Readiness Levels (TRL) will primarily be applicable in the following ways: Research Universities will participate in TRL 1-3 where fundamental scientific principals are explored with early research validated in a controlled lab setting. The RTP's targeted intervention at TRL 4-7 will ensure core components are accelerated and matured, validated, and evolve to market readiness of innovative technologies. The final TRL stages of 8-9 bring further industry collaboration and refinement for market deployment.

## Project Plan

### 1. Agile Technology Acceleration

Building production-grade capabilities around core technologies is essential to maintaining and growing North Dakota's competitive advantage in advanced industries such as

agriculture, defense, and energy. Establishing production-grade product development ensures technologies are not only viable in controlled environments but also resilient, robust, and ready for real-world operational conditions. This approach accelerates market readiness, enhances reliability, and facilitates deeper integration with industry stakeholders, solidifying North Dakota's role as a leader in applied innovation.

The program will accelerate projects initially focused on autonomy-related subsystems, emphasizing perception, computing, and resilient communications. Projects will rapidly progress from early-stage prototypes to fully validated, production-grade technologies suitable for rigorous deployment environments. Detailed technical disclosures will be managed carefully until robust IP protections are established.

Additionally, comprehensive product and market research will identify optimal commercialization pathways, ensuring products align with market demands and regulatory standards. RTP will establish a core engineering team skilled in rugged electronics, advanced sensors, artificial intelligence, and automation to effectively execute these projects, ensuring each technology is rigorously tested, validated, and prepared for scalable deployment.

## 2. Sustainability: Responsive Engineering Services

Engineering services play a pivotal role in the overall sustainability and strategic alignment of RTP's business model. In the short term, these services provide critical revenue streams that enable financial stability and growth. Over the longer term, close interactions with industry clients through responsive engineering services keep RTP deeply attuned to evolving market needs, industry standards, and technological advancements. This continuous alignment ensures RTP's projects and innovations remain relevant, commercially viable, and closely integrated with the demands of key stakeholders in agriculture, defense, and energy sectors.

To effectively scale these engineering services, RTP will enhance its market presence and branding, both digitally and physically. Significant investment will be allocated to

comprehensive business development initiatives, targeted industry engagement, and structured processes to establish and sustain a robust client project pipeline.

Additionally, robust operational systems such as Customer Relationship Management (CRM) tools, structured quoting processes, and rigorous project management frameworks will be implemented to effectively manage, grow, and sustain the engineering services business.

### 3. Strategic Infrastructure and Operations

Developing comprehensive strategic infrastructure and robust operational processes is critical to enabling RTP's ambitious technology and commercialization objectives.

Adequate infrastructure ensures that innovative projects and responsive engineering services are executed safely, efficiently, and in full compliance with industry standards and regulatory requirements.

Infrastructure enhancements will support the program's ambitious technology agenda, notably through general building improvements and the creation of an advanced electronics design and testing laboratory. The electronics laboratory will include state-of-the-art equipment and necessary safety installations such as ventilation hoods, electrostatic discharge (ESD)-safe flooring, and dedicated workstations, ensuring safe, effective, and compliant operations.

Additionally, a dedicated project will establish the infrastructure and compliance framework necessary to meet cybersecurity requirements. This foundational effort will ensure RTP's eligibility and readiness for defense-related contracting, protecting sensitive information and maintaining robust cybersecurity practices.

### 4. Talent Development

Sustaining a competitive advantage in technology-driven markets requires a highly skilled, adaptable, and continuously improving workforce. Developing such a team not only ensures technical excellence but also creates a culture of innovation, responsiveness, and

agility—qualities essential for meeting evolving market demands and overcoming complex technological challenges.

The initiative prioritizes recruiting, onboarding, and developing a highly skilled engineering team. Comprehensive onboarding, targeted training programs, and standardized internal processes will enhance operational efficiency and foster a culture of innovation. Talent retention strategies will ensure sustained organizational growth and capability.

Further, talent recruitment and development centered around creating and supporting a robotics-centric environment will enable the RTP to fully realize its vision of establishing North Dakota as a leading nexus of advanced robotics in precision agriculture and defense.

In addition, RTP will implement cross-training initiatives and provide experiential learning opportunities through collaboration with established partners in the robotics and autonomous equipment industries. These partnerships will enable knowledge transfer, skill enhancement, and accelerated competency development, ensuring RTP's engineering team remains at the forefront of technological advancements.

## 5. IP Commercialization

Effective commercialization of intellectual property (IP) is critical to maximizing the return on state and federal research investments. Monetizing IP creates significant economic benefits, including increased revenue streams, the establishment of new businesses, job creation, and the attraction of additional private and public investment.

This program is dedicated to optimizing commercialization pathways and IP management in collaboration with research universities, the military, and private sector. Efforts will align closely with industry standards, ensuring rapid and effective translation of academic research into viable commercial products. It also offers substantial opportunities for university faculty, staff, and students by providing real-world experiences in innovation, entrepreneurship, and business development, thereby fostering a vibrant ecosystem of innovation across North Dakota.

## Management and Governance

The program is exclusively managed by RTP leadership, emphasizing agility, transparency, and operational excellence. Regular milestone reviews and internal governance frameworks ensure accountability and strategic alignment.

## Reporting and Deliverables

RTP will provide quarterly progress reports detailing research activities, product development, and accomplishments. An annual comprehensive report will summarize key achievements and strategic recommendations.

Live demonstrations of products under development will be conducted strategically, aligned with stakeholder availability, to enhance transparency and engagement.

## About RTP

Historically, NDSU Research & Technology Park has been a central hub for innovation and entrepreneurship in North Dakota since its founding in 1999. The Park has significantly contributed to the regional economy by building an ecosystem that supports over 650 jobs, generating over \$52 million in annual salaries. It has successfully launched numerous businesses through its incubation program and has supported key community initiatives such as Bison Robotics and entrepreneurial and educational activities via its Innovation Studio.

The future vision for RTP represents the next exciting chapter in its evolution. The RTP aims to enhance its role as a catalyst for technological advancement, innovation, and commercialization, specializing in intelligent autonomous mobile systems, rugged electronics, advanced sensors, artificial intelligence, and robotic solutions. RTP will deepen its partnerships with global industry leaders, emerging companies, and military programs, offering firsthand industry experience and solution-driven approaches.

By creating innovative products that directly address the needs of precision agriculture, defense, and energy markets, RTP will remain at the forefront of technology development and commercialization. It will continue supporting startups through comprehensive incubation resources and leverage the Innovation Studio as an experiential prototyping space that encourages creativity, collaboration, and practical problem-solving.

## Background and Qualifications

The NDSU Research & Technology Park is a 501(c)(3) organization affiliated with North Dakota State University specializing in agile product development and commercialization. RTP's leadership team brings extensive industry experience, notably in building and commercializing leading precision agriculture technology products, such as Intelligent Agriculture Solutions, and establishing and building a robust government and defense division within a private sector technology company. The team also holds significant experience working with global leaders, Fortune 500 companies, and military programs consistently delivering innovative solutions and driving impactful results. This collective expertise positions RTP uniquely to execute the Research Technology Park Grant Program effectively.

## Timetable

Year	Key Activities
<b>1</b>	Team recruitment, laboratory and facilities upgrades, initial prototyping, preliminary industry partnerships, operationalizing business development, and marketing efforts.
<b>2</b>	Advanced TRL progression, expanded prototyping, IP filings, expanded business development activities, growth of contract engineering services, and second-phase facilities improvements.
<b>3-4</b>	Prototype validation, commercialization readiness, technology transfer activities, initiation of new innovation projects, and sustained market and client engagement.

## Budget

The \$10,000,000 biennium budget reflects comprehensive funding requirements:

Category	Description	Allocation
People	Strategic hires in engineering, management, technical, and support roles	\$3,500,000
Robotics Partner	External expertise for enhanced development acceleration	\$500,000
Facilities	Lab infrastructure, building improvements, and secure work environments	\$1,900,000
Equipment & Furniture	Office furniture, cubicles, office equipment, lab and test equipment	\$1,000,000
Product Development	Materials, prototyping, pilot deployments, IP protection, commercialization	\$1,600,000
Infrastructure	Operational, administrative, legal, and technical support systems	\$1,500,000
Total		\$10,000,000

## Funding

**APPROPRIATION - INDUSTRIAL COMMISSION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - RESEARCH TECHNOLOGY PARK GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the industrial commission for the purpose of providing grants under the research technology park grant program pursuant to section 1 of this Act, during the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$10,000,000, the industrial commission shall distribute a grant of \$5,000,000

to the research technology park without a matching requirement and may distribute a grant of up to \$5,000,000 to the research technology park only to the extent the research technology park provides one dollar of matching funds from nonstate sources for each dollar of grant funding distributed under the program. The appropriation in this section is considered a one-time funding item.



**Sixty-ninth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2256  
(Senators Sorvaag, Patten, Sickler, Davison)  
(Representatives Nathe, Swiontek)

AN ACT to create and enact a new section to chapter 54-17 of the North Dakota Century Code, relating to a research technology park grant program; to provide an appropriation; and to provide for a report.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new section to chapter 54-17 of the North Dakota Century Code is created and enacted as follows:

**Research technology park grant program - North Dakota state university - Report.**

1. The industrial commission shall administer the research technology park grant program. Subject to legislative appropriations, the industrial commission shall distribute grant funding to the research technology park at North Dakota state university. The research technology park shall use the funds in accordance with this section.
2. The research technology park at North Dakota state university is created to conduct exploratory, transformational, and innovative research and product development activities that advance intelligent autonomous mobile equipment opportunities and benefit the state's economy and environment through:
  - a. Exploratory research and development of technologies and methodologies that facilitate the prudent development and efficient use of the state's autonomous agriculture resources and defense capabilities;
  - b. Access to advanced robotics and artificial intelligence expertise for timely scientific and engineering activities to support the state's interests; and
  - c. Education and outreach related to the state's advanced technology resources, including the advancement of engineering and technical readiness.
3. Each biennium, the research technology park shall develop a plan for the use of funds received under this section, including industry matching requirements. The plan must be approved by the industrial commission.
4. The research technology park may:
  - a. Select research topics and projects;
  - b. Enter contracts or agreements with other institutions of higher education to support the selected research topics and projects;
  - c. Enter contracts or agreements with federal, private, and nonprofit organizations to carry out the selected research topics and projects; and
  - d. Accept donations, grants, contributions, and gifts from any source to finance the selected research topics and projects.
5. Annually, the research technology park shall report all research activities, product development, and accomplishments to the industrial commission and the legislative

management. Upon request, the research technology park shall report to the appropriations committees of the legislative assembly on the use of funding under this section.

**SECTION 2. APPROPRIATION - INDUSTRIAL COMMISSION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - RESEARCH TECHNOLOGY PARK GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the industrial commission for the purpose of providing grants under the research technology park grant program pursuant to section 1 of this Act, during the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$10,000,000, the industrial commission shall distribute a grant of \$5,000,000 to the research technology park without a matching requirement and may distribute a grant of up to \$5,000,000 to the research technology park only to the extent the research technology park provides one dollar of matching funds from nonstate sources for each dollar of grant funding distributed under the program. The appropriation in this section is considered a one-time funding item.

**SERIES RESOLUTION FOR**  
**UP TO**  
**\$50,000,000**  
**NORTH DAKOTA PUBLIC FINANCE AUTHORITY**  
**CAPITAL FINANCING PROGRAM BONDS**  
**SERIES 2025A**

WHEREAS, the Industrial Commission of the State of North Dakota (the “Commission”), acting pursuant to provisions of the North Dakota Public Finance Authority Act, Chapter 6-09.4, North Dakota Century Code (the “Act”), and pursuant to the General Bond Resolution adopted by it on March 2, 1990, as amended March 16, 1990, March 30, 1992, and May 13, 1998 (the “General Bond Resolution”), desires to authorize and direct the issuance by the North Dakota Public Finance Authority (the “Authority”) (formerly the North Dakota Municipal Bond Bank) of a Series of its Capital Financing Program Bonds (the “Bonds”);

WHEREAS, the General Bond Resolution authorizes the issuance of Bonds in one or more Series pursuant to a Series Resolution authorizing each Series;

WHEREAS, the Industrial Commission of North Dakota has determined that it is necessary and expedient that the Authority issue at this time a Series of Bonds to be designated “North Dakota Public Finance Authority Capital Financing Program Bonds, Series 2025A” (the “Series 2025A Bonds”) to (i) provide approximately \$46,400,000 net proceeds to refund the Authority’s outstanding Capital Financing Program Bonds, Series 2015B (the “Series 2015B Bonds”) and to refund the Authority’s outstanding Capital Financing Program Bonds, Series 2015C (the “Series 2015C Bonds” and, together with the Series 2015B Bonds, the “Refunded Bonds”) and thereby refinance loans made with the proceeds of the Refunded Bonds and (ii) acquire obligations of other Political Subdivisions requesting loans prior to the issuance of the Series 2025A Bonds, all pursuant to the General Bond Resolution;

WHEREAS, the Refunded Bonds are subject to redemption at the option of the Authority on June 1, 2025 and any date thereafter at par plus accrued interest;

WHEREAS, (a) funds for the payment of the Series 2015B Bonds are to be provided by (i) the improvement bonds issued by the City of Watford City and (ii) the improvement bonds issued by the City of Forman, as the same will be amended, (b) funds for the payment of the Series 2015C Bonds are to be provided by (i) the sales tax revenue bonds issued by the City of Watford City and (ii) the improvement bonds issued by the City of Zap, as the same will be amended, and (c) funds for any loans to other Political Subdivisions requesting loans prior to the issuance of the Series 2025A Bonds will be provided by obligations issued by such Political Subdivisions, all of which bonds or obligations are collectively referred to herein as the “Municipal Securities;”

WHEREAS, the Reserve Requirement for the Bonds will be provided by the letter of credit issued by the Bank of North Dakota pursuant to the Capital Financing Program Reserve Fund Master Letter of Credit and Reimbursement Agreement (the “Reimbursement Agreement”)

between the Bank of North Dakota and Authority and from proceeds of the Series 2025A Bonds, if any, applied thereto;

WHEREAS, the Municipal Securities will mature on June 1 of each of the years and in the principal amounts determined by the Executive Director, not exceeding an aggregate of \$50,000,000, and having a final maturity not later than June 1, 2045; and

WHEREAS, in connection with the issuance of each series of the Refunded Bonds, the Commission received and reviewed (and in connection with any portion of the Series 2025A Bonds to be issued for other Political Subdivisions requesting loans prior to the issuance of the Series 2025A Bonds, will receive and review) a report of PFM Financial Advisors LLC, financial consultants to the Commission, describing the estimated costs to certain above-named entities (the “Political Subdivisions”) of borrowing for their projects through the Capital Financing Program as compared to the costs of borrowing through other alternatives available to such Political Subdivisions, copies of which are on file in the offices of the Commission and;

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

## ARTICLE I

### Authority, Definitions and Findings

Section 1.01. Series Resolution. This Series Resolution is adopted in accordance with the provisions of Section 2.02 of the General Bond Resolution and pursuant to the authority contained in the Act.

Section 1.02. Definitions. All terms defined in Article I of the General Bond Resolution or in the Act shall have the same meanings, respectively, in this Series Resolution and with respect to the Series 2025A Bonds as such terms are given in said Article I of the General Bond Resolution or the Act.

Section 1.03. Findings. The Commission hereby determines with respect to the Political Subdivisions that the reasons for the Authority’s involvement in the bond issue through the Capital Financing Program are that (a) the net borrowing costs for the Political Subdivisions for the financings are expected to be or continue to be lower under the Capital Financing Program than they would be under any other borrowing method available to the Political Subdivisions, (b) issuance costs and reserves required to be funded by the Political Subdivisions are lower than would be the case under other methods so that the aggregate amount required to be borrowed by the Political Subdivisions is less than other competitive means of borrowing and (c) the Political Subdivisions voluntarily requested refinancing through the Authority’s Capital Financing Program.

## ARTICLE II

### Authorization of Series 2025A Bonds

Section 2.01. Authorization of Series 2025A Bonds. Pursuant to the General Bond Resolution, a Series of Capital Financing Program Bonds to be designated as the “Series 2025A Bonds” is hereby created and authorized to be issued in the aggregate principal amount of up to \$50,000,000.

Section 2.02. Purposes. The Series 2025A Bonds are being issued to provide funds to be loaned or to refinance loans to the Political Subdivisions evidenced by the Municipal Securities as approved by this Commission pursuant to the Act. It is hereby found and determined in accordance with Section 2.11 of the General Bond Resolution that the Municipal Securities will be, or as amended in connection with the issuance of the Series 2025A Bonds will be, in an amount and will mature and bear interest at rates sufficient to pay the principal of and interest on the Series 2025A Bonds when due.

Section 2.03. Date, Payment Dates, and Maturities. The Series 2025A Bonds shall be dated as of a date determined by the Executive Director to be appropriate, except that Series 2025A Bonds issued on or subsequent to the first interest payment date shall be dated as of the most recent date to which interest has been duly paid or provided for. The Series 2025A Bonds shall bear interest from their date, payable semiannually on June 1 and December 1 in each year, commencing December 1, 2025. The Series 2025A Bonds shall mature, or at the option of the purchaser be subject to mandatory redemption, on June 1 in each of the years and in the principal amounts determined by the Executive Director to be necessary to accommodate the needs of the Political Subdivisions. The Series 2025A Bonds may be issued in any amount not more than \$50,000,000 and maturing in amounts on each June 1 as determined by the Executive Director.

Section 2.04. Redemption. The Series 2025A Bonds are subject to redemption and prior payment at the option of the Authority at par plus accrued interest on a date no later than June 1, 2035, as determined by the Executive Director, and any date thereafter, in whole or in part in such order as the Executive Director may determine. The Series 2025A Bonds are also subject to mandatory redemption on August 1, 2026, at the redemption price of 100% of the amortized issue price of the Series 2025A Bonds, as determined by the Executive Director for each maturity, plus accrued interest on the principal amount redeemed, in whole or in part in such order as the Authority may determine, to the extent that the net proceeds of such Series exceeds the net proceeds of the Municipal Securities which have been purchased by the Authority with the proceeds thereof on or prior to June 1, 2026.

Section 2.05. Interest Rates. The Series 2025A Bonds shall bear interest at such rate or rates as the Executive Director may approve based on the public sale procedure described in Section 2.08, provided that the net interest rate for the Series 2025A Bonds shall not exceed 6.00% per annum.

Section 2.06. Denominations, Numbers, and Letters. Each Series 2025A Bond shall be in an integral multiple of \$5,000 and shall be numbered separately from R-1 consecutively upwards in order of issuance.

Section 2.07. Registrar and Paying Agent. The principal of the Series 2025A Bonds shall be payable upon presentation and surrender thereof at the main office of the Bank of North Dakota, Bismarck, North Dakota, which is hereby appointed Registrar and Paying Agent under the General Bond Resolution. Interest on the Series 2025A Bonds shall be payable by wire transfer or by check or draft mailed to the registered Owners of record as of the 15th day of the month preceding each interest payment date at their registered addresses.

Section 2.08. Sale of Series 2025A Bonds. The Series 2025A Bonds shall be sold at public sale pursuant to and in accordance with the Official Terms of Sale which shall be prepared by the Executive Director in customary form and shall be mailed to prospective bidders in advance of the sale. Upon receipt and acceptance of a bid conforming to the Official Terms of Sale, the Executive Director is authorized to execute the bid form submitted by the successful bidder in acceptance thereof and to return the good faith deposits of the unsuccessful bidders.

Section 2.09. Official Statement. A Preliminary Official Statement of the Authority in respect of the Series 2025A Bonds, similar in form to previous official statements shall be prepared by the Executive Director and made available to members of the Commission, and a final Official Statement shall be distributed with such changes, omissions, insertions and revisions as the Executive Director shall deem advisable in order to make such Official Statement a complete and accurate disclosure of all material facts to prospective purchasers of the Series 2025A Bonds. The final Official Statement shall be approved by the Authority and a copy shall be filed with the permanent records of the Commission.

Section 2.10. Loan Agreement. The forms of Loan Agreement heretofore entered into between the Authority and the Political Subdivisions have been approved and the Executive Director is hereby authorized to execute the same, or amendments thereto to reflect debt service reductions corresponding to the debt service reductions resulting from the refunding of the Refunded Bonds, with all such changes and revisions therein as the Executive Director shall approve.

Section 2.11. Findings. As required by the General Bond Resolution it is hereby determined that the issuance of and application of the proceeds of the Series 2025A Bonds will not adversely affect the cash flow from the Municipal Securities available to pay the principal, interest and Sinking Fund Installment on the remaining Bonds when due or violate the provisions of any Loan Agreement.

### ARTICLE III

#### Use of Proceeds of Series 2025A Bonds

Section 3.01. Reserve Fund Deposit; Letter of Credit. The Authority has received a letter of credit provided by the Bank of North Dakota in accordance with the Reimbursement Agreement (a "Letter of Credit") with respect to the Refunded Bonds, and upon or prior to the issuance and sale of any portion of the Series 2025A Bonds for loans to Political Subdivisions

SERIES RESOLUTION

other than those with respect to the Refunded Bonds, will have received a Letter of Credit, in an aggregate amount at least equal to the largest amount of money required by the terms of the Series 2025A Bonds to be paid on maturing principal of and interest on the Series 2025A Bonds in any period of 24 consecutive months (the "Series Reserve Fund Requirement"), less such amounts as may be deposited in the Reserve Fund from the proceeds of the Series 2025A Bonds as directed by the Executive Director or from funds deposited by the Political Subdivisions. The Executive Director is authorized to deposit up to one half of the Reserve Fund Requirement into the Reserve Fund from Series 2025A Bond proceeds. The proceeds of any draw on the Letter of Credit are pledged to the Reserve Fund and may be applied only for the purposes for which the Reserve Fund may be applied. The Authority shall make a draw on the Letter of Credit at any time funds thereunder are necessary to pay principal of or interest on Bonds issued under the General Bond Resolution when due. In the event of a draw on the Letter of Credit which has not been reimbursed by legislative appropriation, the Authority shall reimburse the Bank of North Dakota only after payment of the Series 2025A Bonds and solely from amounts on deposit in the Series 2025A Account of the Reserve Fund, subject and subordinate to the prior pledge to the holders of Bonds under the General Bond Resolution.

Section 3.02. Deposit to Costs of Issuance Fund. Upon receipt of the proceeds of sale of the Series 2025A Bonds, the Authority shall deposit in the Costs of Issuance Fund from the proceeds of the Series 2025A Bonds the sum determined by the Executive Director to be used to pay Costs of Issuance of the Series 2025A Bonds in accordance with the provisions of the General Bond Resolution.

Section 3.03. Deposit to Optional Redemption Account of Redemption Fund. The Authority shall deposit other proceeds derived from the sale of the Series 2025A Bonds which are not deposited in the Reserve Fund or Cost of Issuance Fund as follows: (a) the sum determined by the Executive Director in the Series 2015B Bonds Optional Redemption Account and (b) the sum determined by the Executive Director in the Series 2015C Bonds Optional Redemption Account, each of which is hereby created in the Redemption Fund, to be applied to the redemption of the Series 2015B Bonds and the Series 2015C Bonds, respectively. Prior to the issuance of the Series 2025A Bonds the Authority shall have received an opinion of Bond Counsel that such application will not adversely affect the tax- exempt status of any Series of Bonds. The Refunded Bonds shall be called for prior redemption on a date determined by the Executive Director for which notice of redemption may be given following issuance of the Series 2025A Bonds.

Section 3.04. Deposit to Series 2025A Loan Fund. The Authority shall deposit all other proceeds derived from the sale of the Series 2025A Bonds which are not deposited in the Reserve Fund, Costs of Issuance Fund or Redemption Fund in the Series 2025A Account of the Loan Fund, which is hereby created, to be applied to the making of loans to Political Subdivisions through the purchase of Municipal Securities at the prices corresponding to the percentages of par bid for the Series 2025A Bonds plus accrued interest for the period from the date of the Series 2025A Bonds to the date of purchase; provided that such accrued interest shall not in any event exceed the amount of accrued interest received from the sale of the Series 2025 Bonds plus all interest earnings on the amounts deposited in the Series 2025A Account of the Loan Fund under the General Bond Resolution.

## ARTICLE IV

### Form, Execution and Other Details of Series 2025A Bonds

Section 4.01. Form of Series 2025A Bonds. The Series 2025A Bonds, the Registrar's Authentication Certificate and the form of assignment shall be in substantially the form set forth in Exhibit A to the General Bond Resolution, with all such insertions as may be consistent with this Series Resolution and the successful bid. The approving legal opinion of bond counsel may be printed on the reverse side of the Bonds and certified by the Executive Director.

Section 4.02. Execution and Delivery. The Series 2025A Bonds shall be executed by the facsimile signatures of the Chairman and Executive Director and delivered as provided in the General Bond Resolution.

## ARTICLE V

### Special Covenants

The Commission and the Authority covenant and agree with the persons who at any time are Holders and Owners of the Series 2025A Bonds that so long as any Series 2025A Bonds remain outstanding and unpaid:

Section 5.01. Observe General Bond Resolution, Series Resolution, and Loan Agreement. The Commission and the Authority will faithfully keep and observe all the terms, provisions and covenants contained in the General Bond Resolution, this Series Resolution and the Loan Agreements.

Section 5.02. Maintenance of Tax-Exempt Status. Neither the Commission nor the Authority shall take, or permit the Political Subdivisions to take, any action that would cause the Series 2025A Bonds to be "private activity bonds" (other than "qualified 501(c)(3) bonds") within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended. The Commission and the Authority shall comply with all the rebate requirements imposed under Section 148(f) of the Internal Revenue Code of 1986, as amended, and regulations thereunder, which are necessary to preserve the tax exempt status of the Series 2025A Bonds, including (if applicable) the requirement to make periodic calculations of the amount subject to rebate thereunder and the requirement to make all required rebates to the United States. The Authority agrees to use any moneys on deposit in any Fund or Account maintained under the General Bond Resolution to pay any such rebate (or penalty in lieu thereof) when due. In addition, the Authority shall make no investment of funds or take or permit any Political Subdivisions to take any action that would cause the Series 2025A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder. All terms used in this Section 5.02 shall have the meanings provided in the Internal Revenue Code of 1986, as amended, and regulations thereunder. The Executive Director shall execute any certificates as may be necessary or appropriate to establish the tax-exempt status of the Bonds.

Section 5.03. Continuing Disclosure. A Continuing Disclosure Certificate in a form approved by the Executive Director to be executed and delivered in connection with the Series

SERIES RESOLUTION



2025A Bonds is hereby approved and the Authority's undertaking therein shall be a contractual obligation of the Authority for the benefit of the holders of the Bonds as provided in such Continuing Disclosure Certificate.

## ARTICLE VI

### Book-Entry Bonds

Section 6.01. Depository. The Series 2025A Bonds shall be initially issued in the form of a separate single typewritten or printed fully registered bond. Upon initial issuance, the ownership of each such Series 2025A Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in Section 6.03 hereof, all of the outstanding Series 2025A Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC.

With respect to Series 2025A Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., a nominee of DTC, the Authority, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the "Participants") or to any other person on behalf of which a Participant holds an interest in the Series 2025A Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Series 2025A Bonds, (ii) the delivery to any Participant or any other person other than a registered owner of Series 2025A Bonds, as shown by the registration books kept by the Bond Registrar, of any notice with respect to the Series 2025A Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Series 2025A Bonds, or any amount with respect to principal of, premium, if any, or interest on the Series 2025A Bonds. The Authority, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2025A Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Series 2025A Bond for the purpose of payment of principal, premium and interest with respect to such Series 2025A Bond, for the purpose of registering transfers with respect to such Series 2025A Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2025A Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Bond Registrar, and all such payments shall be valid and effectual to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, or interest on the Series 2025A Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Series 2025A Bonds, as shown in the registration books kept by the Bond Registrar, shall receive a certificate bond evidencing the obligation of the Authority to make payments of principal, premium, if any, or interest pursuant to this Series Resolution. Upon delivery by DTC to the Executive Director of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such a notice, the Executive Director shall promptly deliver a copy of the same to the Bond

Registrar and Paying Agent, if the Bond Registrar or Paying Agent is other than the Executive Director.

Section 6.02. Letter of Representations. The blanket Representation Letter submitted to DTC, which is on file with the Executive Director, is hereby confirmed. Any Paying Agent or Bond Registrar appointed by the Authority with respect to the Series 2025A Bonds shall agree to take all action necessary for all representations of the Authority in the Representation Letter with respect to the Bond Registrar and Paying Agent, respectively, to at all times be complied with.

Section 6.03. Discontinuance of Book-Entry. In the event the Authority, by resolution of the Industrial Commission, determines that it is in the best interest of the persons having beneficial interests in the Series 2025A Bonds that they be able to obtain bond certificates, the Authority shall notify DTC, whereupon DTC shall notify the Participants, of the availability through DTC of bond certificates. In such event the Authority shall issue, transfer and exchange bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Series Resolution. DTC may determine to discontinue providing its services with respect to the Series 2025A Bonds at any time by giving notice to the Authority and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the Authority shall issue and the Bond Registrar shall authenticate bond certificates in accordance with this Series Resolution and the provisions hereof shall apply to the transfer, exchange and method of payment thereof.

Section 6.04. Payments and Notices. Notwithstanding any other provision of this Series Resolution to the contrary, so long as any Series 2025A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2025A Bond and all notices with respect to such Series 2025A Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

## ARTICLE VII

### Miscellaneous

Section 7.01. Amendments. This Series Resolution may be amended as provided in the General Bond Resolution.

Section 7.02. Effective Date. This Series Resolution is effective immediately.

Adopted: August 21, 2025

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Chairman

Attest:

---

Secretary

(Commission Seal)

**PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER \_\_, 2025**

NEW ISSUE: FULL BOOK-ENTRY

Standard & Poor's Rating: "\_\_\_"  
(See "Rating" herein)

*In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2025A Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, pursuant to the Act, interest on the Series 2025A Bonds is exempt from all income taxation by the State of North Dakota. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.*

**NORTH DAKOTA PUBLIC FINANCE AUTHORITY****\$45,325,000<sup>(1)</sup>****Capital Financing Program Bonds, Series 2025A****Dated:** Date of Delivery**Due:** June 1, 2026/2045**Minimum Bid:** \$45,098,375 (99.5% of Par)**Good Faith:** \$453,250

The Capital Financing Program Bonds, Series 2025A (the "Series 2025A Bonds") offered hereby are being issued as a separate series pursuant to the North Dakota Public Finance Authority Act, Chapter 6-09.4, North Dakota Century Code, a General Bond Resolution adopted by the Industrial Commission of the State of North Dakota on March 2, 1990, as amended March 16, 1990, March 30, 1992, and May 13, 1998, and a Series Resolution adopted by the Industrial Commission on August 21, 2025.

The Series 2025A Bonds will be issued as fully registered bonds without coupons, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2025A Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2025A Bonds purchased.

Principal of the Series 2025A Bonds, payable annually on each June 1, beginning June 1, 2026, and interest, payable semiannually on each June 1 and December 1, commencing December 1, 2025, will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to the beneficial owners of the Series 2025A Bonds as described herein.

Proceeds of the Series 2025A Bonds will be used by the North Dakota Public Finance Authority (the "Authority") to (1) refund the Authority's outstanding Capital Financing Program Bonds, Series 2015B (the "Series 2015B Bonds") and Capital Financing Program Bonds, Series 2015C (the "Series 2015C Bonds") (together, the "Refunded Bonds") and thereby refinance loans made to the Cities of Forman, Watford and Zap with the proceeds of the Refunded Bonds, and (2) provide moneys to lend to City of Burlington through the purchase of approximately \$1.4 million of municipal utility fee bonds to finance the city's lagoon expansion project, all pursuant to the General Bond Resolution. The Series 2025A Bonds are not in any way a debt or liability of the State of North Dakota, the Industrial Commission or any political subdivision of the State, except as described herein. The Series 2025A Bonds are obligations of the Authority payable primarily from specific revenues and funds pledged therefor under the General Bond Resolution as described herein. The Authority has no taxing power.

The Series 2025A Bonds are subject to optional redemption prior to maturity.

**Maturity Schedule**

<b>Due June 1</b>	<b>Amount<sup>(1)</sup></b>	<b>Interest Rate*</b>	<b>Yield*</b>	<b>Due June 1</b>	<b>Amount<sup>(1)</sup></b>	<b>Interest Rate*</b>	<b>Yield*</b>
2026	\$3,030,000	___%	___%	2036	\$1,415,000	___%	___%
2027	2,300,000	___%	___%	2037	1,490,000	___%	___%
2028	2,410,000	___%	___%	2038	1,565,000	___%	___%
2029	2,530,000	___%	___%	2039	1,640,000	___%	___%
2030	2,660,000	___%	___%	2040	1,730,000	___%	___%
2031	2,610,000	___%	___%	2041	1,820,000	___%	___%
2032	2,750,000	___%	___%	2042	1,910,000	___%	___%
2033	2,885,000	___%	___%	2043	2,010,000	___%	___%
2034	3,035,000	___%	___%	2044	2,115,000	___%	___%
2035	3,185,000	___%	___%	2045	2,235,000	___%	___%

Bids must be for not less than \$45,098,375 (99.5% of Par) plus accrued interest on the total principal amount of the Series 2025A Bonds. Upon notification of award, the winning bidder will promptly provide to the Authority a good faith deposit in the amount of \$453,250 by wire transfer or in the form of a certified or cashier's check payable to the order of the North Dakota Public Finance Authority.

The Series 2025A Bonds are offered subject to receipt of the approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota, as Bond Counsel. It is expected that delivery of the Series 2025A Bonds will be made on or about September \_\_, 2025.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

**BIDS RECEIVED UNTIL:** 10:30 a.m., C.D.T., \_\_\_\_ day, September \_\_, 2025 at the offices of PFM Financial Advisors LLC, Minneapolis, Minnesota.

**AWARD:** By 3:00 p.m., C.D.T., by the Executive Director on the same day.

The date of this Official Statement is September \_\_, 2025.

<sup>(1)</sup> Following the receipt of the bids, the Authority reserves the right to adjust the principal amount. If the issue size is adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e. the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2025A Bonds to the public and the price to be paid to the Authority (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Series 2025A Bonds) remains constant.

\* Interest rates and reoffering yields or prices will be set forth in the Final Official Statement as described herein.

No dealer, broker, salesperson or other person has been authorized by the North Dakota Public Finance Authority, the Financial Advisor or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the North Dakota Public Finance Authority, the Financial Advisor or the Underwriter.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2025A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the North Dakota Public Finance Authority since the date thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

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The Series 2025A Bonds are being offered pursuant to an exemption from registration under the Securities Act of 1933, as amended, and have not been registered with the Securities and Exchange Commission. The merits of these securities have not been passed upon by the Securities and Exchange Commission or any other federal or state regulatory body nor has any such body passed upon the accuracy or adequacy of this Official Statement.

**The North Dakota  
Public Finance Authority**

DeAnn Ament	<i>Executive Director</i>
Benita Eberts	<i>Business Manager</i>
Karla Zander	<i>Fiscal Officer</i>

**The Industrial Commission of  
North Dakota**

Kelly Armstrong	Governor, Chairman of the Commission
Drew Wrigley	Attorney General, Member
Doug Goehring	Agriculture Commissioner, Member
Karlene Fine	Executive Director and Secretary

**Counsel to Public Finance Authority**

Office of the Attorney General

**Bond Counsel**

Kutak Rock LLP  
Minneapolis, Minnesota

**Financial Advisor**

PFM Financial Advisors LLC  
Minneapolis, Minnesota

**Registrar and Paying Agent**

Bank of North Dakota  
Bismarck, North Dakota

## **INTRODUCTION TO THE OFFICIAL STATEMENT**

*The following information is furnished solely to provide limited introductory information regarding the North Dakota Public Finance Authority's \$45,325,000\* Capital Financing Program Bonds, Series 2025A (the "Series 2025A Bonds") and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.*

<b>Issuer:</b>	The North Dakota Public Finance Authority, an agency of the State of North Dakota.	
<b>Security:</b>	The Series 2025A Bonds are obligations of the Authority payable primarily from specific revenues and funds pledged therefor under the Resolutions as described herein and other unencumbered assets of the Authority. See "Source of Payment and Security" herein.	
<b>Purpose:</b>	Proceeds of the Series 2025A Bonds will be used by the North Dakota Public Finance Authority (the "Authority") to (1) refund the Authority's outstanding Capital Financing Program Bonds, Series 2015B (the "Series 2015B Bonds") and Capital Financing Program Bonds, Series 2015C (the "Series 2015C Bonds") (together, the "Refunded Bonds") and thereby refinance loans made to the Cities of Forman, Watford and Zap with the proceeds of the Refunded Bonds, and (2) provide moneys to lend to City of Burlington through the purchase of approximately \$1.4 million of municipal utility fee bonds to finance the city's lagoon expansion project, all pursuant to the General Bond Resolution.	
<b>Optional Redemption:</b>	The Series 2025A Bonds maturing on or after June 1, 2036 are subject to redemption and prior payment at the option of the Authority on June 1, 2035 and on any date thereafter in whole or in part in such amounts and from such maturities as the Authority may determine and by lot within a maturity at the redemption price of par.	
<b>Extraordinary Mandatory Redemption:</b>	The Series 2025A Bonds are subject to mandatory redemption on August 1, 2026, at the redemption price of 100% of the amortized issue price as determined by the Authority for each maturity of the Series 2025A Bonds plus accrued interest on the principal amount redeemed to the date of redemption, in whole or in part in such order as the Authority may determine, to the extent that the net proceeds of such Series exceeds the net proceeds of the Municipal Securities which have been purchased by the Authority with the proceeds thereof on or prior to June 1, 2026.	
<b>Denominations:</b>	\$5,000 or multiples thereof.	
<b>Dated:</b>	Date of Delivery	
<b>Principal Due:</b>	June 1, 2026-2045	
<b>Interest Due:</b>	Interest on the Series 2025A Bonds is due semiannually on each June 1 and December 1, commencing December 1, 2025.	
<b>Book-Entry Only:</b>	The Series 2025A Bonds will be issued as book-entry only securities through The Depository Trust Company.	
<b>Tax Matters:</b>	The Series 2025A Bonds are generally exempt from State of North Dakota and federal income taxes (see "Tax Matters" herein).	
<b>Professional Consultants:</b>	<i>Financial Advisor:</i>	<i>PFM Financial Advisors LLC Minneapolis, Minnesota</i>
	<i>Bond Counsel:</i>	<i>Kutak Rock LLP Minneapolis, Minnesota</i>
	<i>Registrar/Paying Agent:</i>	<i>Bank of North Dakota Bismarck, North Dakota</i>

\* Preliminary, subject to adjustment.

<b>Legal Matters:</b>	Legal matters incident to the authorization and issuance of the Series 2025A Bonds are subject to the opinion of Kutak Rock LLP, Bond Counsel, as to validity and tax exemption. The opinion will be substantially in the form set forth in Appendix C attached hereto.
<b>Authority for Issuance:</b>	The Series 2025A Bonds are issued pursuant to the North Dakota Public Finance Authority Act, Chapter 6-09.4, North Dakota Century Code, a General Bond Resolution adopted by the Industrial Commission of the State of North Dakota on March 2, 1990, as amended, and a Series Resolution adopted by the Industrial Commission on August 21, 2025.
<b>Conditions Affecting Issuance of Bonds:</b>	The Series 2025A Bonds are offered when, as and if issued, subject to the approving legal opinion of Kutak Rock LLP, Bond Counsel, Minneapolis, Minnesota.
<b>Delivery:</b>	To the Authority's designated depository on or about September __, 2025.
<b>No Litigation:</b>	There is no litigation now pending or, to the knowledge of the Authority, threatened which questions the validity of the Series 2025A Bonds or of any proceedings of the Industrial Commission taken with respect to the issuance or sale thereof.

*The Official Statement is in a form deemed final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1) (the "Rule"), but is subject to minor revision or amendment in accordance with the Rule. Not later than seven business days following the award of the Series 2025A Bonds, the Authority shall provide copies of the Final Official Statement, as that term is used in the Rule, to the purchasers of the Series 2025A Bonds. The Final Official Statement will include the maturity dates and amounts, interest rates and reoffering yields or prices, and any other information required by law.*

*The purchasers will be supplied with Final Official Statements in a quantity sufficient to meet its request. Up to 50 copies of the Final Official Statement will be furnished without cost.*

Questions regarding the Series 2025A Bonds or the Official Statement can be directed to and additional copies of the Official Statement and the Resolution may be obtained from PFM Financial Advisors LLC, 45 South 7<sup>th</sup> Street, Suite 2950, Minneapolis, Minnesota 55402, (612/338-3535), the Authority's Financial Advisor, or the North Dakota Public Finance Authority, 1200 Memorial Highway, Bismarck, North Dakota 58504 (701/328-7100).



## **OFFICIAL STATEMENT**

### **NORTH DAKOTA PUBLIC FINANCE AUTHORITY**

**\$45,325,000\***

#### **Capital Financing Program Bonds, Series 2025A**

### **GENERAL INFORMATION**

This Official Statement sets forth information concerning the issuance by the North Dakota Public Finance Authority (the “Authority”), of the series of its North Dakota Public Finance Authority Capital Financing Program Bonds designated as Series 2025A Bonds. The Series 2025A Bonds mature on the dates and in the amounts as set forth on the cover page of this Official Statement and contain other terms as set forth herein. See “Description of the Bonds” herein. The Series 2025A Bonds are issued pursuant to and are equally and ratably secured by the General Bond Resolution (the “General Bond Resolution”) adopted by the Industrial Commission of the State of North Dakota (the “Industrial Commission”) on March 2, 1990, as amended April 6, 1990, March 30, 1992, June 18, 1997 and May 13, 1998, on a parity with all other bonds heretofore and hereafter issued under the General Bond Resolution. The Series 2025A Bonds and all other bonds issued pursuant to the General Bond Resolution are herein referred to as the “Bonds.” All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the General Bond Resolution.

The General Bond Resolution establishes the Authority’s Capital Financing Program under which the Authority will from time to time issue Bonds to provide funds to make loans to political subdivisions (the “Political Subdivisions” or a “Political Subdivision”) of the State of North Dakota to finance capital improvements. The loans will be effected through the purchase of municipal securities (the “Municipal Securities”) to be issued by the Political Subdivisions. Pursuant to the General Bond Resolution, the Authority may also refund other obligations of the Authority which were originally issued for the purpose of acquiring Municipal Securities from Political Subdivisions. See “Description of the Capital Financing Program” herein for a description of the Political Subdivisions eligible to receive loans from the Authority and a description of the Municipal Securities to be issued by such Political Subdivisions. See “Description of the Bonds – Purpose and Authority” and “The Municipal Securities” herein for a description of the loans to be made with the proceeds of the Series 2025A Bonds. Descriptions of the Municipal Securities purchased and certain information relating to the Political Subdivisions associated with each series of Bonds is contained in Appendices A and B herein. The Political Subdivisions which have previously issued Municipal Securities to the Authority pursuant to the Capital Financing Program together with a description of Bonds heretofore issued under the General Bond Resolution are set forth in Appendix B. The Series 2025A Bonds are issued under the authority of the North Dakota Public Finance Authority Act, Chapter 6-09.4, North Dakota Century Code (the “Act”). The Industrial Commission, the agency of the State of North Dakota having authority over all matters pertaining to the Authority, including the issuance of bonds, has authorized the issuance of the Series 2025A Bonds. The Series 2025A Bonds are obligations of the Authority payable primarily from the revenues and Funds and Accounts hereinafter described and are not a debt or liability of the State or secured by the full faith and credit or taxing powers of the State. See “Source of Payment and Security” and “Summary of Certain Provisions of the General Bond Resolution” and “The Industrial Commission of North Dakota” herein.

The Authority is an instrumentality of the State, operated, managed and controlled by the Industrial Commission. The Bonds do not constitute a debt of the Industrial Commission and are not secured by or payable from any assets of the Industrial Commission. See “The North Dakota Public Finance Authority” herein.

\* Preliminary, subject to adjustment.

The Authority and a Political Subdivision obtaining a loan under the Capital Financing Program may enter into a Loan Agreement (the “Loan Agreement”) wherein the Authority agrees to purchase certain Municipal Securities and the Political Subdivision agrees to pay certain costs and to comply with certain covenants with respect to the Municipal Securities (see “Summary of Loan Agreements” herein).

## **DESCRIPTION OF THE BONDS**

### ***Purpose and Authority***

Proceeds of the Series 2025A Bonds will be used by the North Dakota Public Finance Authority (the “Authority”) to (1) refund the Authority’s outstanding Capital Financing Program Bonds, Series 2015B (the “Series 2015B Bonds”) and Capital Financing Program Bonds, Series 2015C (the “Series 2015C Bonds”) (together, the “Refunded Bonds”) and thereby refinance loans made to the Cities of Forman, Watford and Zap with the proceeds of the Refunded Bonds, and (2) provide moneys to lend to City of Burlington through the purchase of approximately \$1.4 million of municipal utility fee bonds to finance the city’s lagoon expansion project, all pursuant to the General Bond Resolution. The Series 2025A Bonds are not in any way a debt or liability of the State of North Dakota, the Industrial Commission or any political subdivision of the State, except as described herein. The Series 2025A Bonds are obligations of the Authority payable primarily from specific revenues and funds pledged therefor under the General Bond Resolution as described herein. The Authority has no taxing power.

The Series 2025A Bonds are issued pursuant to the General Bond Resolution and the Series Resolution (the “Series Resolution”) adopted by the Industrial Commission on August 21, 2025. (The General Bond Resolution and the Series Resolutions are hereinafter collectively referred to as the “Resolutions”).

### ***Terms of the Bonds***

The Series 2025A Bonds will be dated the date of delivery, with principal payable annually on each June 1, beginning June 1, 2026, and with interest payable at the rates set forth on the cover page of this Official Statement on December 1, 2025 and semiannually thereafter on each June 1 and December 1.

### ***Book-Entry Only System***

*The information contained in the following paragraphs of this subsection “Book-Entry-Only ISSUANCE” has been extracted from a schedule prepared by Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING DTC AND BOOK-ENTRY-ONLY ISSUANCE.” The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.*

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (the “Direct

Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has Standard & Poor’s rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the Record Date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Authority or Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such

Participant and not of DTC, Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the Authority or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Authority or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

## ***Redemption of the Bonds***

### **Optional Redemption**

The Series 2025A Bonds maturing on or after June 1, 2036 are subject to redemption and prior payment at the option of the Authority on June 1, 2035 and on any date thereafter in whole or in part in such amounts and from such maturities as the Authority may determine and by lot within a maturity at the redemption price of par.

### **Extraordinary Mandatory Redemption**

The Series 2025A Bonds are subject to mandatory redemption on August 1, 2026, at the redemption price of 100% of the amortized issue price as determined by the Authority for each maturity of the Series 2025A Bonds plus accrued interest on the principal amount redeemed to the date of redemption, in whole or in part in such order as the Authority may determine, to the extent that the net proceeds of such Series exceeds the net proceeds of the Municipal Securities which have been purchased by the Authority with the proceeds thereof on or prior to June 1, 2026.

## ***Continuing Disclosure***

Under SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the Authority will covenant to enter into an undertaking (the "Undertaking") for the benefit of holders of the Series 2025A Bonds to provide certain financial information and operating data relating to the Authority to the Municipal Securities Rulemaking Board, and to provide notices of the occurrence of certain events enumerated in the Rule to the Municipal Securities Rulemaking Board. That information will consist of (i) a financial statement covering the Capital Financing Program of the Authority and (ii) updates of the information set forth in Appendix B and of certain information, generally similar to that set forth in Appendix A, relating to Political Subdivisions whose outstanding loan amounts under the Capital Financing Program, as of both December 31, 2024 and the annual reporting date, constitute 20% or more of the outstanding principal amount of Bonds. The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events are set forth in the Continuing Disclosure Certificate to be executed and delivered by the Authority at the time the Series 2025A Bonds are delivered. Such Certificate will be in substantially the form attached hereto as Appendix

D. The Authority has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events. A failure by the Authority to comply with the Undertaking will not constitute an event of default on the Series 2025A Bonds. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2025A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2025A Bonds and their market price.

### **PLAN OF REFUNDING**

The proceeds of the Series 2025A Bonds will be used in part to current refund the 2026-2035 maturities of the Series 2015B Bonds, and 2026-2045 maturities of the Series 2015C Bonds.

Following is a list of outstanding maturities and amounts of the Refunded Bonds and amounts to be refunded:

<u>Series</u>	<u>Maturity (June 1)</u>	<u>Amount Outstanding</u>	<u>Call Date</u>	<u>Call Price</u>	<u>Par Amount of Bonds to be Refunded</u>
<b>2015B Bonds</b>	2026	\$ 1,295,000	10/30/2025	100%	\$ 1,295,000
	2027	1,365,000	10/30/2025	100%	1,365,000
	2028	1,435,000	10/30/2025	100%	1,435,000
	2029	1,510,000	10/30/2025	100%	1,510,000
	2030	1,590,000	10/30/2025	100%	1,590,000
	2031	1,485,000	10/30/2025	100%	1,485,000
	2032	1,560,000	10/30/2025	100%	1,560,000
	2033	1,635,000	10/30/2025	100%	1,635,000
	2034	1,720,000	10/30/2025	100%	1,720,000
	2035	<u>1,805,000</u>	10/30/2025	100%	<u>1,805,000</u>
	<b>Total</b>	<u>\$15,400,000</u>			<u>\$15,400,000</u>

<u>Series</u>	<u>Maturity (June 1)</u>	<u>Amount Outstanding</u>	<u>Call Date</u>	<u>Call Price</u>	<u>Par Amount of Bonds to be Refunded</u>
<b>2015C Bonds</b>	2026	\$ 965,000	10/30/2025	100%	\$ 965,000
	2027	1,015,000	10/30/2025	100%	1,015,000
	2028	1,065,000	10/30/2025	100%	1,065,000
	2029	1,120,000	10/30/2025	100%	1,120,000
	2030	1,180,000	10/30/2025	100%	1,180,000
	2031	1,240,000	10/30/2025	100%	1,240,000
	2032	1,305,000	10/30/2025	100%	1,305,000
	2033	1,370,000	10/30/2025	100%	1,370,000
	2034	1,445,000	10/30/2025	100%	1,445,000
	2035	1,515,000	10/30/2025	100%	1,515,000
	2036	1,415,000	10/30/2025	100%	1,415,000
	2040	6,410,000	10/30/2025	100%	6,410,000
	2045	<u>10,045,000</u>	10/30/2025	100%	<u>10,045,000</u>
	<b>Total</b>	<u>\$30,090,000</u>			<u>\$30,090,000</u>

## **ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds of the sale of the Series 2025A Bonds and other moneys, if any, provided by the Authority will be applied approximately as follows:

### **Sources of Funds**

### **2025A**

Par Amount of Bonds  
Net Premium  
  
Total Sources of Funds

### **Uses of Funds**

Series 2025A Account of Loan Fund  
Refunding Escrow Deposits to Redemption Fund  
Cost of Issuance Fund  
Underwriter's Discount Allowance  
Authority Fee  
Additional Proceeds  
  
Total Uses of Funds

The deposit to the Reserve Fund required by the Resolutions and the Act is the amount ("Series Reserve Requirement") needed so that there is on hand in the related Series Account of the Reserve Fund upon the issuance of the Series 2025A Bonds an aggregate amount not less than the largest amount of principal and interest required to be paid on each series of Bonds and Reserve Obligations (if any) outstanding under the General Bond Resolution during any period of 24 consecutive months. The Authority will satisfy the Series Reserve Requirement for the Series 2025A Bonds with the respective Refunded Bond's letter of credits purchased from the Bank of North Dakota.

## **THE MUNICIPAL SECURITIES**

The Series 2025A Bonds are being issued to provide funds to refinance loans to the Political Subdivisions evidenced by the Municipal Securities as approved by this Commission pursuant to the Act. It is hereby found and determined in accordance with Section 2.11 of the General Bond Resolution that the Municipal Securities, as amended in connection with the issuance of the Series 2025A Bonds, will be in an amount and will mature and bear interest at rates sufficient to pay the principal of and interest on the Series 2025A Bonds when due.

The approximately \$1,400,000 in par amount of Municipal Securities acquired by the Authority to effect the loan to the City of Burlington will be municipal utility fee bonds.

## **SOURCE OF PAYMENT AND SECURITY**

The principal sources of payment and security for the Series 2025A Bonds are the revenues derived from the payment of principal of and interest on the Municipal Securities purchased with proceeds of the sale of Series 2025A Bonds, and certain investment earnings and any amounts on deposit in the Reserve Fund established under the General Bond Resolution. The approximate \$1.4 million in par amount of Municipal Securities to be acquired by the Authority are revenue bonds and a direct loan both payable from municipal utility fee collections from the City of Burlington.

The Series 2025A Bonds are issued on a parity with all other Bonds issued and to be issued by the Authority under the General Bond Resolution. They are not in any way a debt or liability of the State of North Dakota, the Industrial

Commission or any Political Subdivision of the State. The Series 2025A Bonds are not obligations of the Authority and, although payable from any available moneys of the Authority, the Authority has no taxing power and no significant assets other than the Funds and Accounts specifically pledged to the Series 2025A Bonds and other assets pledged to other obligations of the Authority.

The Series 2025A Bonds will be payable from and secured on a parity with other Bonds issued and to be issued under the General Bond Resolution by:

1. A first lien on the pledge of the moneys, securities and investments in the Bond Fund, the Redemption Fund, the Reserve Fund, the Revenue Fund, the Operating Fund and the Loan Fund covenanted to be created and maintained under the Resolutions; and
2. The Authority's interest in Municipal Securities purchased with the proceeds of the Bonds and all other Series of Bonds heretofore or hereafter issued under the General Bond Resolution.

The Series 2025A Bonds are also payable from any other legally available funds of the Authority.

The amount on deposit in the Reserve Fund upon the issuance of each Series of Bonds must be an aggregate amount equal to at least the largest amount of debt service due on each Series of Bonds and certain subordinate obligations which may be obligations issued to fund the Reserve Requirement (the "Reserve Obligations") during any consecutive 24 month period. The Authority will not issue Reserve Obligations to fund the Reserve Requirements for the Series 2025A Bonds.

The Act mandates that a Reserve Fund be maintained in an amount at least equal to the largest amount of money required by the terms of all outstanding Bonds of the Authority, for the payment of interest on and maturing principal in the then current or any succeeding calendar year, including mandatory redemption deposits required by the terms of any such Bonds to be made to the Bond Fund for the payment or redemption of Term Bonds. Under the General Bond Resolution, the Authority has covenanted to establish and maintain the Reserve Fund in an amount equal to the maximum amount of principal of and interest on each Series of Bonds and any Reserve Obligations coming due in any consecutive 24 month period (the "Reserve Requirement").

In the event the Reserve Fund shall, at any time, not aggregate the Reserve Requirement, the Executive Director of the Authority must forthwith give written notice to the Chairman and each member of the Industrial Commission, and the Industrial Commission must forthwith transfer other funds to the Reserve Fund as permitted under the Act or certify to the Legislative Assembly of the State of North Dakota the sum required to restore the Reserve Fund to an amount equal to or greater than the Reserve Requirement.

The Act provides:

"In order to assure the maintenance of the required debt service reserve, there shall be appropriated by the legislative assembly and paid to the public finance authority for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve."

In the written opinion of the Attorney General, such provision of the Act does not constitute a legally enforceable obligation of the State. In the opinion of Bond Counsel there is no applicable provision of law which would prohibit a future Legislative Assembly of the State from appropriating such sum, if any, as shall have been certified by the Industrial Commission as necessary to restore the Reserve Fund to an amount sufficient to meet the Reserve Requirement.

The Legislative Assembly of the State meets biennially in odd numbered years commencing on the first Tuesday after the third day in January or at another time prescribed by law, but not later than the eleventh day of January.

The scheduled payments of principal of and interest on the Municipal Securities purchased with the proceeds of each Series of Bonds are expected to be sufficient to pay principal of and interest on the Bonds of each Series. In the case of Municipal Securities payable primarily from the revenues of public facilities, the Authority will require that the Political Subdivision demonstrate the ability of the financed facilities to generate sufficient revenues to pay all expenses of operation and maintenance of the facilities and principal of and interest on the Municipal Securities and

any outstanding parity obligations. Therefore, the Authority estimates and expects that, as required by the Act, pledged revenues will be sufficient to meet principal and interest payments on all Series of Bonds issued pursuant to the General Bond Resolution, after the payment of costs and expenses of operation of the Authority. An allowance has not been made in the estimates for default on any Municipal Securities purchased with the proceeds of any Series of Bonds issued pursuant to the General Bond Resolution.

## **SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION**

The following is a brief summary of certain provisions of the General Bond Resolution and is not to be considered as a full statement of the provisions of the General Bond Resolution. The summary is qualified by reference to and is subject to the complete General Bond Resolution, copies of which may be examined at the offices of the Authority.

### ***Funds and Accounts***

#### **Creation of Funds and Accounts**

There are created in the General Bond Resolution the following Funds for the Capital Financing Program:

- (a) Loan Fund.
- (b) Costs of Issuance Fund.
- (c) Revenue Fund.
- (d) Bond Fund.
- (e) Redemption Fund.
- (f) Reserve Fund.
- (g) Operating Fund.

The General Bond Resolution requires that separate Accounts for each Series of Bonds be created within the Loan Fund, Costs of Issuance Fund, Revenue Fund, Bond Fund and Reserve Fund and permits the creation of separate Accounts within the Redemption Fund and Operating Fund.

#### **Loan Fund**

Amounts received from the sale of Bonds, except any portion of such proceeds deposited in the Costs of Issuance Fund, the Revenue Fund and the Reserve Fund, shall be credited to the Loan Fund. Moneys in the Loan Fund shall be used for loans to Political Subdivisions through the purchase of Municipal Securities as provided in the Act and the General Bond Resolution. All loans to Political Subdivisions shall be evidenced by Municipal Securities and in compliance with the applicable Series Resolution and Loan Agreement (if any) and the General Bond Resolution.

#### **Costs of Issuance Fund**

The amount specified in the applicable Series Resolution shall be deposited in the appropriate Series Account of the Costs of Issuance Fund, from proceeds of a Series of Bonds or other moneys designated by the Authority. Moneys in a Series Account of the Costs of Issuance Fund shall be used to pay costs of issuance of the respective Series of Bonds.

#### **Revenue Fund**

All payments of principal of, premium (if any) on and interest on Municipal Securities received by the Authority and any proceeds of sale or other disposition of Municipal Securities held by the Authority shall be credited to the respective Series Accounts of the Revenue Fund, except that interest in excess of interest payable on the related Series of Bonds and sale proceeds in excess of the amount necessary to be retained for future payments of principal and interest on the related Series of Bonds may be deposited in the Operating Fund or applied in such other manner as the Executive Director may direct. The moneys in each Series Account shall be transferred to the Bond Fund to pay all



principal of, premium (if any) on and interest due and payable on the respective Series of Bonds on the next interest payment date of the Bonds (including mandatory redemption of any Term Bonds).

### **Bond Fund**

On each Bond payment date, the Authority shall, with respect to each Series of Bonds for which a principal or interest payment is due, transfer to the related Series Account of the Bond Fund from each related Series Account of the Revenue Fund an amount sufficient to pay such principal and interest. If the moneys on deposit in the related Series Account of the Revenue Fund are insufficient for this purpose, the Authority shall withdraw sufficient moneys therefor, first from the related Series Account of the Reserve Fund, second, from the other Series Accounts of the Reserve Fund, and third from the other Series Accounts of the Revenue Fund.

### **Redemption Fund**

Moneys deposited in the Redemption Fund shall be applied to the mandatory redemption of Bonds or the optional redemption or purchase of Bonds of a particular Series, as provided in the General Bond Resolution and the respective Series Resolution.

All Bonds retired by redemption, purchase or payment at maturity shall be canceled and shall not be reissued. The accrued interest to be paid on the redemption, purchase or payment at maturity of each Bond shall be paid from the Bond Fund.

### **Reserve Fund**

All moneys required to be deposited under the General Bond Resolution or any Series Resolution or investments deposited in or transferred to the Reserve Fund, together with all earnings and income on investment of such moneys, shall be credited to the extent needed to meet the Reserve Requirement. Moneys and investments in the Reserve Fund shall be used only in accordance with the requirements of the General Bond Resolution to pay principal of, premium (if any) on and interest on Bonds and Reserve Obligations due or to become due. To the extent amounts on deposit in the Reserve Fund exceed the Reserve Requirement, such amounts may be withdrawn by the Authority and used for any lawful purpose.

In the event the Reserve Fund shall at any time not aggregate the Reserve Requirement, the Executive Director must forthwith give written notice to the Chairman and each member of the Industrial Commission, and the Industrial Commission must forthwith transfer other funds to the Reserve Fund as permitted under the Act or must certify to the Legislative Assembly of the State of North Dakota the sum required to restore the Reserve Fund to an amount equal to or greater than the Reserve Requirement.

### **Operating Fund**

The Authority will deposit in the Operating Fund any fees received from a Political Subdivision pursuant to any Loan Agreement and any amount in a Series Account of the Revenue Fund in excess of the amounts needed to pay principal and interest when due. The Authority may use moneys in the Operating Fund to pay administrative expenses of the Authority or for any other lawful purpose.

### **Investment of Funds**

Moneys on deposit to the credit of the Funds and Accounts under the General Bond Resolution shall be invested by the Authority in Investment Obligations permitted under the General Bond Resolution and the Act; provided, that no Investment Obligation shall have a maturity date beyond the date upon which the moneys in the respective Fund or Account are required or are likely to be needed for the purposes of the respective Fund or Account to which such Investment Obligation is credited. Investment Obligations so purchased shall be deemed at all times to be a part of the respective Fund or Account, but may from time to time be sold or otherwise converted into cash, whereupon the proceeds derived from such sale or conversion shall be credited to such Fund or Account. Any interest accruing or any profit realized from such investment shall be credited to the specific Fund or Account, except as otherwise specified in the General Bond Resolution.

### ***Additional Series of Bonds***

The Authority anticipates the issuance of additional Series of Bonds under the General Bond Resolution. The General Bond Resolution permits the issuance of additional Series of Bonds secured on a parity with the Bonds previously issued pursuant to the General Bond Resolution, in order to purchase Municipal Securities authorized for purchase under the Act and the General Bond Resolution, upon compliance with the requirements of the General Bond Resolution, including deposit of a sufficient amount in the Reserve Fund to satisfy the Reserve Requirement with respect to the Series of Bonds to be issued and all other Series of Bonds outstanding under the General Bond Resolution.

### ***Default and Remedies***

The following are Events of Default under the General Bond Resolution:

- (a) Failure of the Authority to pay principal or the redemption price of any Bond when due.
- (b) Failure of the Authority to pay interest on any Bond when due.
- (c) A withdrawal shall be made from the Reserve Fund and the amount on deposit in the Reserve Fund shall be less than the Reserve Requirement for a period extending to the later of (i) the date of adjournment of the next regular session of the Legislative Assembly commencing after the date of withdrawal from the Reserve Fund or (ii) twenty-four consecutive months.
- (d) Failure of the Authority to cure any other default under the General Bond Resolution within thirty days after notice thereof according to the General Bond Resolution by the holders of at least 10% of the outstanding Bonds; provided, however, that if the failure stated in such notice is such that it cannot be corrected within the 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or Industrial Commission within the 30-day period and diligently pursued until the failure is corrected.

Upon an Event of Default, the Holder of any Bond affected thereby may bring a proceeding in law or in equity to enforce or compel performance of the duties of the Authority or the Industrial Commission required by the Bond, the Series Resolution, the General Bond Resolution or the Act.

If an Event of Default described in (a) or (b) above shall happen, the Authority shall forthwith give notice thereof by mail, postage prepaid, to the registered owners of all outstanding Bonds at their last addresses, if any, appearing upon the registry books. Such notice shall (A) specify the nature of the Event of Default, (B) state that accordingly the holders of 10% or more in unpaid principal amount of outstanding Bonds have the right to deliver or mail notice to the Authority declaring the unpaid principal amount of Bonds and accrued interest thereon immediately due and payable, and (C) state that if the holders do so, the unpaid principal amount of the Bonds and interest thereon shall automatically become due the 30th day following receipt of such notices from the holders of 10% or more in unpaid principal amount of outstanding Bonds except as otherwise provided therein, unless the holders of 50% or more in unpaid principal amount of Bonds elect not to accelerate the Bonds or the Event of Default has been cured prior to that date. Forms of notice of acceleration or election not to accelerate may be obtained from the Authority on request.

Whenever such notice shall have been given, or should have been given, the holders of 10% or more in unpaid principal amount of outstanding Bonds shall have the right by notice delivered or mailed postage prepaid to the Authority to declare the unpaid principal of and accrued interest on all Bonds due and payable and on the 30th day thereafter all such principal of and interest on the outstanding Bonds shall become immediately due and payable, provided that if at any time prior to the receipt of notice of acceleration by the holders of 10% in unpaid principal amount of Bonds, the Event of Default shall be cured, notices of acceleration thereafter received shall not be effective and the principal of and interest on the Bonds shall be payable at the stated maturity and interest payment dates of such Bonds, or if the Holders of 50% in unpaid principal amount of the Bonds elect not to accelerate the Bonds, such acceleration shall not become effective and the principal of and interest on the Bonds shall continue to be payable at the stated maturity and interest payment dates of such Bonds unless the Holders of 50% of the unpaid principal amount of Outstanding Bonds otherwise direct, in which case the Bonds shall become immediately due and principal amount of Outstanding Bonds.

## ***Covenants and Miscellaneous***

The Authority covenants and agrees, so long as the Bonds of any Series shall be outstanding, and subject to the limitations on its obligations established in the General Bond Resolution, to the following requirements:

### **Payment of Bonds**

The Authority will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the General Bond Resolution and each Series Resolution and in each and every Bond executed, authenticated and delivered; will deposit in the Reserve Fund from amounts available and appropriated therefor amounts sufficient to maintain the Reserve Requirement; and will pay or cause to be paid, but solely from the sources specified in the General Bond Resolution and any Series Resolution, the principal of and interest on every Bond issued on the dates, at the places and in the manner prescribed in the Bonds.

### **Authority of the Industrial Commission and Authority**

The Industrial Commission is duly authorized under the constitution and laws of the State to adopt the General Bond Resolution and the Series Resolution and to make the covenants as provided therein. The Bonds in the hands of the holders thereof are and will be valid and enforceable obligations of the Authority in accordance with their terms.

### **Proper Books and Records**

The Authority shall keep or cause to be kept proper books of accounts and records, in which full, true and correct entries will be made of all dealings and transactions relating to the operation of the Capital Financing Program.

## **SUMMARY OF LOAN AGREEMENTS**

The Authority expects, but is not required, to enter into a Loan Agreement with each Political Subdivision in connection with each Series of Bonds issued under the auspices of the Capital Financing Program. Pursuant to the Loan Agreements, the Authority will agree to purchase specified Municipal Securities, and the Political Subdivision will agree to pay certain amounts, including the Authority's administrative fee, as long as the Authority is the owner of the Municipal Securities. The Loan Agreements also may contain certain covenants relating to the tax exempt status of interest on the Municipal Securities and the provision of annual financial statements of the Political Subdivisions. If a Loan Agreement is not entered into, the above agreements and covenants of the Political Subdivision will be set out in its Resolution authorizing the issuance and sale of the Municipal Securities.

## **THE NORTH DAKOTA PUBLIC FINANCE AUTHORITY**

The North Dakota Public Finance Authority was established by the Authority Act on July 1, 1975, as an instrumentality of the State exercising essential public and governmental functions.

The Authority Act authorizes the Authority to lend money to Political Subdivisions of the State through the purchase of municipal securities of political subdivisions or other contracting party. To finance such purchases of municipal securities, the Authority is authorized by the Authority Act to issue its bonds, in any amount, payable pursuant to the Authority Act.

The Authority is empowered to sue and be sued; to make, enter into and enforce contracts; to acquire, hold, use and dispose of monies or other personal property; to carry out its functions by officers, agents or employees or by contract; and to make and enforce bylaws, rules and regulations. It is not, however, a body corporate.

Pursuant to North Dakota Century Code Chapters 6-09.4 and 54-17, the Authority is under the operation, control and management of the Industrial Commission, which oversees various enterprises of the State, and whose actions are the actions of the State acting in its sovereign capacity.

On February 18, 2010, the Industrial Commission appointed Ms. DeAnn Ament as Executive Director of the Authority effective April 1, 2010, to serve at its pleasure. Ms. Benita Eberts is the Business Manager and Karla Zander is the Fiscal Officer. Ms. Ament, Ms. Eberts and Ms. Zander are the Authority's only employees.

The costs and expenses of operation of the Authority are financed from investment income and fees and charges imposed by the Authority. Pursuant to the loan agreements with the various borrowers participating in the Authority's financing programs, the Authority may collect an administrative fee from the respective political subdivision. The administrative fee may be used to pay costs and expenses of operation of the Authority.

Under the Authority Act, all property of the Authority, its transfer and the income therefrom, including any profits made on the sale thereof, are exempt from taxation within the State. In a written opinion of the Office of Attorney General, the income of the Authority, as an instrumentality of the State, is exempt under existing law from Federal income taxes. Under the Authority Act, all property of the Authority in the State is exempt from levy and sale by virtue of an execution and no execution or judicial process may issue from any state court against such property nor may any judgment of a state court against the Authority be a charge or lien upon its property. The foregoing does not limit the rights of the holder of any bond to pursue any remedy for the enforcement of any pledge or lien given by the Authority on its revenues or other monies to secure the bonds.

This legislation also permitted the Public Finance Authority to enter into administrative agreements with other state entities and to issue bonds on their behalf. Although the Public Finance Authority may be empowered to exercise the bonding authority of another state entity, any bonds issued would be an obligation of the other state entity and not an obligation of the Public Finance Authority.

The Authority's offices are located at 1200 Memorial Highway, Bismarck, North Dakota 58504. Its telephone number is 701/328-7100.

### ***Other Financings of the Authority***

Pursuant to a Trust Indenture dated March 1, 1989 and a Supplemental Trust Indenture dated December 1, 1995, the Authority issued its \$8,875,000 Taxable Insured Water System Refunding Revenue Bonds, 1999 Series A, due serially on April 1 in the years 2000 to 2002, a term bond due April 1, 2009, a term bond due April 1, 2014 and an additional \$1,410,000 of obligations due April 1, 2015. There are no bonds outstanding under the mentioned Trust Indenture as of March 31, 2021.

The Authority has issued a total of \$276,400,612 Capital Financing Program Bonds. The total includes \$3,750,000 Series 1990A through O Bonds; \$6,225,000 Series 1991A through I Bonds; \$13,535,000 Series 1992A through K Bonds; \$7,905,000 Series 1993A through F Bonds; \$6,305,000 Series 1994A through C Bonds; \$2,505,000 Series 1995A through C Bonds; \$3,365,000 Series 1996A through D Bonds; \$15,345,000 Series 1997A through H Bonds; \$9,695,000 Series 1998A through E Bonds; \$4,530,000 Series 1999A through F Bonds; \$4,215,000 Series 2000A and B Bonds; \$735,000 Series 2001A Bonds; \$1,700,000 Series 2002A Bonds; \$1,495,000 Series 2003A Bonds; \$880,000 Series 2004A Bonds; \$1,385,000 Series 2006A Bonds, \$2,125,000 Series 2009A Bonds, \$3,730,000 Series 2011A, \$14,405,612 Series 2011; \$9,635,000 Series 2012A Bonds; \$51,375,000 Series 2013A Bonds; \$41,840,000 Series 2014A and 2014B Bonds; \$1,945,000 Series 2015A Bonds; \$25,620,000 Series 2015B Bonds, \$38,280,000 Series 2015C Bonds, \$1,360,000 Series 2018A Bonds, \$2,515,000 Series 2019A Bonds and \$2,130,00 Series 2021A Bonds. A listing of the Authority's outstanding Capital Financing Program bonds is contained in Appendix B herein.

The Authority has issued \$4,860,000 Industrial Development Bonds. The total includes \$1,360,000 Series 2006A, \$2,000,000 Series 2008A and \$1,500,000 Series 2009A. The outstanding amount of the Industrial Development Bonds as of August 31, 2025 was \$560,000.

### ***Outstanding Debt of the State Revolving Fund Program***

The Authority has issued a total of 18 issues with a par amount of \$683,365,000 under its State Revolving Fund Program. The outstanding issues are as follows:

<u>Series</u>	<u>Final Maturity</u>	<u>Original Issuance</u>	<u>Outstanding Principal (As of August 31, 2025)</u>
Series 2012A Bonds	10/01/25	\$ 19,705,000	\$ 1,950,000
Series 2016A Bonds	10/01/28	16,405,000	7,505,000
Series 2018A Bonds	10/01/38	128,625,000	102,165,000
Series 2022A Bonds	10/01/41	85,330,000	68,900,000
Series 2024A Bonds	10/01/44	<u>200,920,000</u>	<u>200,920,000</u>
Subtotal		<u>\$450,985,000</u>	<u>\$381,440,000</u>

### **DESCRIPTION OF THE CAPITAL FINANCING PROGRAM**

#### ***General***

The Act declares it to be the policy of the State to foster and promote the provision of adequate capital markets and facilities for borrowing money by Political Subdivisions for the financing of their respective public improvements. In pursuance of this policy the Authority initiated the Capital Financing Program to make funds available to Political Subdivisions at reduced interest costs, especially during periods of restricted credit or money supply.

The Act limits the evidences of debt eligible for the Authority program to Municipal Securities as defined in the Act. The Act limits entities which may participate in the Authority's programs to Political Subdivisions of the State. Eligible Political Subdivisions include counties, cities, school districts, townships, park districts, airport authorities, city or county housing authorities, municipal parking authorities, irrigation districts, boards of drainage commissioners, fire protection districts, water resource districts, water districts, and member owned non-profit associations, organizations, corporations or similar entities organized primarily for operating rural water distribution systems.

Participation by a Political Subdivision in the Authority's programs is entirely voluntary, and no Political Subdivision is required by law to sell its Municipal Securities to the Authority. Neither is the Authority required by law or contract to purchase any particular Municipal Securities.

The Act requires that all Municipal Securities purchased and held by the Authority be in fully marketable form, therein defined as duly executed and accompanied by an approving legal opinion of counsel acceptable to the Authority or other purchasers of municipal securities.

The Act requires that the Authority lend money to Political Subdivisions only through purchasing such Municipal Securities as are in the opinion of the Attorney General of the State properly eligible for purchase by the Authority under the Act.

The Authority is authorized to take applications from Political Subdivisions to participate in the Capital Financing Program; to require such information in the application as the Executive Director of the Authority deems necessary or material; to consider the need and desirability of purchasing Municipal Securities issued by the applicant, the ability of such applicant to secure borrowed money from other sources and the cost thereof, and the particular public improvement or purpose to be financed by the Municipal Securities; to impose upon and collect charges from the applicant for its costs and services in review or consideration of any proposed purchase, whether or not such purchase is consummated; to accept or reject such application for any reason or for no reason; to negotiate and enter into

agreements with Political Subdivisions respecting the purchase of Municipal Securities; and to fix any and all terms, conditions and provisions of any such purchase and of the Municipal Securities acquired.

### ***Political Subdivision Financing***

Capital financing for Political Subdivisions in North Dakota will normally take one of six forms: (i) general obligation bonds, (ii) improvement warrants and improvement bonds, (iii) revenue bonds, (iv) special authority indebtedness, (v) lease financings, and (vi) sales tax revenue bonds.

- (i) General obligation bonds may be issued by a county, city, township, school district, park district, recreation service district or rural fire protection district, but with certain exceptions only if authorized by the electors. General obligation bonds are included in the indebtedness of the Political Subdivision for statutory and constitutional debt limit computations. They are secured by the full faith, credit and taxing powers of the Political Subdivision. Article X, Section 15 of the North Dakota Constitution provides that, subject to certain exceptions, the “debt” of any county, township, city, town, school district or any other political subdivision “shall never exceed five per centum upon the assessed value of the taxable property therein.”
- (ii) Certain Political Subdivisions, generally limited to cities, but including other specially authorized Political Subdivisions, regularly finance construction of local improvements (e.g., water and water distribution projects, sewer and waste water projects and related facilities, streets, curb and gutter and related requirements, boulevard, trees, flood protection, parking lots, parking ramps, garages and pedestrian skyway improvements) through the issuance of improvement warrants or bonds which may be refunded by the issuance of refunding improvement bonds. These obligations, issued as warrants or bonds, are payable primarily from special assessments levied upon properties benefited by the improvements. If the improvement is for sewer or water improvements or a parking facility, the Political Subdivision may pay a portion of the cost from the net revenues derived from the operation of the utility or project for which the improvement is constructed. Additionally, the Political Subdivision may finance a portion of the cost of an improvement not exceeding 20% of the cost with the levy of an ad valorem tax on all taxable property of the Political Subdivision. If special assessments collected or which are anticipated to be collected are insufficient (with any ad valorem taxes or utility revenues also pledged) to pay principal and interest when due on the improvement warrants (whether they have been refunded with bonds or not) issued with respect to that improvement, the Political Subdivision (which includes a county with respect to a recreation service district or an unincorporated rural area of a county) is obligated to levy, on all taxable property in the Political Subdivision, ad valorem taxes in an amount sufficient to make up the existing or anticipated deficiency.

Improvement warrants and improvement bonds issued pursuant to this authority do not constitute debt within the meaning of the constitutional limitation of indebtedness discussed above. There is no other constitutional or statutory limitation on the amount of indebtedness which may be incurred by issuance of improvement warrants and refunding improvement bonds. However, to the extent, if at all, the Political Subdivision agrees to pay a portion of the cost of an improvement from ad valorem taxes, that portion constitutes a debt and is subject to the limitation on indebtedness.

- (iii) A Political Subdivision authorized by law may issue its revenue bonds to construct or acquire an undertaking (e.g., a water supply, treatment and distribution system, a sewer or wastewater collection and treatment facility, a storm sewer, a facility for the generation, transmission and production of natural gas, electric lighting, heating or other power generating or distribution system, the operation of parking lots, trailer courts and other motor vehicle facilities, the purchase, acquisition, establishment and maintenance of a public transportation system, the purchase, acquisition, construction and maintenance of an airport and related facilities and the purchase, acquisition, construction and maintenance of a hospital). With only minor exceptions the revenue bonds may be issued by the governing body of the Political Subdivision without a vote of the electors.

The revenue bonds upon issuance do not constitute debt within the meaning of the debt limit described above, nor is there any other limit on the amount of such bonds which may be issued. The revenue bonds are secured by a pledge and authorization of the use of net revenues of the facility or utility for the payment of principal and interest. Additionally, many times the Political Subdivision provides for the establishment of a reserve for the

security of the bonds, in an amount equal to the maximum amount of principal and interest to become due on such bonds in any full calendar year, to be funded from revenues from the facility or utility. Certain specially authorized Political Subdivisions may further secure the maintenance of the reserve by funding any deficiency in the reserve with proceeds from the levy of an ad valorem property tax on all taxable property in the Political Subdivision.

- (iv) There are numerous special authorities established within Political Subdivisions such as counties and cities which can issue debt for various specific projects, facilities and undertakings, (e.g., rural fire protection districts, rural ambulance service districts, irrigation districts, water resource districts, airport and municipal airport authorities, municipal pipeline authorities, municipal power agencies, municipal steam heat authorities and special project authorities established jointly by two or more existing Political Subdivisions). Political Subdivisions can also issue project specific debt for certain purposes (e.g., wastewater and solid waste bonds, seed, feed and fuel obligations, asbestos removal bonds and county governmental function bonds). All of these special authorities and types of debt are specifically authorized in addition to the three previously described types of debt, but are payable as general obligation bonds from ad valorem irrepealable tax levies on all taxable property within the Political Subdivision or specially constituted authority, or from special assessments levied upon property benefited by the improvement and with certain exceptions backed by a deficiency levy upon all taxable property within the Political Subdivision or authority, and from revenues and fees received through the operation of the project, program, utility or facility, or from a combination of any of the three previously mentioned methods of securing payment of principal and interest on the obligations.
- (v) Additionally, Political Subdivisions with proper authority under State law are able to acquire equipment or real property under a financing lease. A municipal lease financing is based upon the agreement of the Political Subdivision to make lease payments, which may be subject to annual renewal or termination at the option of the Political Subdivision. The lease payments are made from moneys appropriated annually from the Political Subdivision's general, operating or capital improvement funds in accordance with applicable state law governing budgeting and appropriation.
- (vi) Under State law, a home rule city (like the City of Fargo) has, in addition to those powers generally available to all types of cities, the broad authority to control its finances and fiscal affairs and to impose sales and use taxes, in addition to any other taxes imposed by law, and subject to certain administrative requirements. In order for a home rule city to exercise these additional powers, they must be set out in the home rule charter filed with the Secretary of State and implemented through city home rule ordinances. Some home rule cities use the sales and use tax revenue collected under their charters and ordinances to provide a revenue source for the payment of debt service on sales tax revenue bonds they may issue from time to time.

## ***Credit Review***

The credit analysis procedures of the Authority include review of three general areas, with a different emphasis on certain factors within these areas depending on whether the Municipal Securities to be purchased are revenue, special assessment or general obligation debt instruments. All potential participants in an Authority program are reviewed by a special Advisory Committee, appointed by the Industrial Commission, for the purpose of making a recommendation to the Industrial Commission on the suitability of including a particular Political Subdivision in a financing. The Industrial Commission has delegated the approval of certain smaller loans to the Advisory Committee and the Executive Director. The details concerning such loans are later reported to the Industrial Commission.

The three areas of analysis considered by Authority Staff and its Advisory Committee include (i) economic factors, (ii) existing debt, including overlapping debt, and (iii) the administrative and financial operations of the Political Subdivision.

- (i) Economic factors affecting the Political Subdivision to be examined may include a review of recent trends and projections for population, tax revenues, future employment projections, potential economic development and the past history of economic development, the largest and type of employers and housing and employment figures when this information is available. These figures will be compared to similar figures for other comparable Political Subdivisions of the State.



- (ii) Debt analysis will include the security to be utilized for repayment, review of a five year capital improvement plan, if one is available, overlapping debt from other taxing districts, documentation of the past five years of property tax collections, projections for property tax levies and collections and the financial viability of any new development financed as a special assessment district. The Authority also reviews (a) the amount of outstanding debt including revenue, special assessment and general obligation debt which includes revenue and tax anticipation obligations presently outstanding for the Political Subdivision and the recent trends, if any, in the issuance of debt, (b) the history of payment of debt service on previously outstanding bonds to determine if any defaults have occurred in such payments, and (c) the assessed and taxable valuations of property within the jurisdiction of the Political Subdivision. The Authority has under certain circumstances required an equity contribution from the developer for a speculative development financed with special assessment warrants if the principal and interest will be paid solely from special assessments levied against only the development property.

For revenue supported obligations the revenue generated by the financed facility or revenue source must be equal to or greater than 120% of the amount needed to pay required annual debt service following the deduction of sufficient funds for operation and maintenance costs to pay required annual debt service. The Authority will review the ability of the Political Subdivision to fund a reserve, and may require under certain conditions that such a reserve be established by the Political Subdivision for maintenance costs of the facility or for the payment of principal and interest on the incurred indebtedness. Additionally, the Authority further requires that (i) its approval must be received for the issuance of any parity debt or that an approved additional bonds test be met, and (ii) the projected fees to be charged to users of the system or facility be established in an amount sufficient within reasonable requirements, to maintain the required revenue coverage amount and provide funds for the payment of principal and interest on the bonds.

- (iii) An administrative and fiscal review will include an examination of any applicable property or other tax limitations applicable to the Political Subdivision, an evaluation of the financial management, tax assessment and property valuation procedures of the Political Subdivision, and a review of existing financial statements, the Political Subdivision's budget preparation and expenditure procedures and any trends in the budget operations and fund balances. Credible financial performance and the timely funding of mandated obligations along with the Political Subdivision's proven ability to adapt to budgetary changes will be reviewed. Also, if a capital improvement plan for the Political Subdivision has previously been utilized adherence to such a plan will be reviewed.

The Act requires the Commission, for the issuance of bonds in an amount over \$500,000, to state in its approving resolution, if it appears that the securities can be sold through private bond markets without the involvement of the Authority, the reasons for the involvement of the Authority. Authority policy requires the Industrial Commission to conduct a review and comparison of the financing requested. The Authority asks the political subdivision to provide information on other financing options, if any, the political subdivision has already examined. The financing requested through the Authority financing program is compared to the same or a similar financing completed through other sources, including other available government financing programs.

The Commission approves of Authority involvement through its Capital Financing Program when three findings are made resulting from the comparisons required through the application of the policy. The findings are:

- (a) The net borrowing costs to the Political Subdivision are expected to be lower under the Capital Financing Program than they would be under any other borrowing method available to the Political Subdivision;
- (b) Issuance costs and reserves required to be funded by the Political Subdivision are lower than would be the case under other methods so that the aggregate amount required to be borrowed by the Political Subdivision is less than other competitive means of borrowing; and,
- (c) The Political Subdivision voluntarily requested financing through the Authority's Capital Financing Program.



## **LOCAL TAXES AND COLLECTIONS**

The applicable assessor's office establishes an estimated market value on all properties. The assessed value is computed at 50% of estimated market value. The taxable value of residential property is 9% of the assessed value and the taxable value of agricultural property is 10% of the assessed value.

After final equalization by assessing authorities in September of each year, the county auditor calculates mill rates and spreads taxes. The resulting taxes are payable on the following February 28.

Taxes are collected by the county and the receipts are distributed by the county to the local government entities. A discount of 5% is given on the tax bill if entire payment is made by February 15. Discounts given are subtracted from the levy amount by the county auditor. If the first installment of taxes is not paid by March 1, a 3% penalty is charged with an additional penalty being charged on May 1 and another 3% on October 15. The second installment of taxes is due October 15, and if not paid on or before that date is subject to a 6% penalty.

North Dakota residents over 65 years of age or who are permanently and totally disabled and whose income is \$42,000 or less receive a homestead property tax credit. The credit is subtracted from their tax bill. Local government entities are reimbursed by the State for all homestead credits. Therefore, the Political Subdivision has no loss in tax revenues from the credit.

## **THE INDUSTRIAL COMMISSION OF NORTH DAKOTA**

The State Legislature created the Industrial Commission in 1919 to conduct and manage, on behalf of the State, certain utilities, industries, enterprises and business projects established by State law. North Dakota law provides that the acts of the Industrial Commission constitute acts of the State functioning in its sovereign capacity. The members of the Industrial Commission are the Governor, the Attorney General and the Agriculture Commissioner and a quorum for the transaction of Industrial Commission business consists of the Governor and one additional member. The current Governor was sworn in for his first term on December 14, 2024. The Governor's term expires December 14, 2028. The Attorney General and Agriculture Commissioner were elected to their respective offices and their terms expire December 31, 2026. The present members of the Industrial Commission are:

Kelly Armstrong, Governor  
Drew Wrigley, Attorney General  
Doug Goehring, Agriculture Commissioner

The utilities, industries, enterprises and business projects conducted and managed by the Industrial Commission include (in addition to the Authority): the Bank of North Dakota, the North Dakota Transmission Authority, the North Dakota Pipeline Authority, the State Mill and Elevator, the North Dakota Geological Survey, and the North Dakota Housing Finance Agency. Additionally, the Industrial Commission exercises regulatory authority through its Oil and Gas Division. The Industrial Commission is also responsible for administering the North Dakota Building Authority, the State's secondary market for student loans through its Student Loan Trust and administering the Outdoor Heritage Fund.

The Industrial Commission may employ staff or consultants and fix the salaries or conditions of such employment. Each State enterprise under the control of the Industrial Commission employs and is operated by a separate staff under the supervision of the Industrial Commission. The Attorney General of the State serves as the attorney for the Industrial Commission.

The Commission's mailing address is the Industrial Commission of North Dakota, State Capitol, 600 East Boulevard, Bismarck, North Dakota 58505, c/o Executive Director and its telephone number is (701) 328-3722.

The Authority Act provides that bonds of the Authority be authorized by resolution of the Industrial Commission. The Authority Act further authorizes the Industrial Commission to pledge assets of the Bank of North Dakota as security for the Authority's bonds. No such assets have been pledged to the Bonds.

## **TAX MATTERS**

### ***General Matters***

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the Authority with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986 (the "Code") that must be met subsequent to the issuance of the Series 2025A Bonds. Failure to comply with such requirements could cause interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025A Bonds. The Authority has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2025A Bonds. Interest on the Series 2025A Bonds may affect the federal alternative minimum tax imposed on

The accrual or receipt of interest on the Series 2025A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2025A Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Series 2025A Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2025A Bonds.

Bond Counsel is also of the opinion that, pursuant to the Act, interest on the Series 2025A Bonds is exempt from all income taxation by the State of North Dakota. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2025A Bonds under the laws of the State of North Dakota or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix C.

### ***Original Issue Discount***

The Series 2025A Bonds that have an original yield above their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such

Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

### ***Original Issue Premium***

The Series 2025A Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

### ***Backup Withholding***

An owner of a Series 2025A Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the Series 2025A Bond if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to properly report interest, dividends or other “reportable payments” (as defined in the Code), or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

### ***Changes in Federal and State Tax Law***

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Series 2025A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2025A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2025A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

**PROSPECTIVE PURCHASERS OF THE SERIES 2025A BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2025A BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2025A BONDS.**

### **FINANCIAL ADVISOR**

PFM Financial Advisors LLC, Minneapolis, Minnesota, has acted as Financial Advisor to the Authority in connection with the issuance of the Series 2025A Bonds. In preparing the Official Statement, the Financial Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the Authority to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Series 2025A Bonds.

Requests for information concerning the Authority should be addressed to PFM Financial Advisors LLC, 45 South 7<sup>th</sup> Street, Suite 2950, Minneapolis, Minnesota 55402 (612/338-3535).

### **RATING**

Standard & Poor's Ratings Group ("S&P") has assigned a rating of "\_\_\_" to the Series 2025A Bonds, primarily in reliance upon its evaluation of the requirement that the Industrial Commission request an appropriation from the Legislative Assembly to make up any deficiencies in the Reserve Fund. The ratings are likely to be affected by any changes in the rating assigned to general obligations of the State of North Dakota. Therefore, changes in the financial condition of the State of North Dakota may affect the ratings on the Series 2025A Bonds. S&P has not been requested to evaluate the ability of any Political Subdivision to pay debt service on any Municipal Securities. The ratings reflect only the view of such rating agency, and an explanation of the significance of such rating may be obtained only from S&P. Generally, rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions by the rating agencies. A securities rating is not a recommendation to buy, sell or hold securities. The ratings of the Series 2025A Bonds represent judgments as to the likelihood of timely payment of the Series 2025A Bonds according to their respective terms, but do not address the likelihood of redemption or acceleration prior to maturity. There is no assurance that such ratings will remain in effect for any given period of time or that it may not be lowered, suspended or withdrawn entirely if, in the judgment of the rating agency, circumstances (including particularly the financial condition of the State of North Dakota) so warrant. Any such downward change in or suspension or withdrawal of either such rating may have an adverse effect on the market price and marketability of the Series 2025A Bonds.

### **ABSENCE OF LITIGATION**

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series 2025A Bonds, or prohibiting the Authority from making loans to the Political Subdivisions or purchasing Municipal Securities with the proceeds of the Series 2025A Bonds, or in any way contesting or affecting the validity of any Series 2025A Bonds or any proceedings of the Authority or the Industrial Commission taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2025A Bonds or the existence or necessary powers of the Authority or the Industrial Commission.

## **LEGAL MATTERS**

The Series 2025A Bonds offered hereby are subject to the approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota, as Bond Counsel. The opinion of Bond Counsel will be in substantially the form attached to this Official Statement as Appendix C.

## **MISCELLANEOUS**

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority, the Industrial Commission and the purchasers or holders of any of the Series 2025A Bonds.

The Appendices attached hereto are a part of this Official Statement.

The distribution of this Official Statement and its execution has been duly authorized by the North Dakota Public Finance Authority.

### **NORTH DAKOTA PUBLIC FINANCE AUTHORITY**

By: DeAnn Ament  
Executive Director

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## **APPENDIX A-1**

### **Selected Financial Information About Certain Political Subdivisions**

Included in Appendix A-1 are selective descriptions of participating Political Subdivisions whose current and expected Loan amounts constitute 5% or more of the aggregate outstanding principal amount of Bonds issued under the Capital Financing Program as of July 31, 2025.

**CITY OF FARGO**

**Population:**

<b><u>Year</u></b>	<b><u>Population</u></b>
2025 estimate	137,989
2020	125,990
2010	105,549
2000	90,599
1990	74,111

**Employment:**

	<b><u>Fargo/Moorhead MSA</u></b>		<b><u>Unemployment Rate</u></b>	
	<b><u>Labor Force</u></b>	<b><u>Unemployment Rate</u></b>	<b><u>State of North Dakota</u></b>	<b><u>United States</u></b>
<b>2024</b>	154,015	2.30%	2.40%	4.00%
<b>2023</b>	152,204	1.90%	2.00%	3.60%
<b>2022</b>	149,557	1.80%	2.10%	3.60%
<b>2021</b>	146,378	2.50%	3.10%	5.30%
<b>2020</b>	144,355	4.20%	5.10%	8.10%
<b>2019</b>	143,533	2.10%	2.30%	3.70%
<b>2018</b>	141,608	2.30%	2.50%	3.90%
<b>2017</b>	141,041	2.30%	2.70%	4.40%
<b>2016</b>	138,874	2.50%	3.10%	4.90%
<b>2015</b>	130,956	2.50%	2.80%	5.30%

**Major Employers in the Fargo:**

<b><u>Employer</u></b>	<b><u>Type of Business</u></b>	<b><u>Number of Employees</u></b>
Sanford Health	Healthcare	9,244
West Fargo Public Schools	Education	2,265
Innovis Health/Essentia Health	Healthcare	2,251
Fargo Public Schools	Education	2,218
North Dakota State University	Education	2,183
Marvin Windows	Manufacturing	1,890
Fargo VA Health Care System	Government	1,400
Coborns Inc.	Retail/Food	1,100
City of Fargo	Government	1,073
Scheels All Sports	Retail	696

**City Sales Tax Distribution  
History:**

<b><u>Year</u></b>	<b><u>Cash Basis Collections</u></b>	
2025	\$40,302,547	(to July)
2024	69,524,792	
2023	69,144,866	
2022	65,918,347	
2021	60,456,731	
2020	51,720,983	
2019	49,623,454	
2018	48,038,202	
2017	48,070,709	
2016	49,927,219	

**Sales Tax Revenue Debt  
Outstanding as of 8/31/25:**

<b><u>Date of Issue</u></b>	<b><u>Original Amount</u></b>	<b><u>Outstanding Balance</u></b>
2013	51,375,000	25,430,000 <sup>(1)</sup>
2014	32,512,000	<u>15,756,000<sup>(1)</sup></u>
Total		<u>\$ 41,186,000</u>

<sup>(1)</sup>Purchased by the Public Finance Authority.



# CITY OF WATFORD CITY

## Population:

<u>Year</u>	<u>Population</u>
2025 Estimate	5,866
2020	6,207
2010	1,744
2000	1,435
1990	1,784

## Employment:

	<u>McKenzie County</u>		<u>Unemployment Rate</u>	
	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>State of North Dakota</u>	<u>United States</u>
2024	8,017	2.30%	2.40%	4.00%
2023	7,720	1.70%	2.00%	3.60%
2022	7,178	2.30%	2.10%	3.60%
2021	6,842	5.60%	3.10%	5.30%
2020	9,367	7.60%	5.10%	8.10%
2019	10,468	1.60%	2.30%	3.70%
2018	9,111	1.60%	2.50%	3.90%
2017	8,160	2.50%	2.70%	4.40%
2016	7,930	3.80%	3.10%	4.90%
2015	9,132	2.50%	2.80%	5.30%

## Major Employers in McKenzie County:

<u>Employer</u>	<u>Type of Business</u>
McKenzie County School District	Education
McKenzie County Healthcare Systems	Healthcare
ONEOK, Inc.	Pipeline Transportation
Spartan Companies	Construction
McKenzie County	Government
Kinder Morgan	Pipeline Transportation
Delta Constructors LLC	Building Construction
ONEOK Services Company	Pipeline Transportation
Nuverra Environmental Solutions	Transportation
Six Shooter	Food and Beverage

## City Sales Tax Distribution History:

<u>Year</u>	<u>Cash Basis Collections*</u>	
2025	\$ 3,362,204	(to July)
2024	4,953,087	
2023	4,932,879	
2022	4,447,600	
2021	3,490,674	
2020	3,996,703	
2019	5,363,655	
2018	4,600,852	
2017	2,990,262	
2016	3,156,480	

\* Sales tax rate increased to 1.5% in November 2014. Prior period rate was 1%.

**Sales Tax Revenue Debt Outstanding as of  
8/31/25:**

<b><u>Date of Issue</u></b>	<b><u>Original Amount</u></b>	<b><u>Outstanding Balance</u></b>
2015	35,550,000	<u>28,705,000<sup>(1)</sup></u>
Total		<u>\$ 28,705,000</u>

<sup>(1)</sup>Purchased by the Public Finance Authority.

**STUTSMAN RURAL WATER DISTRICT\***

**User History:**

	<b>Residential</b>			
<b><u>Year</u></b>	<b><u>Residential</u></b>	<b><u>Expansion</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>
2025	1,213	1,419	11	3
2024	1,213	1,393	11	3
2023	1,213	1,381	11	3
2022	1,225	1,310	11	3
2021	1,228	1,267	10	3
2020	1,230	1,194	10	3

**Water Rate History:**

	<b>Residential</b>			
<b><u>Year</u></b>	<b><u>Residential</u></b>	<b><u>Expansion</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>
2025	\$43.00/month	\$48.00/month	\$48.00/month	\$92,280/month
2024	43.00/month	48.00/month	48.00/month	92,839/month
2023	43.00/month	48.00/month	48.00/month	92,969/month
2022	43.00/month	48.00/month	48.00/month	92,787/month
2021	43.00/month	48.00/month	48.00/month	92,699/month
2020	43.00/month	48.00/month	48.00/month	92,553/month

**Water Revenue Bonds**

**Outstanding as of 8/31/2025:**

<b><u>Date of Issue</u></b>	<b><u>Original Amount</u></b>	<b><u>Outstanding Balance</u></b>
2009	\$ 4,603,386	\$ 1,190,000 <sup>(2)</sup>
2012	814,000	672,202
2014	9,000,000	4,870,000 <sup>(2)</sup>
2014	5,564,000	2,135,000 <sup>(2)</sup>
2014	2,066,004	1,195,000 <sup>(2)</sup>
2016	1,582,373	1,255,000 <sup>(2)</sup>
2016	1,516,500	1,315,223
2016	1,516,500	1,337,405
2016	600,000	509,319
2016	1,281,500	1,087,818
2016	330,400	280,465
2016	330,400	286,548
2017	721,000	408,432
2018	723,450	600,000 <sup>(2)</sup>
2019	896,014	775,000 <sup>(2)</sup>
2020	3,027,000	<u>2,635,000<sup>(2)</sup></u>
Total		<u>\$ 20,552,412</u>

\* Stutsman Rural Water District is not an Other Obligated Person under the current Continuing Disclosure Certificate. Stutsman Rural Water District's aggregate outstanding principal balance is under 20% of the aggregate outstanding principal amount of Capital Financing Program Bonds.

(1) Principal outstanding as of August 31, 2025.

(2) Purchased by the Public Finance Authority.

## **APPENDIX A-2**

### **Selected Financial Information About the Borrower**

Included in Appendix A-2 are selective descriptions of the Borrower.

**CITY OF BURLINGTON**

**Population:**

**Year**

**Population**

2025 Estimate

1,318

2020

1,291

2010

1,060

2000

1,096

1990

995

## **APPENDIX B**

### **Summary of Parity Debt Outstanding Under the Capital Financing Program**

**NORTH DAKOTA PUBLIC FINANCE AUTHORITY  
CAPITAL FINANCING PROGRAM**

**Participating Political Subdivisions**  
(As of August 31, 2025)

<b><u>Series</u></b>	<b><u>Political Subdivision(s)</u></b>	<b><u>Purpose</u></b>	<b><u>Date of Issuance</u></b>	<b><u>Original Participation</u></b>	<b><u>Final Maturity</u></b>	<b><u>Type(s) of Security</u></b>
2009A	Tri-County Water District; City of Emerado; and City of West Fargo	Refund Taxable CFP Series 1999E; Refinance NDPFA existing loan; Instill municipal water and sewer	5/27/09	2,125,000	06/01/34	User Fees; Special Assessments
2012A	City of McVile; City of Kulm; All Seasons Water District; Forman Housing Authority; City of Forman; City of Forman; City of Hankinson; City of Mayville; Tri-County Water District; and City of Gackle	Refund CFP Series 2002A; refund CFP Series 1998A; refinance Rural Development loans; refinance commercial mortgage	10/11/12	9,635,000	06/01/41	User Fees; Special Assessments; Rent Revenues
2013A	City of Fargo	Finance flood mitigation	3/27/13	51,375,000	06/01/33	Sales Tax Revenues
2014A	City of Fargo; City of Noonan	Finance flood mitigation Finance water meter project	4/8/14	32,840,000	06/01/34	Sales Tax Revenues, Water Revenues
2014B	Stutsman Rural Water District	Finance water projects and acquire obligations of other Political Subdivisions	4/8/14	9,000,000	06/01/34	Water Revenues
2015A	City of Minot	Finance renovation of a building	2/11/15	1,945,000	06/01/29	Lodging Tax Revenues
2015B <sup>(1)</sup>	City of Watford City City of Forman	Finance infrastructure improvements; finance street improvements	5/7/2015	25,620,000	06/01/35	Special Assessments
2015C <sup>(1)</sup>	City of Watford City; City of Rugby; City of Zap	Finance event center; finance water treatment plant improvements; finance street improvements and water tower rehabilitation	8/13/15	38,280,000	6/1/2045	Sales Tax Revenues; Water Revenues; Special Assessments
2018A	City of Munich	Finance of a bituminous surfacing project	10/17/18	1,360,000	6/1/2028	Special Assessments
2021A	City of Drayton City of McVile	Purchase land for lagoon; finance street, sidewalk and lighting project; refinance CFP Series 1997H; finance an assisted living facility	5/13/21	1,990,000	6/1/2041	User Fees; Special Assessments; Nursing Home Revenues; Sales Tax Revenues
2025A	City of Fargo City of Noonan City of Watford City City of Forman City of Zap	Refund CFP Series 2013A, 2014A, 2015B and 2015C	9/__/25	__,__,__ <sup>(2)</sup>	6/1/2045	Sales Tax Revenues, Water Revenues, Special Assessments

(1) To be refunded by the Series 2025A Bonds.

(2) Preliminary, subject to change.

The outstanding Bonds under the Capital Financing Program as of August 31, 2025 are as follows:

<b><u>Series</u></b>	<b><u>Outstanding Principal Amount</u></b>	<b><u>Final Maturity</u></b>
2009A	\$ 390,000	June 1, 2034
2012A	2,850,000	June 1, 2041
2013A	25,430,000	June 1, 2033
2014A	15,945,000	June 1, 2034
2014B	4,870,000	June 1, 2034
2015A	640,000	June 1, 2029
2015B <sup>(1)</sup>	15,400,000	June 1, 2035
2015C <sup>(1)</sup>	30,090,000	June 1, 2045
2018A	495,000	June 1, 2028
2021A	<u>1,720,000</u>	June 1, 2041
 Total Outstanding	 <u>\$97,830,000</u>	

(1) To be refunded by the Series 2025A Bonds on October \_\_, 2025.



As of August 31, 2025 the outstanding Bonds mature in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2026	8,155,000	2036	1,700,000
2027	8,515,000	2037	1,780,000
2028	8,875,000	2038	1,865,000
2029	9,090,000	2039	1,840,000
2030	9,290,000	2040	1,840,000
2031	9,515,000	2041	1,925,000
2032	9,890,000	2042	1,905,000
2033	7,630,000	2043	2,005,000
2034	4,090,000	2044	2,105,000
2035	3,600,000	2045	<u>2,215,000</u>
Total Outstanding			<u>\$97,830,000</u>

**APPENDIX C**

**Form of Bond Counsel Opinion**

**APPENDIX D**

**Form of Continuing Disclosure Certificate**

**APPENDIX E**

**EXTRAORDINARY MANDATORY REDEMPTION OF SERIES 2025A BONDS –  
AMORTIZED ISSUE PRICE**

## AMORTIZED ISSUE PRICES AND REDEMPTION PRICES

Redemption Prices				
North Dakota Public Finance Authority				
Series 2025A Amortized Price – August 1, 2026 Call				
Maturity Date	Amortized Price	Call Price	Redemption Price	Per \$5,000 Bond
6/1/2026				
6/1/2027				
6/1/2028				
6/1/2029				
6/1/2030				
6/1/2031				
6/1/2032				
6/1/2033				
6/1/2034				
6/1/2035				
6/1/2036				
6/1/2037				
6/1/2038				
6/1/2039				
6/1/2040				
6/1/2041				
6/1/2042				
6/1/2043				
6/1/2044				
6/1/2045				

## **APPENDIX F**

### **Official Terms of Sale**

**OFFICIAL TERMS OF SALE**  
**\$45,325,000\***  
**North Dakota Public Finance Authority**  
**Capital Financing Program Bonds, Series 2025A**

NOTICE IS HEREBY GIVEN THAT \$45,325,000\* Capital Financing Program Bonds, Series 2025A, of the North Dakota Public Finance Authority will be offered for sale according to the following terms:

**TIME AND PLACE:** Facsimile or electronic bids will be received at the offices of PFM Financial Advisors LLC, 45 South 7<sup>th</sup> Street, Suite 2950, Minneapolis, Minnesota 55402 on \_\_\_\_ day, September \_\_, 2025 until 10:30 A.M., Central Daylight Time. Electronic proposals must be submitted through Dalcomp/Parity (the “Approved Provider”). The Executive Director of the Authority will consider the bids and award the sale by 3:00 P.M. on the same day.

If any provisions in this Official Terms of Sale conflict with information provided by the Approved Provider, the Official Terms of Sale shall control. Further information about the Approved Provider, including any fee charged, may be obtained from Dalcomp/Parity, 395 Hudson Street, New York, New York 10014, Eric Washington, 212/404-8102. The Authority assumes no responsibility or liability for proposals submitted through the Approved Provider.

**PURPOSE:** To refund the Authority’s outstanding Capital Financing Program Bonds, Series 2015B (the “Series 2015B Bonds”) and Capital Financing Program Bonds, Series 2015C (the “Series 2015C Bonds”) (together, the “Refunded Bonds”) and thereby refinance loans made to the Cities of Forman, Watford and Zap with the proceeds of the Refunded Bonds.

**DATE OF BONDS:** Date of delivery.

**INTEREST PAYMENTS:** December 1, 2025 and semiannually thereafter on June 1 and December 1.

**MATURITY:** June 1 in the years and amounts as follows:

Year	Amount*	Year	Amount*
2026	\$3,030,000	2036	\$1,415,000
2027	2,300,000	2037	1,490,000
2028	2,410,000	2038	1,565,000
2029	2,530,000	2039	1,640,000
2030	2,660,000	2040	1,730,000
2031	2,610,000	2041	1,820,000
2032	2,750,000	2042	1,910,000
2033	2,885,000	2043	2,010,000
2034	3,035,000	2044	2,115,000
2035	3,185,000	2045	2,235,000

Bidders may specify that Series 2025A Bonds of any maturities shall be consolidated into one or more term bonds having a stated maturity date on the last maturity so consolidated, and that such term bonds shall be redeemed by the Authority on the dates and in the amounts shown above for the maturities so consolidated; but any maturities not so consolidated will mature on the dates and in the amounts set forth above.

**SENSITIVITY:** Following the receipt of the bids, the Authority reserves the right to adjust the principal amount. If the issue size is adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e. the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2025A Bonds to the public and the price to be paid to the Authority (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Series 2025A Bonds) remains constant.

\* Preliminary, subject to adjustment.

**REDEMPTION:** All Series 2025A Bonds maturing on or after June 1, 2036 are subject to redemption and prior payment in whole or in part, and if in part, in such order as the Authority may determine, on June 1, 2035 and any date thereafter on 30 days' mailed notice, at par and accrued interest.

**TERM BOND OPTION:** Bids for the Series 2025A Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

**CUSIP NUMBERS:** The Authority will assume no obligation for the assignment of CUSIP numbers for the Series 2025A Bonds or for the correctness of any such numbers printed thereon, but the Authority will permit such printing to be done at the expense of the purchaser, if the purchaser waives any extension of the time of the delivery of the Series 2025A Bonds caused thereby.

**DELIVERY:** Within 30 days following the date of their award, the Authority will deliver to the Bond Registrar the printed and executed bonds subject to the approving legal opinion of Kutak Rock LLP, Bond Counsel, Minneapolis, Minnesota, and customary closing certificates, including a certificate that the Official Statement did not at the date of delivery of the Series 2025A Bonds contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements contained therein not misleading and a certificate as to absence of material litigation. Series 2025A Bonds will be delivered against payment in immediately available funds at the Authority's designated depository on the date of delivery. Delivery is expected on or about September \_\_, 2025.

**BOOK ENTRY SYSTEM:** The Series 2025A Bonds will be issued by means of a book entry system with no physical distribution of Series 2025A Bonds made to the public. The Series 2025A Bonds will be issued in fully registered form and one Series 2025A Bond, representing the aggregate principal amount of the Series 2025A Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Series 2025A Bonds. Individual purchasers of the Series 2025A Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Authority to DTC or its nominee as registered owner of the Series 2025A Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Series 2025A Bonds, will be required to deposit the Series 2025A Bonds with DTC.

**TYPE OF BID:** Sealed bids for not less than \$ \_\_, \_\_, \_\_ (99.5%) plus accrued interest from the date of the Series 2025A Bonds to the date of delivery must be received by the Authority prior to the time specified above.

**SUBMISSION OF PROPOSALS:** PFM Financial Advisors LLC will assume no liability for the inability of the proposer to reach PFM Financial Advisors LLC prior to the time of sale specified above. All proposers are advised that each proposal shall be deemed to constitute a contract between the proposer and the Authority to purchase the Bonds regardless of the manner by which the proposal is submitted.

Facsimile Proposals. Proposals may be submitted by fax (612) 338-7264 to PFM Financial Advisors LLC. Signed proposals, without final price or coupons, may be submitted to PFM Financial Advisors LLC prior to the time of sale. The proposer shall be responsible for submitting to PFM Financial Advisors LLC the final proposal price and coupons, by fax (612) 338-7264 for inclusions in the submitted proposal.

OR

Electronic Proposals. Electronic proposals may be submitted through PARITY® for purposes of the electronic proposal process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each proposer shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Official Terms of Sale.* Neither the Authority, its agents nor PARITY® shall have any duty or obligation to provide or ensure electronic access to any qualified prospective proposer, and neither the Authority, its agents nor PARITY® shall be responsible for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by PARITY®. The Authority is using the services of PARITY® solely as a communication mechanism to conduct the electronic proposals for the Bonds, and PARITY® is not an agent of the Authority.



If any provisions of this Official Terms of Sale conflict with information provided by PARITY®, this Official Terms of Sale shall control. Further information about PARITY®, including any fee charged, may be obtained from PARITY® at (212) 849-5021.

**GOOD FAITH DEPOSIT:** Following the award of the sale, the winning bidder will be required to submit a Good Faith Deposit (the “Deposit”) in the form of a certified or cashier’s check or a wire in the amount of \$ \_\_, \_\_, payable to the order of the North Dakota Public Finance Authority, no later than 3:30 P.M. C.T. on the day of the award. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Series 2025A Bonds. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the Issuer.

**TERMS OF BIDS:** All rates must be in integral multiples of 1/20th or 1/8th of one percent. All Series 2025A Bonds of the same maturity shall bear a single uniform rate from date of issue to maturity. Each bid must be for the entire principal amount of the Series 2025A Bonds. The purchase price will be adjusted proportionately with any adjustment in the size of the issue as described above.

**AWARD:** The bid offering the lowest true interest cost will be deemed most favorable. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Series 2025A Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest cost, the Authority shall determine which bid shall be accepted, and such determination shall be final.

The Authority reserves the right to reject any and all bids, to waive any informality in any bid and to adjourn the sale.

**ESTABLISHMENT OF ISSUE PRICE AT TIME OF AWARD:** In order to establish the issue price of the Series 2025A Bonds for federal income tax purposes, the Authority requires proposers to agree to the following, and by submitting a proposal, each proposer agrees to the following.

If a proposal is submitted by a potential underwriter, the proposer confirms that (i) the underwriters have offered or reasonably expect to offer the Series 2025A Bonds to the public on or before the date of the award at the offering price (the “initial offering price”) for each maturity as set forth in the proposal and (ii) the proposer, if it is the winning proposer (the “Purchaser”), shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Series 2025A Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Series 2025A Bonds with a separate CUSIP number constitute a separate “maturity,” and the public does not include underwriters (including members of a selling group or retail distribution group) or persons related to underwriters.

If, however, a proposal is submitted for the proposer’s own account in a capacity other than as an underwriter of the Series 2025A Bonds, and the proposer has no current intention to sell, reoffer, or otherwise dispose of the Series 2025A Bonds, the proposer shall notify the Authority to that effect at the time it submits its proposal and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the Purchaser intends to act as an underwriter, the Authority shall advise the Purchaser at or prior to the time of award whether (i) the competitive sale rule or (ii) the “hold-the-offering price” rule applies.

If the Authority advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the Authority at or prior to closing a certification, substantially in the form attached hereto as Exhibit A-1, as to the reasonably expected initial offering price as of the award date.

If the Authority advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the “hold-the-offering price” rule applies, the Purchaser shall (1) upon the request of the Authority confirm that the underwriters did not offer or sell any maturity of the Series 2025A Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the Authority a certification substantially in the form attached hereto as Exhibit A-2, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the Authority pursuant hereto may be taken or received on behalf of the Authority by PFM Financial Advisors LLC, the Authority’s municipal advisor.

**Proposers should prepare their proposals on the assumption that the Series 2025A Bonds will be subject to the “hold-the-offering-price” rule. Any proposal submitted pursuant to the Official Terms and Conditions of Bond Sale shall be considered a firm offer for the purchase of the Series 2025A Bonds, and proposals submitted will not be subject to cancellation or withdrawal.**

**OFFICIAL STATEMENTS:** The Authority has prepared an Official Statement dated September \_\_, 2025, which the Authority deems to be a preliminary or “near-final” Official Statement as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The Official Statement is available to prospective bidders and to others who request copies from the Authority or its financial advisor, PFM Financial Advisors LLC

Not later than seven business days following the award of the Series 2025A Bonds, the Authority shall provide copies of the Final Official Statement, as that term is used in the Rule, to the successful purchaser of the Series 2025A Bonds. The Final Official Statement will be the Official Statement dated September \_\_, 2025, and the addendum which includes the maturity dates and amounts, interest rates and reoffering yields or prices, credit ratings and any other information required by law. Any such addendum shall, on or after the date thereof, be fully incorporated in the Final Official Statement by reference.

The Purchaser will be supplied with Final Official Statements in a quantity sufficient to meet their request. Up to 50 copies of the Final Official Statement will be furnished without cost.

**CONTINUING DISCLOSURE:** In accordance with the Rule, the Authority will undertake, pursuant to a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The purchaser’s obligation to purchase the Series 2025A Bonds will be conditioned upon its receiving the Continuing Disclosure Certificate at or prior to delivery of the Series 2025A Bonds.

Dated: September \_\_, 2025

BY ORDER OF THE NORTH DAKOTA  
INDUSTRIAL COMMISSION

/s/ DeAnn Ament  
Executive Director  
North Dakota Public Finance Authority

Further information may be obtained from:  
PFM Financial Advisors LLC  
45 South 7<sup>th</sup> Street, Suite 2950  
Minneapolis, MN 55402  
(612) 338-3535

## EXHIBIT A-1

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### ISSUE PRICE CERTIFICATE FOR COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

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\$[PRINCIPAL AMOUNT]  
[BOND CAPTION]

#### ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

#### 1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

#### 2. *Defined Terms.*

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. Persons generally are “related parties” for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity of the Bonds. The Sale Date of each Maturity of the Bonds is [DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[ and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer [ and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [ISSUE DATE]

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
*(Attached)*

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
*(Attached)*

## EXHIBIT A-2

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### ISSUE PRICE CERTIFICATE –COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS – HOLD OFFERING PRICE

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\$[PRINCIPAL AMOUNT]  
[BOND CAPTION]

#### ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ( [“[SHORT NAME OF UNDERWRITER]”][the “Representative”]), on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the specified initial offering prices listed in Schedule B (the “Initial Offering Prices”) on or before the Sale Date. If there is a Hold-the-Offering-Price Maturity, a copy of the pricing wire for the Bonds is attached to this certificate as Schedule C.

(b) As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Based on its own knowledge and, in the case of sales by other Underwriters, representations obtained from the other Underwriters, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds, if any, listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds, if any, listed in Schedule B hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at one or more prices, each of which is no higher than the Initial Offering Price for such Maturity.

(d) *Issuer* means [DESCRIBE ISSUER].

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. Persons generally are “related parties” for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity of the Bonds. The Sale Date of each Maturity of the Bonds is [DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[ and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer [ and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [ISSUE DATE]



**SCHEDULE A**  
**SALE PRICES OF THE GENERAL RULE MATURITIES**  
*(Attached)*

**SCHEDULE B**

**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*

**SCHEDULE C**  
**PRICING WIRE**  
*(Attached)*

# OFFICIAL BID FORM

## (Series 2025A Bonds)

Executive Director  
North Dakota Public Finance Authority  
Bismarck, North Dakota

Sale Date: September \_\_, 2025

For the principal amount of \$45,325,000\* Capital Financing Program Bonds, Series 2025A, legally issued and as described in the Official Terms of Sale, we will pay the North Dakota Public Finance Authority \$\_\_\_\_\_ (not less than \$45,098,375) plus accrued interest on the total principal of \$45,325,000\* to date of delivery, provided the Series 2025A Bonds bear the following interest rates:

<u>Due</u> <u>June 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Due</u> <u>June 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
2026	\$3,030,000	_____ %	2036	\$1,415,000	_____ %
2027	2,300,000	_____ %	2037	1,490,000	_____ %
2028	2,410,000	_____ %	2038	1,565,000	_____ %
2029	2,530,000	_____ %	2039	1,640,000	_____ %
2030	2,660,000	_____ %	2040	1,730,000	_____ %
2031	2,610,000	_____ %	2041	1,820,000	_____ %
2032	2,750,000	_____ %	2042	1,910,000	_____ %
2033	2,885,000	_____ %	2043	2,010,000	_____ %
2034	3,035,000	_____ %	2044	2,115,000	_____ %
2035	3,185,000	_____ %	2045	2,235,000	_____ %

In making this offer, we accept the terms and conditions as defined in the Official Terms of Sale published in the Official Statement dated September \_\_, 2025. All blank spaces of this offer are intentional and are not to be construed as an omission.

Bonds maturing in the years \_\_\_\_ through \_\_\_\_, to be accumulated into a Term Bond maturing June 1, \_\_\_\_.

Bonds maturing in the years \_\_\_\_ through \_\_\_\_, to be accumulated into a Term Bond maturing June 1, \_\_\_\_.

Bonds maturing in the years \_\_\_\_ through \_\_\_\_, to be accumulated into a Term Bond maturing June 1, \_\_\_\_.

The Bonds mature on June 1 in each of the years as indicated above and interest is payable on December 1, 2025 and semiannually thereafter on June 1 and December 1 of each year.

\* Preliminary, subject to change.

<b>NOT PART OF THE BID</b>
Explanatory Note: According to our computation, this bid involves the following:
\$ _____ Net Interest Cost
_____ % True Interest Rate (TIC)

Respectfully submitted,

\_\_\_\_\_  
Account Manager

By \_\_\_\_\_

(A list of account members is on the reverse side of this proposal.)

\*\*\*\*\*

The foregoing offer is hereby accepted by and on behalf of the North Dakota Public Finance Authority this \_\_<sup>th</sup> day of September 2025.

\_\_\_\_\_  
Executive Director,  
North Dakota Public Finance Authority

August 12, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its August 12, 2025 meeting, reviewed, discussed, and recommends approval of a \$2,569,000 Drinking Water State Revolving Fund Program loan to the City of Grafton.

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



## Memorandum

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

**From:** DeAnn Ament, Executive Director

**Date:** August 1, 2025

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

**Purpose of the Project:** Phase 1 replacement of the cast iron water mains near the south water tower which will reduce the number of breaks and improve water quality issues.

### Project Amount:

<b>DWSRF Request</b>	\$ 2,569,000
<b>DWR Cost Share</b>	3,006,500
<b>Total Project</b>	\$ 5,575,500

**Population to Benefit from the Project:** 4,170

**Population Served by the System:** 4,170

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The City will issue revenue bonds payable with water fee revenue. The average annual payment for the revenue bonds will be \$100,261. The reserve requirement will be \$107,050 and the 110% coverage requirement will be \$110,287.

As of May 2025, the City has 1,879 users paying a monthly water base rate of \$19 (\$2.50 increase) and a volume charge of \$8.60/1,000 gallons (\$2 increase in 2025 and \$2.40 increase in 2026) for the first 24,000 gallons and \$7.28/1,000 (\$1.69 increase in 2025 and \$2.03 increase in 2026) thereafter. Industrial users pay \$6.63/1,000 gallons with a minimum of 2.5 million gallons purchased.

**Water Fund:**

	<b>Unaudited</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Interest Revenue	\$3,268	\$7,839	\$22,654	\$75,759
Operating Revenue	1,127,622	1,088,684	1,064,900	1,061,301
Operating Expenses	1,039,151	958,461	985,369	1,223,950
Net Operating Revenue (Expense)	91,739	138,062	102,185	-86,890
Depreciation	277,051	274,372	204,858	297,146
Adjusted Net Operating Revenue	\$368,790	\$412,434	\$380,097	\$210,256
Revenue Bond Payments	\$222,725	\$220,575	\$94,580	\$131,875
Net Operating Coverage	166%	187%	186%	159%
Proforma Rate Increase Revenue <sup>1</sup>	\$56,370	\$56,370	\$56,370	\$56,370
Proforma DWSRF Bond Payment	\$100,261	\$100,261	\$100,261	\$100,261
Proforma Net Operating Coverage	132%	146%	143%	115%

<sup>1</sup> Only includes the base rate increase. The volume rate increase should further improve coverage.

The existing net operating revenue coupled with the approved rate increases will provide sufficient revenue to meet the 110% net coverage requirement.

The City's outstanding indebtedness as of May 9, 2025:

	<b>Original Amount</b>	<b>Amount Outstanding</b>
Improvement Bonds	\$ 22,417,375	\$ 18,033,774
Revenue Bonds <sup>2</sup>	5,716,517	3,705,638
	<u>\$ 28,133,892</u>	<u>\$ 21,739,412</u>

<sup>2</sup> Bond payments have been made as agreed. The City has one DWSRF loan with \$1,175,000 outstanding and two Clean Water State Revolving Fund loans with \$571,687 outstanding.

The average annual payment of all bonded debt will be \$1,964,897 or \$471 per resident.

The City of Grafton is located in Walsh County 41 miles northwest of Grand Forks on US Highway 81. Based on the 2020 census, the total population is 4,170; this is a decrease of 114 from the 2010 census. The largest employers in the City are Marvin Windows (manufacturing) with 513 employees, Life Skills & Transition Center (nursing and residential care) has approximately 301 employees and Unity Medical Center employs 205.

**K-12 School Enrollment:**

				<b>Projected</b>
<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>
899	878	877	880	885

The City's 2024 taxable valuation was \$10,333,302. This is an increase of \$2,312,414 over the 2020 taxable valuation.

**Property Tax Collections 8/1/2025:**

<b>Levy Year</b>	<b>Dollar Amount of Levy</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	\$1,229,403	\$1,193,014	97%
<b>2023</b>	\$1,206,827	\$1,170,982	97%
<b>2022</b>	\$1,239,447	\$1,208,087	97%

**Special Assessment Collections 1/16/2025:**

<b>Year</b>	<b>Dollar Amount</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	\$475,977	\$25,397	5%
<b>2023</b>	\$220,566	\$203,484	92%
<b>2022</b>	\$235,020	\$224,612	96%

**Grafton Mill Levy History:**

<b>Year</b>	<b>City</b>	<b>School</b>	<b>Park District</b>	<b>State and County</b>	<b>Other</b>	<b>Total for Each Year</b>
<b>2024</b>	115.98	126.40	43.90	119.55	0.96	406.79
<b>2023</b>	116.01	127.76	43.65	128.77	1.90	418.09
<b>2022</b>	120.06	130.00	43.67	119.70	1.08	414.51
<b>2021</b>	123.52	130.00	43.00	111.00	1.50	409.02
<b>2020</b>	126.43	145.00	42.97	119.25	1.50	435.15





45 South 7<sup>th</sup> Street  
Suite 2950  
Minneapolis, MN 55402

612.338.3535  
612.338.7264 Fax  
www.pfm.com

## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** August 11, 2025

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

---

The City of Grafton ("City") has presented a request to the Authority and the North Dakota Department of Environmental Quality ("Department") for a \$2,569,000 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 for Phase 1 replacement of the cast iron water mains near the south water tower which will reduce the number of breaks and improve water quality issues.

The municipal securities to be acquired by the Authority will be revenue bonds payable from water user fees. The City's average annual payment under the proposed loan will be approximately \$100,261 indicating a 110% net revenue coverage requirement of approximately \$110,287. The City will be required to deposit \$107,050 into a reserve fund with payments of \$21,410 per year for the first five years of the loan. The City has approved base rate and volume charge increases in 2025/2026. Pro forma net operating coverage of the Water Fund was 1.32x, 1.46x, 1.43x and 1.15x for 2021-2024, respectively. The existing net operating revenue in addition to the approved rate increases will provide sufficient net revenues to meet the 110% coverage requirement.

As of May 9, 2025, the City has \$18,033,774 of Improvement Bonds and \$3,705,638 of Revenue Bonds outstanding. The City currently has two Clean Water SRF with \$571,687 outstanding and one Drinking Water SRF loan with \$1,175,000 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

Attachment 3E

To: Industrial Commission

From: Kylee Merkel, Business Banker  
Bank of North Dakota

Date: August 4, 2025

RE: City of Grafton  
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$2,569,000 loan to the City of Grafton under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is \$5,575,500, with Department of Water Resources providing a \$3,006,500 cost-share grant.

The project will replace cast iron water mains to reduce breaks and improve water quality. The requested loan term is 30 years. The City will issue a revenue bond payable with water user fees. The annual payment will average \$100,261.

**Debt Service Coverage:**

Water Fund	2021	2022	2023	Projected
Operating Revenue	1,127,622	1,088,684	1,064,900	1,064,900
Projected Rate Increase				56,370
Interest Revenue	3,268	7,839	22,654	22,654
Operating Expenses	-1,039,151	-958,461	-985,369	-985,369
Net Operating Revenue	91,739	138,062	102,185	158,555
Plus: Depreciation	277,051	274,372	277,912	277,912
Adjusted Net Operating Income	368,790	412,434	380,097	436,467
Current Debt Service	222,725	220,575	204,858	204,858
Proposed Debt Service				100,261
Total Debt Service				305,119
Debt Service Coverage	166%	187%	186%	143%

The City currently serves 1,879 connections that pay a monthly base rate of \$19 and a usage charge of \$8.60 per 1,000 gallons. This City increased water rates in May 2025. The monthly base rate increase was by \$2.50 per connection and the usage charge increase was \$2.00 per 1,000 gallons. The increase will generate an additional \$56,370 in annual revenues. The existing revenues, combine with the rate increase, will generate sufficient net operating revenues to service both the new and existing debt.

**Outstanding Debt (as of May 9, 2025):**

	<b>Original Amount</b>	<b>Current Balance</b>
Improvement Bonds	22,417,375	18,033,774
Revenue Bonds	5,716,517	3,705,638
	28,133,892	21,739,412

Average annual debt service requirements are estimated at \$1,964,897, which is an average of \$471.20 per resident.



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

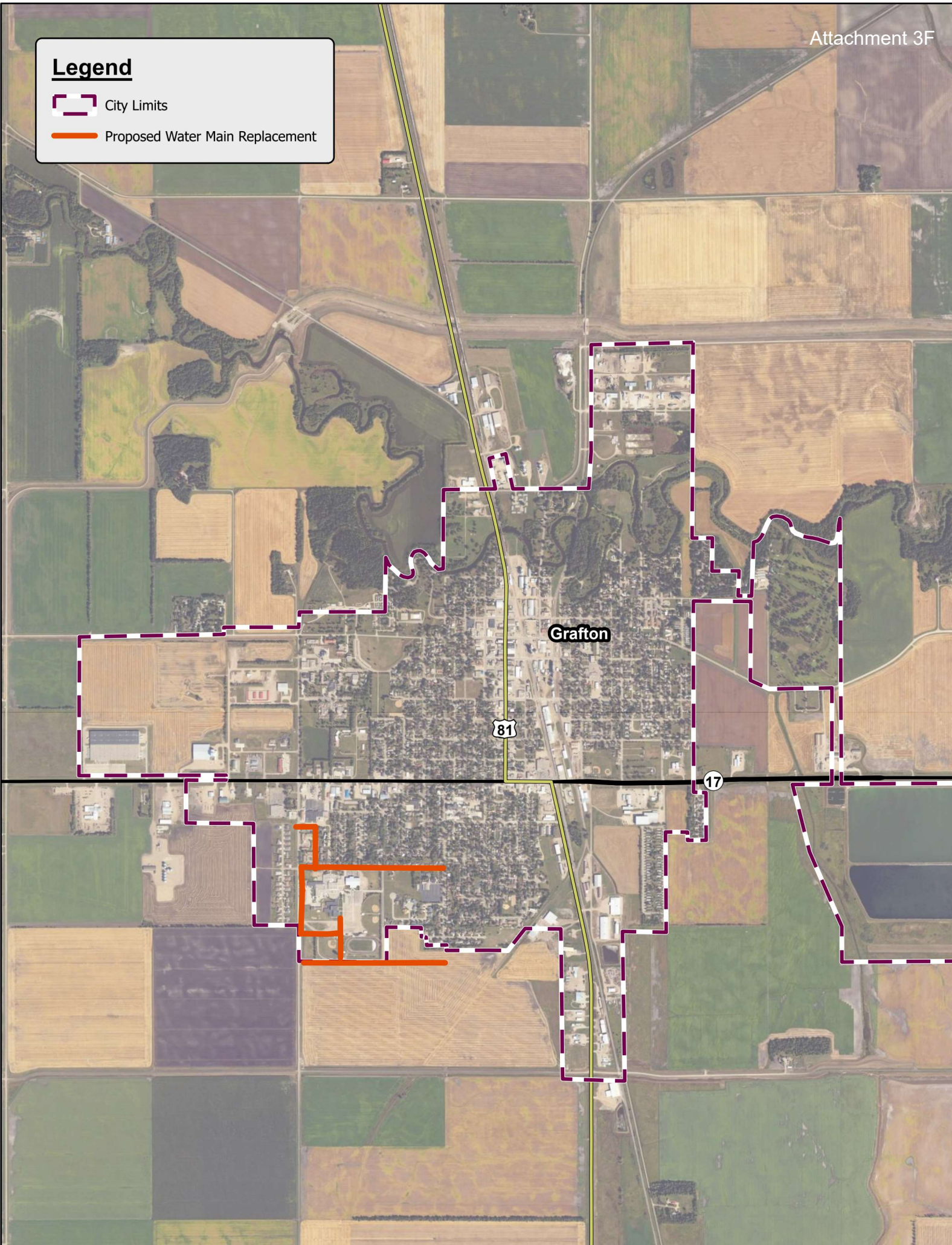
Based upon the PFA recommendation and the benefits obtained with this project, BND concurs with their evaluation and support of the request.

Kylee Merkel  
Business Banker

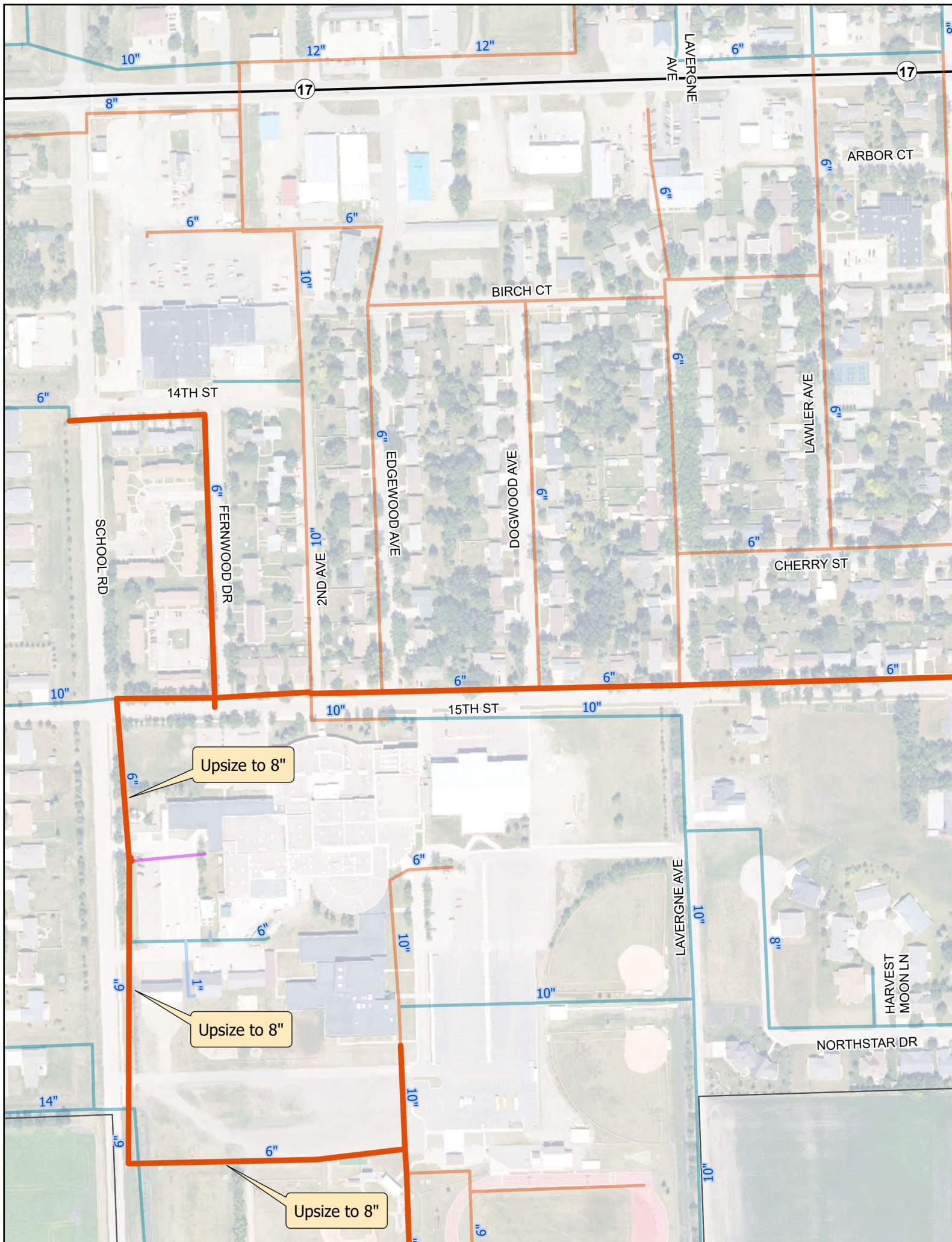


**Legend**

-  City Limits
-  Proposed Water Main Replacement







17

17

LAVERGNE AVE

ARBOR CT

BIRCH CT

14TH ST

SCHOOL RD

6" FERNWOOD DR

10" 2ND AVE

6" EDGEWOOD AVE

DOGWOOD AVE

LAWLER AVE

CHERRY ST

15TH ST

LAVERGNE AVE

HARVEST MOON LN

NORTHSTAR DR

Upsize to 8"

Upsize to 8"

Upsize to 8"

August 12, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its August 12, 2025 meeting, reviewed, discussed, and recommends approval of a \$5,760,000 Drinking Water State Revolving Fund Program loan to the City of Jamestown.

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



## Memorandum

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

**From:** DeAnn Ament, Executive Director

**Date:** July 31, 2025

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

**Purpose of the Project:** Projections estimate are over 400 lead service lines. This funding will begin the replacement of the 229 known lead service lines in the City.

### Project Amount:

<b>DWSRF Request</b>	\$ 5,760,000
<b>DWSRF Loan Forgiveness</b>	-3,914,137
<b>Project Total</b>	\$ 1,845,863

**Population to Benefit from the Project:** 800

**Population Served by the System:** 15,849

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 20 years. Accordingly, the average annual payment on the loan will be approximately \$92,293. 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 4,950 residential and 480 commercial users which pay a monthly water base rate of \$27.20 including the first 400 cubic feet of water plus \$3.40 per 100 CF in excess of 400 CF.

**Water Fund:**

	<b>Unaudited</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Interest Revenue	\$14,402	\$24,170	\$56,315	\$139,365
Operating Revenue	5,749,451	5,688,657	6,240,607	6,302,228
Operating Expenses	3,089,211	4,148,841	6,186,836	3,657,812
Net Operating Revenue	2,674,642	1,563,986	110,086	2,783,780
Depreciation	393,861	488,098	559,823	-
Non-Cash Pension Adjustment	-	-	1,936,986	-
Transfer In	3,228,114	2,541,826	-	-
Adjusted Net Operating Revenue	\$6,296,617	\$4,593,910	\$2,606,895	\$2,783,780
Revenue Bond Payments	\$1,054,120	\$3,242,730	\$1,268,750	\$950,913
Net Operating Coverage	597%	142%	205%	293%

The City's outstanding indebtedness as of December 31, 2024:

	<b><u>Original Debt</u></b>	<b><u>Outstanding Balance</u></b>
Revenue Bonds:		
Water <sup>1</sup>	\$ 15,042,701	\$ 4,780,000
Sewer <sup>1</sup>	16,885,331	9,399,000
Solid Waste <sup>1</sup>	4,249,147	2,670,000
	<u>\$ 36,177,179</u>	<u>\$ 16,849,000</u>
Improvement Bonds:		
Water and Sewer <sup>1</sup>	\$ 13,249,509	\$ 6,712,000
Other	37,021,054	17,323,607
	<u>\$ 50,270,563</u>	<u>\$ 24,035,607</u>
Total Debt	<u>\$ 86,447,742</u>	<u>\$ 40,884,607</u>

<sup>1</sup> All payments have been made as agreed. The City has nine Clean Water SRF and twelve DWSRF loans with outstanding balances of \$23,561,000. There are also three Clean Water SRF and one DWSRF loans that have been approved but are not closed.

The average annual bond payments are \$6,672,016, which is \$421 per resident.

The City of Jamestown is in Stutsman County, at Interstate 94, 99 miles west of Fargo. The total population according to the 2020 census is 15,849; this is an increase of 422 from the 2010 census. The largest employers in the Jamestown Public Schools with 368 employees, the ND State Hospital with 450 employees and the Anne Carlsen Center with 595 employees.



**K-12 School Enrollment:**

			<b>Current</b>	<b>Projected</b>
<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>
2,122	2,145	2,080	2,019	2,000

The City's 2024 taxable valuation was \$55,652,032. This is an increase of \$8,196,370 over the 2020 taxable valuation.

**Property Tax Collections as of June 30, 2025:**

<b>Levy Year</b>	<b>Dollar Amount of Levy</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	\$6,588,067	\$5,833,847	89%
<b>2023</b>	\$6,343,919	\$6,240,124	98%
<b>2022</b>	\$6,013,735	\$5,975,051	99%

**Special Assessment Collections as of June 30, 2025:**

<b>Year</b>	<b>Dollar Amount</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	\$3,086,650	\$2,947,149	95%
<b>2023</b>	\$2,933,865	\$2,870,178	98%
<b>2022</b>	\$2,791,009	\$2,766,760	99%

**Mill Levy History:**

<b>Year</b>	<b>City</b>	<b>School</b>	<b>Park District</b>	<b>State and County</b>	<b>Total for Each Year</b>
<b>2024</b>	118.38	102.00	46.60	69.58	336.56
<b>2023</b>	118.41	102.00	41.38	75.38	337.17
<b>2022</b>	117.92	102.00	40.20	71.98	332.10
<b>2021</b>	118.36	102.00	40.21	71.09	331.66
<b>2020</b>	117.95	100.00	39.36	67.33	324.64



## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** August 11, 2025

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

---

The City of Jamestown (the “City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$5,760,000 loan of which \$3,914,137 will be loan forgiveness, for a total of \$1,845,863 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 of the loan to replace their lead service lines.

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 20 years with a subsidized interest rate of 0.00%. The City’s average annual payment under the proposed loan will be approximately \$92,293. 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 \$16,849,000 of Revenue Bonds and \$24,035,607 of Improvement Bonds outstanding. The City has nine Clean Water SRF and twelve Drinking Water SRF loans with a total outstanding balance of \$23,561,000. 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 4E

To: Industrial Commission

From: Kylee Merkel, Business Banker  
Bank of North Dakota

Date: August 4, 2025

RE: City of Jamestown  
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$5,760,000 loan to the City of Jamestown under the Drinking Water State Revolving Fund (DWSRF). This project is eligible for \$3,914,137 of DWSRF loan forgiveness, making the net loan \$1,845,863. The entire cost of the project is \$5,760,000, with DWSRF financing the full cost of the project.

The project will replace lead service lines throughout the City. The requested loan term is 20 years. The City will issue an improvement bond payable with special assessment collections. The annual payment will average \$92,293.

**Water Fund:**

Water Fund	2021	2022	2023
Operating Revenue	5,749,451	5,688,657	6,240,607
Interest Revenue	14,402	24,170	56,315
Operating Expenses	-3,089,211	-4,148,841	-6,186,836
Net Operating Revenue	2,674,642	1,563,986	110,086
Plus: Transfers In	3,228,114	2,541,826	0
Plus: Pension Adjustment	0	0	1,936,986
Plus: Depreciation	393,861	488,098	559,823
Adjusted Net Operating Income	6,296,617	4,593,910	2,606,895
Current Debt Service	1,054,120	3,242,730	1,268,750
Debt Service Coverage	597%	142%	205%

The City currently serves 4,950 residential connections and 480 commercial connections. All connections pay a monthly base rate of \$27.20, and a usage rate of \$3.40 per 100 cubic feet, in excess of 400 cubic feet.

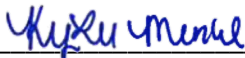
**Outstanding Debt (as of December 31, 2024):**

	<b><u>Original Amount</u></b>	<b><u>Current Balance</u></b>
Water Revenue Bonds	15,042,701	4,780,000
Sewer Revenue Bonds	16,885,331	9,399,000
Solid Waste Revenue Bonds	4,249,147	2,670,000
Water/Sewer Improvement Bonds	13,249,509	6,712,000
Other Improvement Bonds	37,021,054	17,323,607
	86,447,742	40,884,607

Average annual debt service requirements are estimated at \$6,672,016, which is an average of \$420.97 per resident.

Historical census populations for the City of Jamestown were 15,849 in 2020, 15,427 in 2010 and 15,527 in 2000. The largest employers in the City are Anne Carlsen Center, North Dakota State Hospital and Jamestown Public Schools

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

  
\_\_\_\_\_  
Kylee Merkel  
Business Banker



# **PRELIMINARY ENGINEERING REPORT** **Lead Service Line Replacement Project** **City of Jamestown, North Dakota**

## **Project Overview**

The City of Jamestown is initiating a project to replace private lead water service lines with new high-density polyethylene (HDPE) pipe throughout the city. The majority of the lead service lines are in older neighborhoods located within the central part of the City and adjacent to the railroad corridor as shown in Image 1 below. These areas contain the highest concentration of known lead services, while the areas outside the James River Valley were primarily built post 1960s when copper and PVC pipe became the most common service line material.

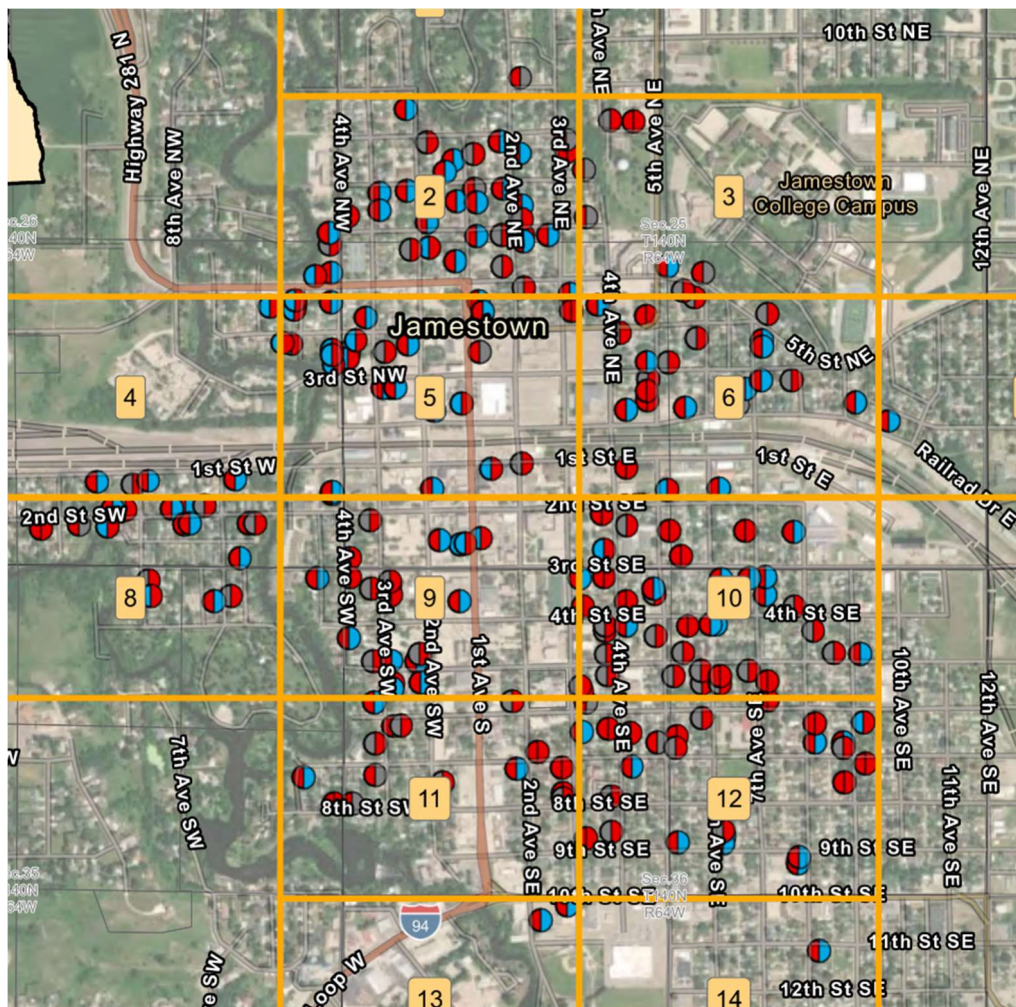


Image 1: Known Lead Services

Professionals you need, people you trust

August 12, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its August 12, 2025 meeting, reviewed, discussed, and recommends approval of a \$3,246,000 Drinking Water State Revolving Fund Program loan to the City of Minot.

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, LLC  
Kylee Merkel, Bank of North Dakota

**From:** DeAnn Ament, Executive Director

**Date:** August 5, 2025

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

**Purpose of the Project:** Replace the cast iron water mains at Dacotah Homes/2<sup>nd</sup> Ave SW and 11<sup>th</sup> Ave NW which will reduce the number of breaks and improve water quality issues.

### Project Amount:

<b>DWSRF Request</b>	\$ 3,246,000
<b>DWR Cost Share</b>	4,868,816
<b>Total Project</b>	\$ 8,114,816

**Population to Benefit from the Project:** 8,000

**Population Served by the System:** 48,377

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 20 years. The City of Minot will issue revenue bonds payable with water/sewer/storm sewer user fees. The average annual payment for the revenue bonds will be \$181,000. The reserve requirement will be \$188,650 and the 110% coverage requirement will be \$199,099.

The City has 13,896 residential users that pay a monthly water base rate of \$11.10 with a \$3.86/100 cubic feet charge and 1,213 commercial users that pay \$13.60 to \$140.47 depending on the pipe size with a \$4.35/100 cubic feet charge. There are 12,878 residential sanitary sewer users that pay a monthly base rate of \$8.15, and a volume charge of \$3.47/100 cubic feet of water consumed while the 1,112 commercial users pay \$8.10 monthly and \$3.89/100 cubic feet. Storm sewer fees are \$14.52 for residential users and \$16.52 for non-residential users.



**Water/Sewer/Storm Sewer Fund:**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Interest Revenue	-\$14,938	-\$107,043	\$1,530,065	\$1,635,578
Operating Revenue	22,909,469	22,841,647	24,243,313	24,482,536
Operating Expenses	33,159,587	35,609,828	38,346,174	39,550,320
Net Operating Loss	-10,265,056	-12,875,224	-12,572,796	-13,432,206
Depreciation	15,507,128	15,858,850	17,104,529	17,230,086
Transfers In - Sales Tax	1,137,307	1,840,213	798,507	851,927
Adjusted Net Operating Revenue	6,379,379	4,823,839	5,330,240	4,649,807
Revenue Bond Payments	3,475,856	3,795,235	3,783,310	3,508,418
Net Operating Coverage	184%	127%	141%	133%
Proforma DWSRF Bond Payment <sup>1</sup>	\$681,291	\$681,291	\$681,291	\$681,291
Proforma Net Operating Coverage	153%	108%	119%	111%

<sup>1</sup> Includes the proforma payments for two DWSRF loans approved but not closed.

The existing net operating revenue will be sufficient to meet the 110% net operating coverage.

The outstanding indebtedness as of December 31, 2024:

	<b>Original Issue</b>	<b>Outstanding Balance</b>
General Obligation Bonds	\$ 10,500,000	\$ 5,440,000
Refunding Improvement Bonds	\$ 17,650,000	\$ 10,440,000
Sales Tax Revenue Bonds <sup>2</sup>	52,645,000	48,200,000
Revenue Bonds - Water/Sewer <sup>2</sup>	\$ 41,267,946	\$ 22,212,660
Revenue Bonds - Airport	\$ 28,520,000	\$ 19,820,000
	<u>\$ 150,582,946</u>	<u>\$ 106,112,660</u>

<sup>2</sup> All payments have been made as agreed. The City has two Clean Water SRF and one DWSRF loans with a combined outstanding balance of \$13,492,660 as of December 31, 2024.

The average annual debt service payment including the requested loan and the two approved but not closed DWSRF loans is \$10,861,089 which is \$225 per resident.

The City of Minot is located in Ward County 110 miles north of Bismarck on US Highway 83. Based on the 2020 census, the total population is 48,377; this is an increase of 7,489 from the 2010 census. The largest employers are Minot Air Force Base with 12,123 employees, Trinity Health which has 2,850 employees, and Minot Public Schools employs 1,047.



**K-12 School Enrollment:**

			<b>Current</b>	<b>Estimated</b>
<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>
7,733	7,700	7,658	7,658	7,700

The City's 2024 taxable valuation was \$238,429,369. This is an increase of \$22,175,340 over the 2020 taxable valuation.

**Property Tax Collections 6/30/2025:**

<b>Levy Year</b>	<b>Dollar Amount of Levy</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	\$23,224,967	\$22,996,314	99%
<b>2023</b>	\$27,730,619	\$27,400,756	99%
<b>2022</b>	\$26,648,754	\$26,537,317	100%

**Special Assessment Collections 6/30/2025:**

<b>Year</b>	<b>Dollar Amount</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	\$1,660,507	\$1,499,323	90%
<b>2023</b>	\$1,633,326	\$1,549,546	95%
<b>2022</b>	\$1,485,444	\$1,435,893	97%

**Mill Levy History:**

<b>Year</b>	<b>City</b>	<b>School</b>	<b>Park District</b>	<b>State and County</b>	<b>Total for Each Year</b>
<b>2024</b>	97.41	136.35	46.44	61.56	341.76
<b>2023</b>	119.76	139.69	48.30	57.65	365.40
<b>2022</b>	119.15	142.34	48.57	56.95	367.01
<b>2021</b>	121.47	109.34	45.58	58.91	335.30
<b>2020</b>	119.95	109.33	42.66	60.38	332.32



45 South 7<sup>th</sup> Street  
Suite 2950  
Minneapolis, MN 55402

612.338.3535  
612.338.7264 Fax  
www.pfm.com

## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** August 11, 2025

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

---

The City of Minot (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$3,246,000 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 cast iron water mains at Dacotah Homes/2<sup>nd</sup> Ave Southwest and 11<sup>th</sup> Ave Northwest which will reduce the number of breaks and improve water quality issues.

The municipal securities to be acquired by the Authority will be revenue bonds payable from water, sewer, and storm sewer user fees. The City’s average annual payment under the proposed loan will be approximately \$181,000 indicating a 110% net revenue coverage requirement of approximately \$199,099. The City will be required to deposit \$188,650 into a reserve fund with payments of \$37,730 per year for the first five years of the loan. Pro forma net operating coverage of the Water/Sewer/Storm Sewer Fund was 1.53x, 1.08x, 1.19x and 1.11x for 2021-2024, respectively. The existing net operating revenue will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2024, the City has \$5,440,000 of General Obligation Bonds, \$10,440,000 of Refunding Improvement Bonds, \$48,200,000 of Sales Tax Revenue Bonds, \$22,212,660 of Water/Sewer Revenue Bonds, and \$19,820,000 of Airport Revenue Bonds outstanding. The City currently has two Clean Water SRF and one Drinking Water SRF loan totaling \$13,492,660 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

Attachment 5E

To: Industrial Commission

From: Kylee Merkel, Business Banker  
Bank of North Dakota

Date: August 5, 2025

RE: City of Minot  
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$3,246,000 loan to the City of Minot under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is \$8,114,816, with Department of Water Resources providing a \$4,868,816 cost-share grant.

The project will replace cast iron water mains in a portion of the City, to reduce breaks and improve water quality. The requested loan term is 20 years. The City will issue a revenue bond payable with water, sewer and storm sewer user fees. The annual payment will average \$181,000.

**Debt Service Coverage:**

Water, Sewer & Storm Sewer Fund	2022	2023	2024	Projected
Operating Revenue	22,841,647	24,243,313	24,482,536	24,482,536
Interest Revenue	-107,043	1,530,065	1,635,578	1,635,578
Operating Expenses	-35,609,828	-38,346,174	-39,550,320	-39,550,320
Net Operating Revenue	-12,875,224	-12,572,796	-13,432,206	-13,432,206
Plus: Sales Tax Transfers In	1,840,213	798,507	851,927	851,927
Plus: Depreciation/Transfers In	15,858,850	17,104,529	17,230,086	17,230,086
Adjusted Net Operating Income	4,823,839	5,330,240	4,649,807	4,649,807
Current Debt Service	3,795,235	3,783,310	3,508,418	4,008,709
Proposed Debt Service				181,000
Total Debt Service				4,189,709
Debt Service Coverage	127%	141%	133%	111%

The City currently serves 13,896 residential water connections that pay a monthly base rate of \$11.10 and a usage charge of \$3.86 per 100 cubic feet. The City also serves 1,213 commercial connections that pay a monthly base rate ranging from \$13.60 to \$140.47, depending on meter size, and a usage charge of \$4.35 per 100 cubic feet. The City currently serves 12,878 residential sanitary sewer connections that pay a monthly base rate of \$8.15 and a usage charge of \$3.47 per 100 cubic feet. The City also serves 1,112 commercial sanitary sewer connections that pay a monthly base rate of \$8.10 and a usage charge of \$3.89 per 100 cubic feet. Storm sewer monthly fees are \$14.52 for residential users and \$16.52 for non-residential users. The existing revenues will generate sufficient net operating revenues to service both the new and existing debt.

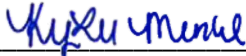
**Outstanding Debt (as of December 31, 2024):**

	<b>Original Amount</b>	<b>Current Balance</b>
General Obligation Bonds	10,500,000	5,440,000
Improvement Bonds	17,650,000	10,440,000
Sales Tax Revenue Bonds	52,645,000	48,200,000
Water/Sewer Revenue Bonds	41,267,946	22,212,660
Airport Revenut Bonds	28,520,000	19,820,000
	150,582,946	106,112,660

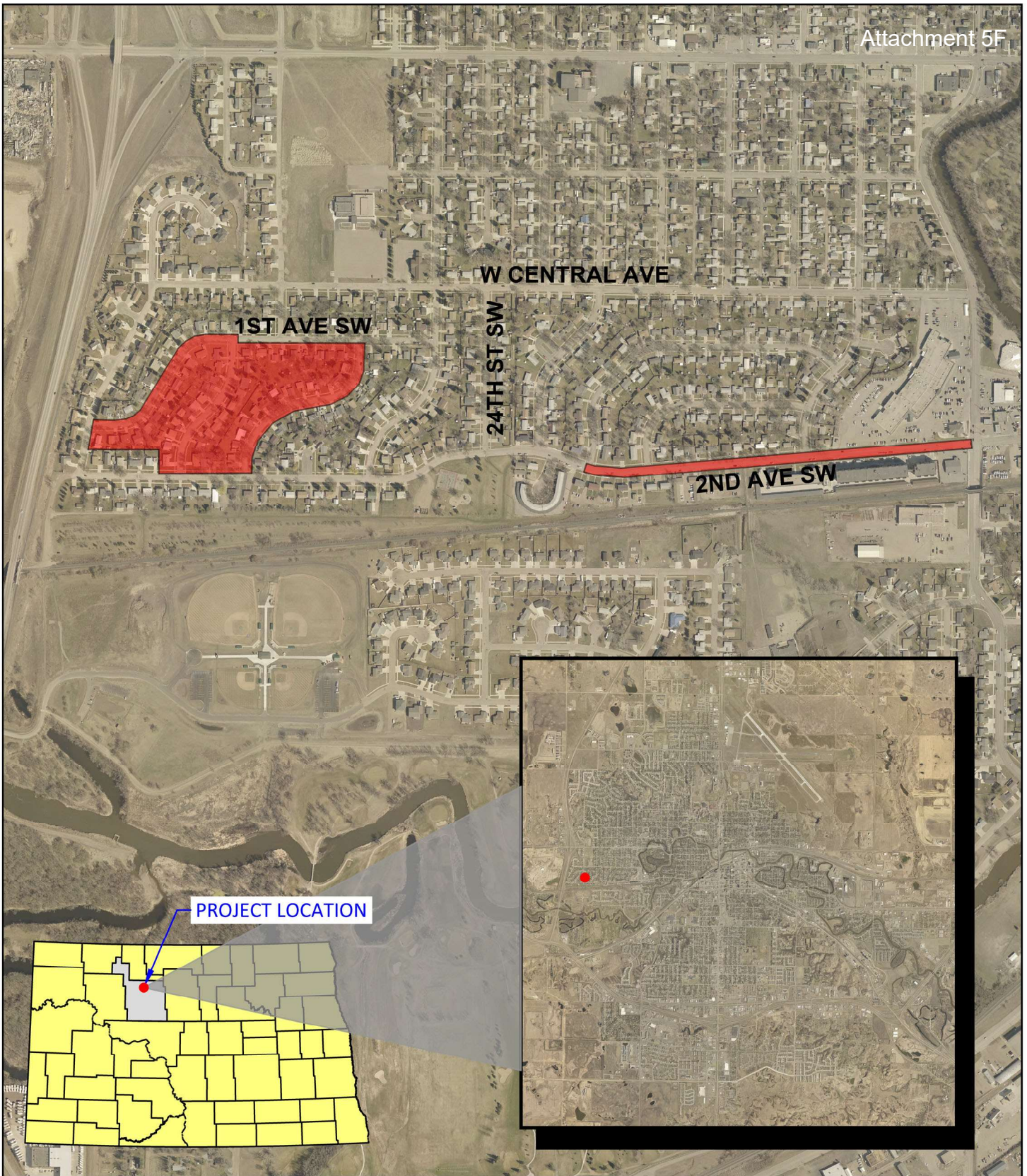
Average annual debt service requirements are estimated at \$10,861,089, which is an average of \$224.51 per resident.

Historical census populations for the City of Minot were 48,377 in 2020, 40,888 in 2010 and 36,567 in 2000. The largest employers in the City are Minot Air Force Base, Trinity Health and Minot Public School.

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



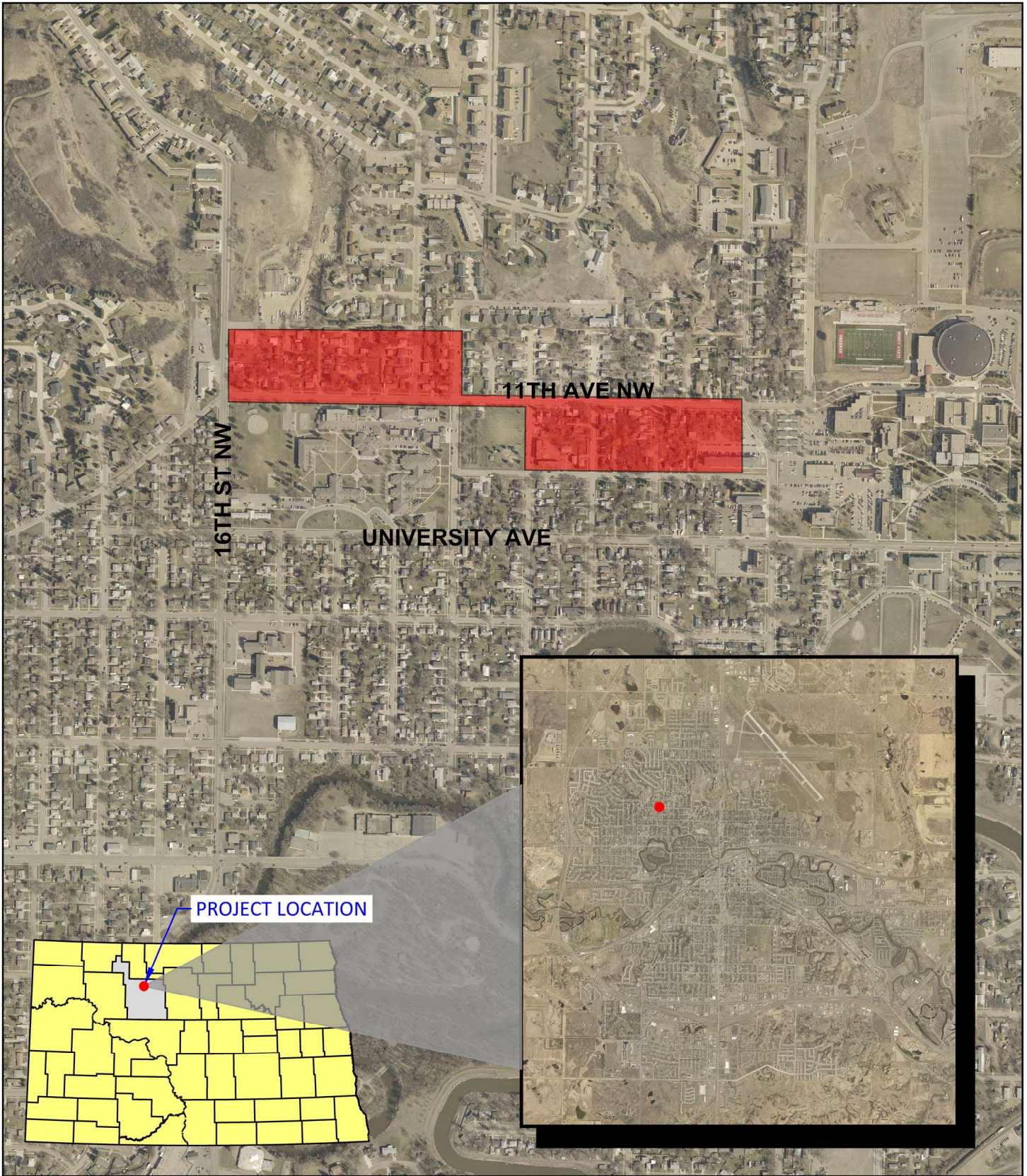


**COST-SHARE APPLICATION**  
**DACOTAH HOMES & 2ND AVENUE SW MINOT**  
**RESIDENTIAL WATERMAIN REPLACEMENT**

DATE DRAWN: 02/14/2025

**City of Minot**





**COST-SHARE APPLICATION**  
**11TH AVENUE NW MINOT RESIDENTIAL**  
**WATERMAIN REPLACEMENT**

DATE DRAWN: 03/03/2025

**City of Minot**



August 12, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its August 12, 2025 meeting, reviewed, discussed, and recommends approval of a \$2,700,000 Drinking Water State Revolving Fund Program loan to the City of West Fargo.

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 Finance Management  
Kylee Merkel, Bank of North Dakota

**From:** DeAnn Ament, Executive Director

**Date:** August 6, 2025

**Re:** City of West Fargo  
Drinking Water State Revolving Fund Program Loan Application

**Purpose of the Project:** Remodel and add on to the existing public works facility which serves the water, sewer, street and sanitation departments.

**Project Amount:**

<b>DWSRF Request</b>	\$ 2,700,000
<b>CWSRF Request</b>	8,500,000
<b>Local Funds</b>	5,555,225
<b>Project Total</b>	\$ 15,755,225

**Population to Benefit from the Project:** 39,985

**Population Served by the System:** 39,985 plus Cass Rural Water Users District which serves 2,000 people

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The City will issue revenue bonds payable with water and sewer fee revenue. The average annual payment for the revenue bonds will be \$105,563. The reserve requirement will be \$116,150 and the 110% coverage requirement will be \$116,120.

The City serves 11,855 water connections that pay a monthly base rate of \$7.61 and \$7.77/1,000 gallons to 20,000 gallons and above that is \$9.61/1,000 gallons. They also serve approximately 12,840 sewer connections that pay a monthly base rate of \$12.83 and \$5.70/1,000 gallons with an 8,000-gallon limit for residential users.



**Water and Sewer Fund:**

	<b>Unaudited</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Interest Revenue	\$59,450	\$74,084	\$434,708	\$591,010
Operating Revenue	13,663,391	13,650,493	14,790,593	14,985,076
Operating Expenses	22,644,831	23,160,308	22,611,928	12,680,398
Net Operating Expense	-8,921,990	-9,435,731	-7,386,627	2,895,688
Depreciation	11,159,669	11,175,689	10,334,556	-
Non-cash Pension Adjustment	-	242,512	-	-
Adjusted Net Operating Revenue	\$2,237,679	\$1,982,470	\$2,947,929	\$2,895,688
Revenue Bond Payments	\$1,102,904	\$1,122,800	\$967,525	\$1,109,509
Net Operating Coverage	203%	177%	305%	261%
Proforma CW & DW Bond Payments	\$463,813	\$463,813	\$463,813	\$4463,813
Proforma Net Operating Coverage	143%	125%	206%	184%

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

**Outstanding Debt as of December 31, 2024:**

	<b>Original Debt</b>	<b>Outstanding Debt</b>
Appropriation Bonds	\$ 10,000,000	\$ 9,145,000
Improvement Bonds <sup>1</sup>	359,795,000	271,291,196
Revenue Bonds	34,380,000	25,150,000
<b>Total</b>	<b>\$ 404,175,000</b>	<b>\$ 305,586,196</b>

<sup>1</sup> Payments have been made as agreed. The City has one Capital Financing Program bond with an outstanding balance of \$355,000. They also have a CWSRF and Drinking Water SRF loan totaling \$6,850,000 which were approved in 2025 but have not closed.

The average annual payment of all outstanding debt including this new request and the Drinking Water State Revolving Fund request is \$22,753,771 which is \$589 per resident.

The City of West Fargo is located in Cass County on Interstate 94. Based on the 2020 census, the total population is 38,626; this is an increase of 12,796 over the 2010 census. The current estimated population is 39,985. The largest employers in the City are Marvin Windows (manufacturer) with 300 employees, Costco (wholesaler) employs 300 and Bobcat (manufacturer) with 220 employees.

**K-12 School Enrollment:**

				<b>Projected</b>
<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>
12,077	12,491	12,676	12,995	13,300

The City's 2024 taxable valuation was \$281,394,026. This is an increase of \$83,836,604 over the 2020 taxable valuation.

**Property Tax Levies and Collections as of 6/30/2025:**

<b>Levy Year</b>	<b>Dollar Amount of Levy</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	\$22,726,400	\$20,357,823	90%
<b>2023</b>	\$22,751,981	\$21,416,718	94%
<b>2022</b>	\$20,507,453	\$19,555,479	95%

**Special Assessment Levies and Collections 6/30/2025:**

<b>Year</b>	<b>Dollar Amount</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	\$21,653,004	\$20,131,302	93%
<b>2023</b>	\$21,911,852	\$21,771,262	99%
<b>2022</b>	\$21,775,847	\$21,717,979	100%

**City of West Fargo Mill Levy:**

<b>Year</b>	<b>City</b>	<b>School</b>	<b>Park District</b>	<b>State and County</b>	<b>Other</b>	<b>Total for Each Year</b>
<b>2024</b>	79.20	129.42	28.63	46.00	6.67	289.92
<b>2023</b>	79.75	129.53	28.56	46.00	6.59	290.43
<b>2022</b>	79.99	136.10	28.59	48.00	7.23	299.91
<b>2021</b>	81.14	143.16	28.84	48.75	7.23	309.12
<b>2020</b>	77.47	139.45	26.55	48.92	7.52	299.91



## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** August 11, 2025

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

---

The City of West Fargo (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$2,700,000 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 to remodel and add on to the existing public works facility which serves the water, sewer, street and sanitation departments.

The municipal securities to be acquired by the Authority will be revenue bonds payable with water and sewer user fee revenues. The City’s average annual payment under the proposed loan will be approximately \$105,563 indicating a 110% net revenue coverage requirement of approximately \$116,120. The City will be required to deposit \$116,150 into a reserve fund with payments of \$23,230 per year for the first five years of the loan. Pro forma net operating coverage of sewer fund was 1.43x, 1.25x, 2.06x and 1.84x for 2021-2024 (2024 is unaudited), respectively. Existing water and sewer revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2024, the City has \$9,145,000 of Appropriation Bonds, \$271,291,196 of Improvement Bonds and \$25,150,000 of Revenue Bonds outstanding. The City currently has a CWSRF and DWSRF loan approved with a combined total balance of \$6,850,000. 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

Attachment 6E

To: Industrial Commission

From: Kylee Merkel, Business Banker  
Bank of North Dakota

Date: August 6, 2025

RE: City of West Fargo  
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$2,700,000 loan to the City of West Fargo under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is \$15,755,225, with Clean Water State Revolving Fund providing a \$8,500,000 loan and the City using \$5,555,225 of local funds on hand.

The project will remodel and construct an addition to the existing public works facility. The requested loan term is 30 years. The City will issue a revenue bond payable with water and sewer fee revenue. The annual payment will average \$105,563.

**Water & Sewer Fund:**

Water and Sewer Fund	2021	2022	2023	Projected
Operating Revenue	13,663,391	13,650,493	14,790,593	14,790,593
Interest Revenue	59,450	74,084	434,708	434,708
Operating Expenses	-22,644,831	-23,160,308	-22,611,928	-22,611,928
Net Operating Revenue	-8,921,990	-9,435,731	-7,386,627	-7,386,627
Plus: Pension Adjustment	0	242,512	0	0
Plus: Depreciation	11,159,669	11,175,689	10,334,556	10,334,556
Adjusted Net Operating Income	2,237,679	1,982,470	2,947,929	2,947,929
Current Debt Service	1,102,904	1,122,800	967,525	967,525
Proposed CW Debt Service				358,250
Proposed DW Debt Service				105,563
Total Debt Service				1,431,338
Debt Service Coverage	203%	177%	305%	206%

The City currently serves 12,840 sewer connections that pay a monthly sewer base rate of \$12.83 and a volume charge of \$5.70 per 1,000 gallons, with an 8,000 gallon limit. The City currently serves 11,855 water connections that pay a monthly base rate of \$7.61 and a volume charge of \$7.77 per 1,000 gallons, up to 20,000 gallons. Volume Charge for usage above 20,000 gallons is \$9.61 per 1,000 gallons. The existing revenues will generate sufficient net operating revenues to service both the existing and proposed debt.

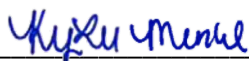
**Outstanding Debt (as of December 31, 2024):**

	<b>Original Amount</b>	<b>Current Balance</b>
Appropriation Bonds	10,000,000	9,145,000
Improvement Bonds	359,795,000	271,291,196
Revenue Bonds	34,380,000	25,150,000
	404,175,000	305,586,196

Average annual debt service requirements are estimated at \$22,753,771, which is an average of \$589.08 per resident.

Historical census populations for the City of West Fargo were 38,626 in 2020, 25,830 in 2010 and 14,940 in 2000. The largest employers in the City are Marvin Windows, Costco and Bobcat.

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





Equipment Space  
Addition

Existi

Cre  
Ren

Existing  
Equipment Space



10 ACCESS

10

## Legend



Project Area

10 ACCESS

Equipment  
Space Addition

Forestry Crew and  
Office Space Addition

8TH ST W

Existing Sanitation Crew  
and Office Space

Mechanical  
Remodel

Existing Equipment  
Space

2ND AVE W

2ND AVE W

August 12, 2025

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its August 12, 2025 meeting, reviewed, discussed, and recommends approval of a \$8,500,000 Clean Water State Revolving Fund Program loan to the City of West Fargo.

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 Finance Management  
Kylee Merkel, Bank of North Dakota

**From:** DeAnn Ament, Executive Director

**Date:** August 6, 2025

**Re:** City of West Fargo  
Clean Water State Revolving Fund Program Loan Application

**Purpose of the Project:** Remodel and add on to the existing public works facility which serves the water, sewer, street and sanitation departments.

**Project Amount:**

<b>CWSRF Request</b>	\$ 8,500,000
<b>DWSRF Request</b>	2,700,000
<b>Local Funds</b>	5,555,225
<b>Project Total</b>	\$ 15,755,225

**Population to Benefit from the Project:** 39,985

**Population Served by the System:** 39,985 plus Cass Rural Water Users District which serves 2,000 people

The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. The City will issue revenue bonds payable with water and sewer fee revenue. The average annual payment for the revenue bonds will be \$358,250. The reserve requirement will be \$376,350 and the 110% coverage requirement will be \$394,075.

The City currently serves approximately 12,840 sewer connections that pay a monthly base rate of \$12.83 and \$5.70/1,000 gallons with an 8,000-gallon limit for residential users. The 11,855 water connections pay a monthly base rate of \$7.61 and \$7.77/1,000 gallons to 20,000 gallons and above that is \$9.61/1,000 gallons.

**Water and Sewer Fund:**

	<b>Unaudited</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Interest Revenue	\$59,450	\$74,084	\$434,708	\$591,010
Operating Revenue	13,663,391	13,650,493	14,790,593	14,985,076
Operating Expenses	22,644,831	23,160,308	22,611,928	12,680,398
Net Operating Expense	-8,921,990	-9,435,731	-7,386,627	2,895,688
Depreciation	11,159,669	11,175,689	10,334,556	-
Non-cash Pension Adjustment	-	242,512	-	-
Adjusted Net Operating Revenue	\$2,237,679	\$1,982,470	\$2,947,929	\$2,895,688
Revenue Bond Payments	\$1,102,904	\$1,122,800	\$967,525	\$1,109,509
Net Operating Coverage	203%	177%	305%	261%
Proforma CW & DW Bond Payments	\$463,813	\$463,813	\$463,813	\$4463,813
Proforma Net Operating Coverage	143%	125%	206%	184%

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

**Outstanding Debt as of December 31, 2024:**

	<b>Original Debt</b>	<b>Outstanding Debt</b>
Appropriation Bonds	\$ 10,000,000	\$ 9,145,000
Improvement Bonds <sup>1</sup>	359,795,000	271,291,196
Revenue Bonds	34,380,000	25,150,000
<b>Total</b>	<b>\$ 404,175,000</b>	<b>\$ 305,586,196</b>

<sup>1</sup> Payments have been made as agreed. The City has one Capital Financing Program bond with an outstanding balance of \$355,000. They also have a CWSRF and Drinking Water SRF loan totaling \$6,850,000 which were approved in 2025 but have not closed.

The average annual payment of all outstanding debt including this new request and the Drinking Water State Revolving Fund request is \$22,753,771 which is \$589 per resident.

The City of West Fargo is located in Cass County on Interstate 94. Based on the 2020 census, the total population is 38,626; this is an increase of 12,796 over the 2010 census. The current estimated population is 39,985. The largest employers in the City are Marvin Windows (manufacturer) with 300 employees, Costco (wholesaler) employs 300 and Bobcat (manufacturer) with 220 employees.

**K-12 School Enrollment:**

				Projected
2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
12,077	12,491	12,676	12,995	13,300

The City's 2024 taxable valuation was \$281,394,026. This is an increase of \$83,836,604 over the 2020 taxable valuation.

**Property Tax Levies and Collections as of 6/30/2025:**

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2024	\$22,726,400	\$20,357,823	90%
2023	\$22,751,981	\$21,416,718	94%
2022	\$20,507,453	\$19,555,479	95%

**Special Assessment Levies and Collections 6/30/2025:**

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2024	\$21,653,004	\$20,131,302	93%
2023	\$21,911,852	\$21,771,262	99%
2022	\$21,775,847	\$21,717,979	100%

**City of West Fargo Mill Levy:**

Year	City	School	Park District	State and County	Other	Total for Each Year
2024	79.20	129.42	28.63	46.00	6.67	289.92
2023	79.75	129.53	28.56	46.00	6.59	290.43
2022	79.99	136.10	28.59	48.00	7.23	299.91
2021	81.14	143.16	28.84	48.75	7.23	309.12
2020	77.47	139.45	26.55	48.92	7.52	299.91



## Memorandum

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

**FROM:** PFM Financial Advisors LLC

**DATE:** August 11, 2025

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

---

The City of West Fargo ("City") has presented a request to the Authority and the North Dakota Department of Environmental Quality ("Department") for a \$8,500,000 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 remodel and add on to the existing public works facility which serves the water, sewer, street and sanitation departments.

The municipal securities to be acquired by the Authority will be revenue bonds payable with water and sewer user fee revenues. The City's average annual payment under the proposed loan will be approximately \$358,250 indicating a 110% net revenue coverage requirement of approximately \$394,075. The City will be required to deposit \$376,350 into a reserve fund with payments of \$75,270 per year for the first five years of the loan. Pro forma net operating coverage of sewer fund was 1.43x, 1.25x, 2.06x and 1.84x for 2021-2024 (2024 is unaudited), respectively. Existing water and sewer revenues will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2024, the City has \$9,145,000 of Appropriation Bonds, \$271,291,196 of Improvement Bonds and \$25,150,000 of Revenue Bonds outstanding. The City currently has a CWSRF and DWSRF loan approved with a combined total balance of \$6,850,000. 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 7E

To: Industrial Commission

From: Kylee Merkel, Business Banker  
Bank of North Dakota

Date: August 6, 2025

RE: City of West Fargo  
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$8,500,000 loan to the City of West Fargo under the Clean Water State Revolving Fund (CWSRF). The entire cost of the project is \$15,755,225, with Drinking Water State Revolving Fund providing a \$2,700,000 loan and the City using \$5,555,225 of local funds on hand.

The project will remodel and construct an addition to the existing public works facility. The requested loan term is 30 years. The City will issue a revenue bond payable with water and sewer fee revenue. The annual payment will average \$358,250.

### Water & Sewer Fund:

Water and Sewer Fund	2021	2022	2023	Projected
Operating Revenue	13,663,391	13,650,493	14,790,593	14,790,593
Interest Revenue	59,450	74,084	434,708	434,708
Operating Expenses	-22,644,831	-23,160,308	-22,611,928	-22,611,928
Net Operating Revenue	-8,921,990	-9,435,731	-7,386,627	-7,386,627
Plus: Pension Adjustment	0	242,512	0	0
Plus: Depreciation	11,159,669	11,175,689	10,334,556	10,334,556
Adjusted Net Operating Income	2,237,679	1,982,470	2,947,929	2,947,929
Current Debt Service	1,102,904	1,122,800	967,525	967,525
Proposed CW Debt Service				358,250
Proposed DW Debt Service				105,563
Total Debt Service				1,431,338
Debt Service Coverage	203%	177%	305%	206%

The City currently serves 12,840 sewer connections that pay a monthly sewer base rate of \$12.83 and a volume charge of \$5.70 per 1,000 gallons, with an 8,000 gallon limit. The City currently serves 11,855 water connections that pay a monthly base rate of \$7.61 and a volume charge of \$7.77 per 1,000 gallons, up to 20,000 gallons. Volume Charge for usage above 20,000 gallons is \$9.61 per 1,000 gallons. The existing revenues will generate sufficient net operating revenues to service both the existing and proposed debt.

**Outstanding Debt (as of December 31, 2024):**

	<b>Original Amount</b>	<b>Current Balance</b>
Appropriation Bonds	10,000,000	9,145,000
Improvement Bonds	359,795,000	271,291,196
Revenue Bonds	34,380,000	25,150,000
	404,175,000	305,586,196

Average annual debt service requirements are estimated at \$22,753,771, which is an average of \$589.08 per resident.

Historical census populations for the City of West Fargo were 38,626 in 2020, 25,830 in 2010 and 14,940 in 2000. The largest employers in the City are Marvin Windows, Costco and Bobcat.

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



Equipment Space  
Addition

Existi

Cre  
Ren

Existing  
Equipment Space



10 ACCESS

10

## Legend

 Project Area

10 ACCESS

Equipment  
Space Addition

Forestry Crew and  
Office Space Addition

8TH ST W

Existing Sanitation Crew  
and Office Space

Mechanical  
Remodel

Existing Equipment  
Space

2ND AVE W

2ND AVE W



Industrial Commission  
of North Dakota

Kelly Armstrong  
GOVERNOR

Drew H. Wrigley  
ATTORNEY GENERAL

Doug Goehring  
AGRICULTURE COMMISSIONER



### Memorandum

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

**From:** DeAnn Ament, Executive Director

**Date:** August 12, 2025

**Re:** Kenmare, 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 Kenmare's Drinking Water State Revolving Fund application for a \$638,000 loan towards a \$1,961,000 project. DWR Cost Share will provide \$1,161,000 and the city will fund \$162,000. This project will replace water mains that have experienced leaks and are beyond their useful life. 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 August 12, 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:** July 28, 2025

**Re:** City of Kenmare  
Drinking Water State Revolving Fund Program Loan

**Purpose of the Project:** Replace water mains that have experienced leaks and are beyond their useful life.

### Project Amount:

<b>DWSRF Request</b>	\$ 638,000
<b>DWR Cost Share</b>	1,161,000
<b>Local Fund</b>	162,000
<b>Project Total</b>	\$1,961,000

**Population to Benefit from the Project:** 961  
**Population Served by the System:** 961

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The City will issue revenue bonds payable with water user fees. The average annual payment for the revenue bonds will be \$26,559. The 110% coverage requirement will be \$29,214 and the required debt service reserve will be \$29,435.

The City has 508 connections which pay a monthly base rate of \$33.50 per connection and \$11.50 per 1,000 gallons over 1,500 gallons. Users also pay a \$3.25 water maintenance fee. The monthly base and maintenance fee rates were each increased \$1.25 on July 1<sup>st</sup> and will generate an additional \$15,270 of revenue annually. An additional monthly rate increase of \$4.50 per user is anticipated over the next year, which will provide annual revenue of \$27,486 for a combined total of \$42,756.

**Water Fund:**

	<b>Unaudited</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Interest Revenue	\$-	\$57	\$-	\$298
Operating Revenue	261,060	375,841	311,034	396,803
Operating Expenses	215,359	256,846	279,132	304,630
Net Operating Revenue	45,702	119,052	31,902	92,471
Depreciation	14,277	14,277	14,277	-
Transfer In	-	65,000	-	-
Adjusted Net Operating Revenue	\$59,979	\$198,329	\$46,179	\$92,471
Revenue Bond Payments	\$82,400	\$72,925	\$77,150	\$85,050
Net Operating Coverage	73%	272%	60%	109%
Proforma Rate Increase	\$42,756	\$42,756	\$42,756	\$42,756
Proforma DWSRF Payment	\$26,559	\$26,559	\$26,559	\$26,559
Proforma Net Operating Coverage	115%	116%	116%	115%

The current net revenues and proposed rate increase should allow the City to meet the 110% net operating coverage requirement.

**Outstanding Debt June 30, 2025:**

	<b>Original Amount</b>	<b>Outstanding Amount</b>
Improvement Bonds <sup>1</sup>	\$2,090,618	\$800,000
	<u>\$2,090,618</u>	<u>\$800,000</u>

<sup>1</sup> Payments have made as agreed. The City has two DWSRF loans with \$435,000 outstanding.

The average annual payment of all bond debt is \$516,173 or \$254 per resident.

The City of Kenmare is located in Ward County 50 miles northwest of Minot. Based on the 2020 census, the total population was 961; this is a decrease of 135 from the 2010 census. The largest employers in the City are Kenmare School District with 50 employees, MW Industries (manufacturing) with 25 employees and Trinity Health Kenmare Hospital which employs 25.

**Kenmare School K-12 Enrollment:**

				<b>Projected</b>
<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>
299	284	261	267	270

The City's 2024 taxable valuation was \$3,397,669. This is an increase of \$453,646 from the 2020 taxable valuation.

**Property Taxes Levied & Collected 7/31/2025:**

<b>Levy Year</b>	<b>Dollar Amount of Levy</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	417,567	386,578	93%
<b>2023</b>	416,246	403,470	97%
<b>2022</b>	396,223	390,810	99%

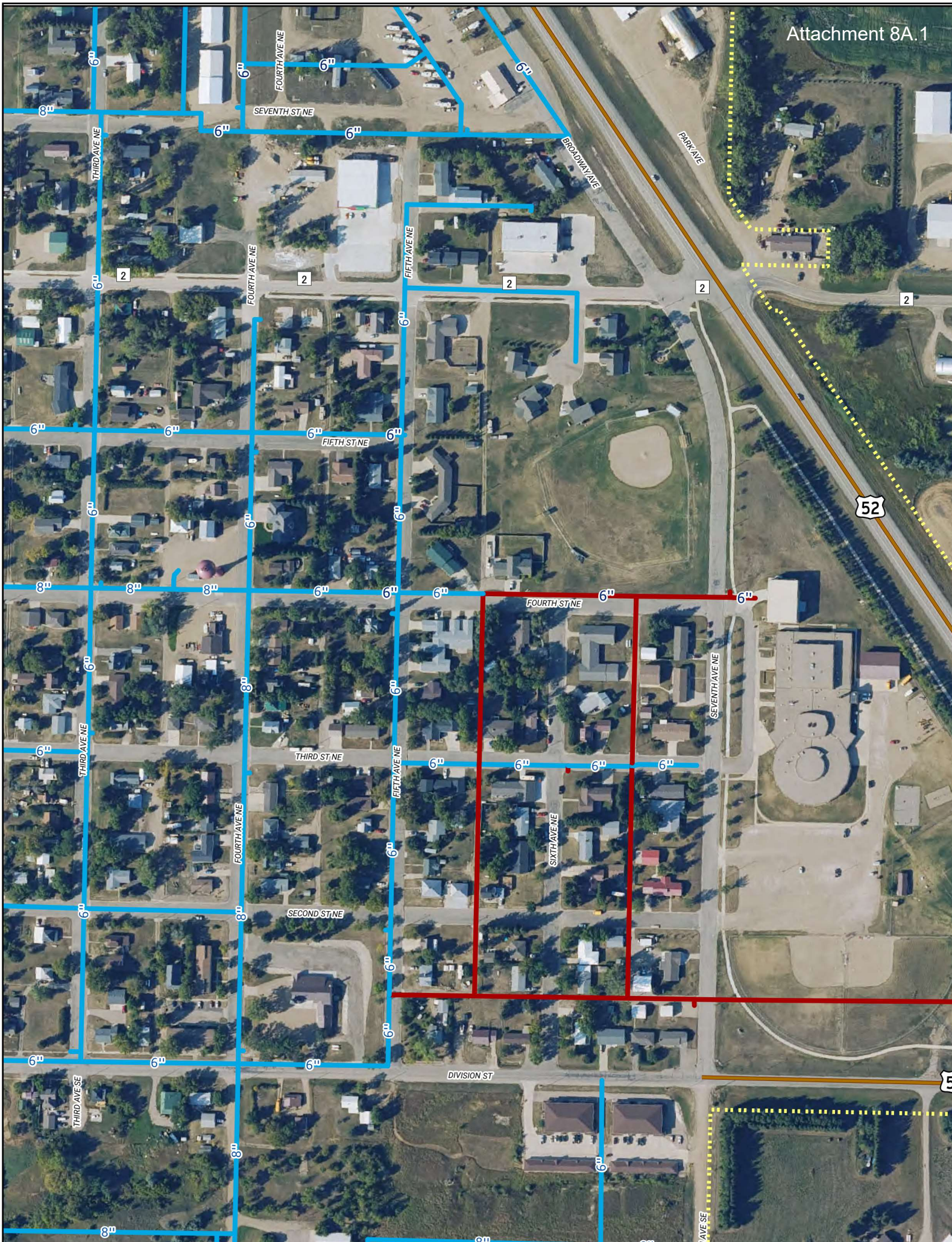
**Special Assessments Levied & Collected 7/31/2025:**

<b>Year</b>	<b>Dollar Amount</b>	<b>Amount Collected to Date of Application</b>	<b>Percentage Collected</b>
<b>2024</b>	83,821	76,584	91%
<b>2023</b>	78,458	78,458	100%
<b>2022</b>	141,511	141,511	100%

**City of Kenmare Mill Levy History:**

<b>Year</b>	<b>City</b>	<b>School</b>	<b>Park District</b>	<b>State and County</b>	<b>Total for Each Year</b>
<b>2024</b>	123.06	102.27	19.33	64.76	309.42
<b>2023</b>	124.48	99.13	18.07	62.13	303.81
<b>2022</b>	118.65	101.78	16.69	60.35	297.47
<b>2021</b>	115.36	102.00	10.75	62.85	290.96
<b>2020</b>	121.20	103.40	10.57	62.88	298.05







Docket for Hearing  
Thursday, April 24, 2025  
N.D. Oil & Gas Division 1000 East Calgary Avenue

**Case No. 31677, Order No. 34409:** Application of Continental Resources, Inc. for an order amending the field rules for the Brooklyn-Bakken Pool and/or Dollar Joe-Bakken Pool, Williams County, North Dakota, so as to create and establish the following: (i) two overlapping 1920-acre spacing units comprised of Sections 6, 7 and 18; and Sections 19, 30 and 31, T.155N., R.97W., authorizing the drilling of a horizontal well on each proposed overlapping 1920-acre spacing unit; and, (ii) four overlapping 3840-acre spacing units comprised of Sections 1, 12 and 13, T.155N., R.98W. and Sections 6, 7 and 18, T.155N., R.97W.; Sections 24, 25 and 36, T.155N., R.98W. and Sections 19, 30 and 31, T.155N., R.97W.; Sections 5, 6, 7, 8, 17 and 18, T.155N., R.97W.; and Sections 19, 20, 29, 30, 31 and 32, T.155N., R.97W., authorizing the drilling of a horizontal well on or near the section line between existing spacing units on each proposed overlapping 3840-acre spacing unit, and/or such further relief.

Docket for Hearing  
Wednesday, July 23, 2025  
N.D. Oil & Gas Division 1000 East Calgary Avenue

**Case No. 31937, Order No. 34679:** Application of Phoenix Operating LLC for an order amending the applicable orders for the Zahl or Little Muddy-Bakken Pool to establish a standup 1920-acre spacing unit described as Section 32 T.159N., R.101W. and Sections 5 and 8 T.158N., R.101W., Williams County, ND, and authorize five horizontal wells to be drilled on such unit, or granting such other relief as may be appropriate.

Docket for Hearing  
Wednesday, July 23, 2025  
N.D. Oil & Gas Division 1000 East Calgary Avenue

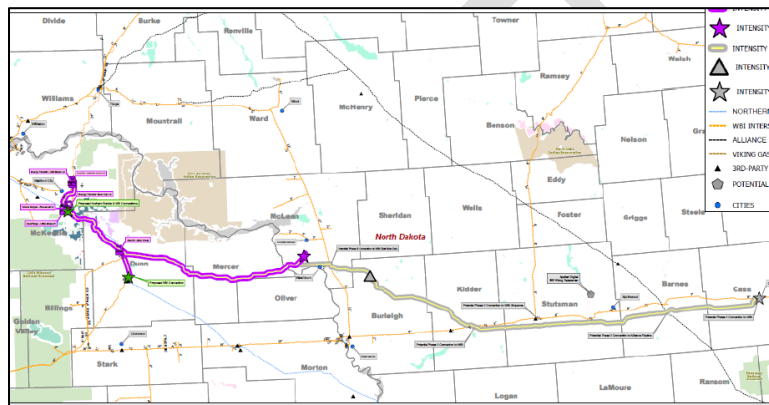
**Case No. 31938, Order No. 34680:** Application of Phoenix Operating LLC for an order amending the applicable orders for the Zahl-Bakken Pool to establish a standup 1920-acre spacing unit described as Sections 17, 20, and 29 T.159N., R.101W., Williams County, ND, and authorize five horizontal wells to be drilled on such unit, or granting such other relief as may be appropriate.



## Pipeline Company Requests - Summary

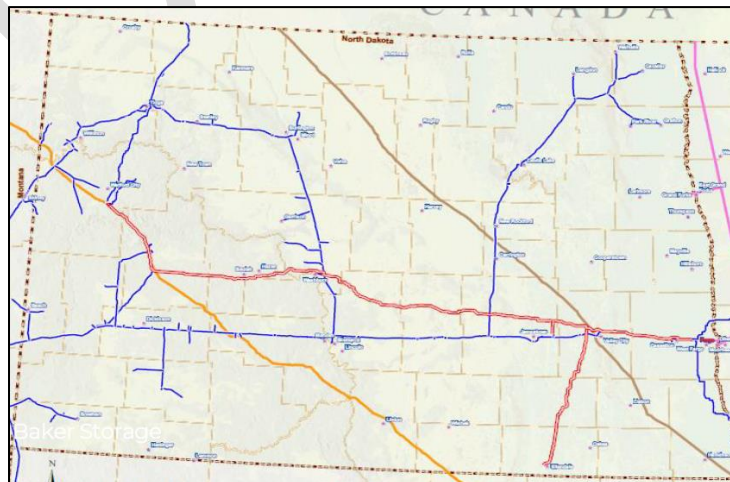
- **Intensity Infrastructure Partners**

- Intensity is seeking a \$50 million per year capacity commitment from the NDIC/NDPA for Phase 1 of the project. This level of commitment would be sufficient to support construction of a 36-inch pipeline to Underwood (up from 24-inch), while positioning the system for a Phase 2 expansion to eastern North Dakota once additional commercial interest is secured. If \$50 million per year is deemed unavailable for Phase 1, a \$30 million per year capacity commitment would be sufficient to support the construction of a 30-inch pipeline to Underwood.



- **WBI Energy - Bakken East**

- WBI Energy is seeking a \$50 million per year capacity commitment from the NDIC/NDPA for the Bakken East project, which will span from Watford City, ND, to Mapleton, ND (Cass County). Proposed pipeline diameters range from 36 inches in the west to 30 inches in the east, including a 20-inch lateral to Ellendale, ND.



## INITIAL GAS PIPELINE PROJECT COMPARISON

### **NON-CONFIDENTIAL INFORMATION**

	<b>Bakken East - WBI</b>	<b>Intensity Phase I&amp;II</b>
<b>Amount Requested (Annual)</b>	\$50 Million/Year	\$50 Million/Year
<b>Requested Term</b>	10 Years	10 Years
<b>Requested Route (July 30, 2025 IC Meeting)</b>	Watford City to Mapleton (Cass County)	Watford City to Underwood (Phase 1 Only)
<b>Proposed In-Service (West)</b>	November 2029	July 2029
<b>Proposed In-Service (East)</b>	November 2030	January 2030
<b>Pipe Diameter (West)</b>	36" (125 Miles)	36" (136 Miles)
<b>Pipe Diameter (East)</b>	30" (225 Miles) 20" (80 Miles Ellendale)	30" (208 Miles)
<b>Initial Pipe Capacity (East)</b>	1,000,000 Dth/d	Phase 2: 430,000 Dth/d (875,000 Dth/d Expanded)
<b>Regulatory Structure</b>	FERC (Federal Energy Regulatory Commission)	ND PSC (Hinshaw) FERC Certificate for Interstate (Open to possibly FERC)
<b>Upstream Pipe Connectivity</b>	WBI & Northern Border	WBI & Northern Border
<b>Directly Connected Upstream Gas Plants (Count)</b>	23	9
<b>Eastern North Dakota Connectivity</b>	WBI, Alliance, Viking	Phase 1: N/A Phase 2: WBI & Alliance Viking – Indirect (WBI)
<b>Gas Storage Connectivity</b>	Yes - Direct	Yes - Indirect (WBI)
<b>Open Season Interest (East)</b>	735,500 Dth/d	300,000 Dth/d
<b>Signed Shipper Agreements (East)</b>	2	0



# Bakken Play Natural Gas Transmission Pipeline Phase I & II (“Intensity Pipeline”)

Presentation for the North Dakota Industrial Commission (“NDIC”)

July 30, 2025  
[www.intensityinfra.com](http://www.intensityinfra.com)



Intensity Infrastructure Partners, LLC (“Intensity”) is based in Tulsa, OK and led by Joseph Griffin and Derek Gipson

Intensity’s executive team has a combined 145 years of diverse experience covering management, commercial, operations, engineering, marketing, construction, and origination for a broad range of midstream activities, primarily in the Permian Basin, Bakken, Powder River Basin, and various Mid-Continent plays

The team has worked together for over 15 years at highly successful midstream companies such as Hiland Partners, LP (“Hiland”), Intensity Midstream LLC (“WEX”), and Sendero Midstream Partners LP (“Sendero”)

- Invested in excess of \$2 billion in the construction and acquisition of midstream assets throughout the value chain, including gas gathering, compression, processing and treating, crude oil and NGL gathering, and transmission
- Successfully raised approximately \$900 million and \$2 billion of equity and debt commitments, respectively, from well-regarded energy investors such as Harold Hamm, Quantum Energy Partners, Energy Capital Partners, EIV Capital, and Ares Management
- Proven track record of successfully working with a diverse range of capital providers and strategic partners

Intensity is a portfolio company of EIV Capital, LLC (“EIV”), a Texas-based energy investing firm with approximately \$2.2 billion assets under management that specializes in providing equity capital to the North American energy industry, primarily focused on midstream infrastructure. EIV’s management and investment teams have extensive experience leading and investing in successful companies across the energy value chain



## Historical Projects and Operations History for the Intensity Executive Management Team

	Company	Project Type	States	Pipeline Diameter	Total Miles of Pipe
1	Hiland - Bakken	Gas / Oil Gathering	North Dakota / Montana	6" - 16"	2,100
	Hiland - Non-Bakken	Gas / Oil Gathering	Wyoming / Oklahoma	4" - 16"	1,700
	Hiland - Double H	DOT Oil Transmission	North Dakota / Montana / Wyoming	12"	511
2	WEX	Gas Gathering	Oklahoma	6" - 20"	219
	WEX - SCOOP Express	DOT / FERC Gas Transmission	Oklahoma	20"	26
3	Sendero	Gas Gathering	New Mexico	6" - 20"	142
	Sendero - Getaway	DOT / FERC Gas Transmission	New Mexico / Texas	24"	23
3 Companies		Gathering & DOT Transmission	6 States	4" - 24"	4,721

***Intensity, during tenure at Hiland, constructed 1,700 miles of pipeline in North Dakota alone***

- Major publicly traded midstream companies have acquired and now own virtually all of the midstream infrastructure previously constructed and operated by the Intensity management team
- This underscores the superior quality of assets and the rigorous operational standards that the team consistently upholds in its pipeline infrastructure projects

1 **Hiland** acquired in 2015 and now owned by Kinder Morgan

2 **WEX** acquired in 2022 and now owned by Energy Transfer

3 **Sendero** acquired in 2022 and now owned by Energy Transfer

## Stakeholder Engagement Strategy

- Intensity company executives will conduct stakeholder meetings in all North Dakota counties impacted by the project and plan to utilize in-state local North Dakota ROW firms for easement negotiations
- Intensity company executives and selected North Dakota ROW firms will remain in contact with landowners during the ROW negotiations and construction of the project
- Landowners will be provided with direct contact information of Intensity company personnel to resolve issues or concerns during and after construction

***Intensity has successfully secured over 3,000 miles of ROW in multiple states without the use of eminent domain***



*In Five Years, Hiland Was Transformed From a Conventional Gas-Focused Mid-Con Company into the Largest Provider of Crude Oil and Natural Gas Services in the Bakken Until its Sale to Kinder Morgan for ~\$3 Bn*

## Secured Significant Dedications from Major Bakken Producers

- 1.8 MM gross acres dedicated for crude oil gathering service under long-term contracts
- 3.7 MM gross acres dedicated for natural gas gathering service under long-term contracts

## Key Customers Contracted



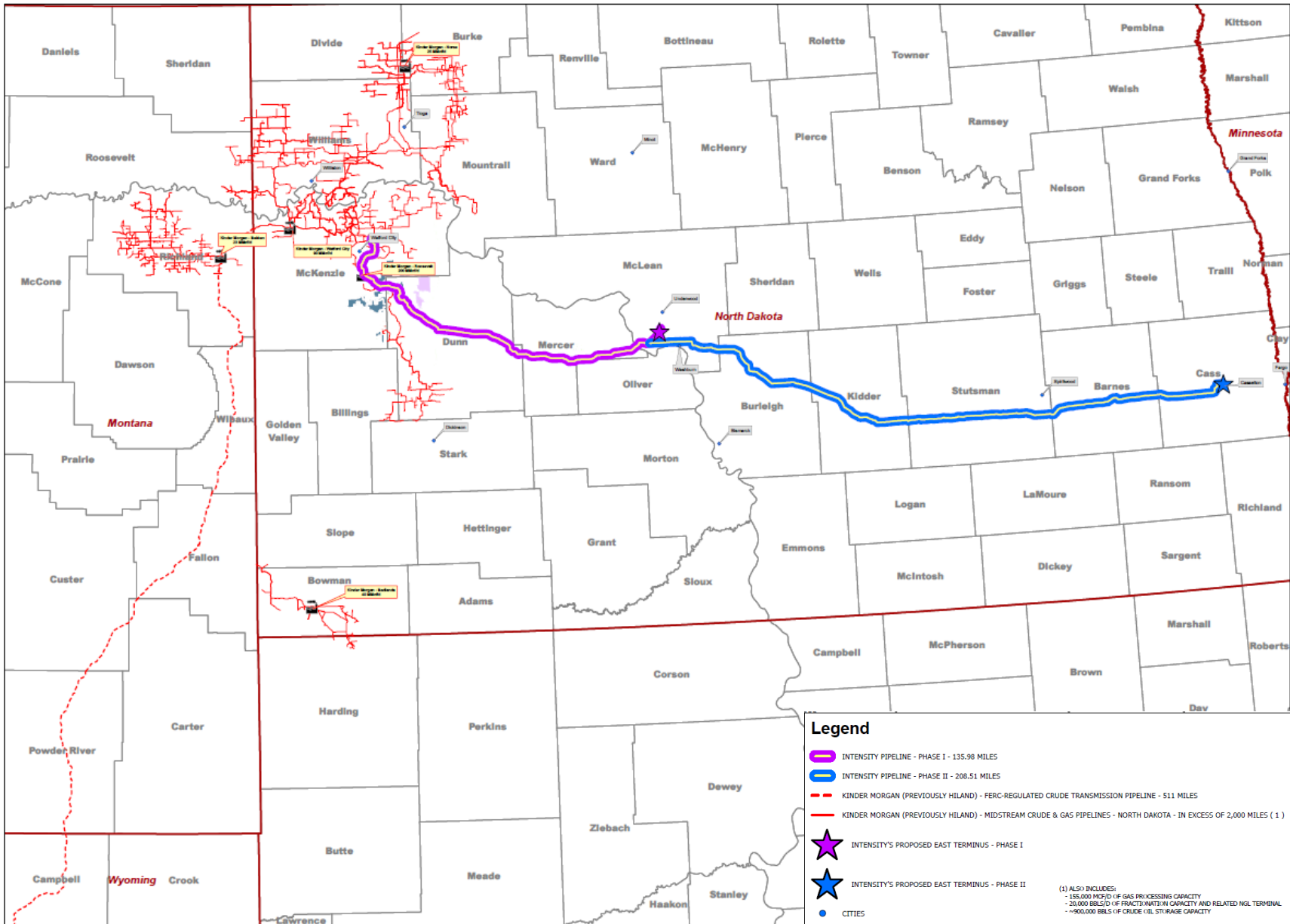
## Successfully Built and Operated Extensive Midstream Systems

- Total inlet volumes gathered via pipeline CAGR of ~31%
- Constructed over 2,000 miles of crude oil and natural gas gathering lines throughout the Bakken core
  - Over 300,000 Bbls/d of crude oil pipeline gathering capacity
  - Over 230,000 Mcf/d of gas gathering capacity
  - 120,000 Mcf/d of gas processing capacity
  - 20,000 Bbls/d of fractionation capacity and related NGL rail terminal
  - ~900,000 Bbls of crude oil storage capacity
- Constructed the Double H Pipeline, the first long-haul crude oil transmission line out of the Bakken play

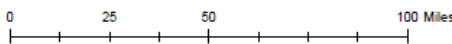
## Demonstrated Financial Management Expertise and Discipline

- Divested over \$100 MM of non-core assets at an EBITDA multiple greater than 10x
- Significant capital markets experience
  - Raised \$975 MM of senior unsecured notes in the high yield market to fund Bakken expansion projects
  - Negotiated and raised \$400 MM senior secured revolving credit facility and related amendments to provide flexibility for the Bakken capital program and maximize unitholders' equity value
- Maintained public-company-style financial reporting and developed strong relationships with bondholders

# INTENSITY'S PAST AND CURRENT PROJECTS IN NORTH DAKOTA



**HISTORICAL NORTH DAKOTA ASSETS & PROPOSED PHASE I & II PIPELINE  
BY INTENSITY INFRASTRUCTURE MANAGEMENT TEAM**







## Intensity Pipeline

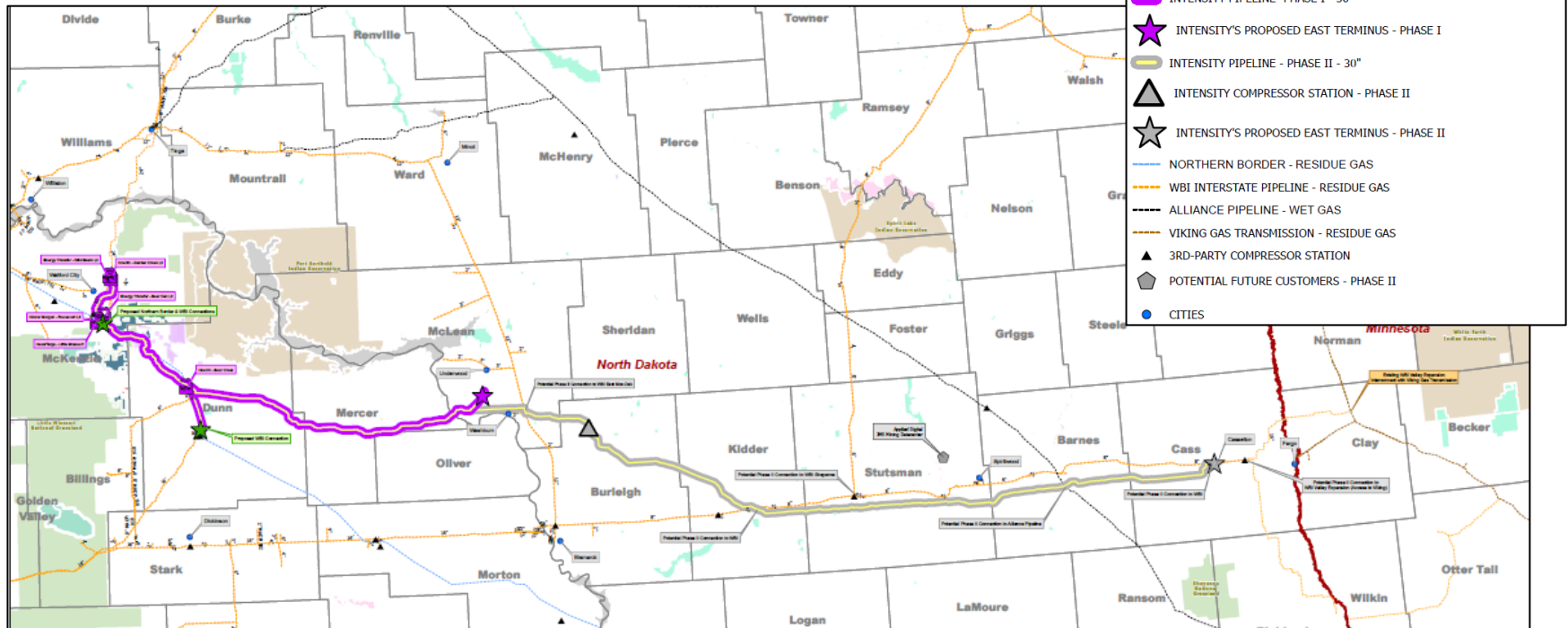
- **Approximately 350 miles** of 36" and 30" natural gas transmission pipeline
- **1,100,000 Dth/d capacity** and is expandable with additional compression
- **Originating at direct connections with midstream gas processing plants and interstate pipelines** near Watford City, ND and terminating near Casselton, ND
- **Intensity Pipeline will be regulated by the North Dakota Public Service Commission**
  - Permitting timeline is not contingent on Washington D.C. bureaucracy
  - Partnering with the North Dakota Public Service Commission on route siting and permitting keeps the state's best interest in clear sight and optimized for future enhancements
  - Common carrier status includes provisions that allow for future walk-up shippers
  - Future, currently unknown, shippers have ability to utilize reserved capacity left unsubscribed by Intensity for walk-up shippers
- **Contracted with shippers in two phases to ensure project success** with focus on the first right-sized pipeline mile out of the Bakken
- **July 1, 2029 and January 1, 2030 target in-service dates** for Phase I and Phase II, respectively

***Substantial Phase I & II open season support with 1,745,000 Dth/d interest received  
and basin wide support from Bakken midstream incumbents and producers***

## Intensity Pipeline Phase I

- **136 miles of 36" natural gas transmission pipeline** originating near Watford City, ND and terminating near Washburn, ND
- **1,100,000 Dth/d initial capacity** and no compression is required
- **Six midstream gas processing plant complex receipt points** currently serving over 1.6 Bcf/d of wet gas produced from the Bakken
- **Multiple interstate pipeline receipt points** with Northern Border Pipeline ("NBPL") and WBI Energy ("WBI")
- **Multiple future tie-in points along its path** for new gas power plants and a primary natural gas supply point at its east terminus for potential growth in industrial, utility, and hyper scaler power demand in eastern North Dakota
- **July 1, 2029 target in-service date**, which can be accelerated if shipper demand timing requires
- **Rates are less than \$0.40/Dth**

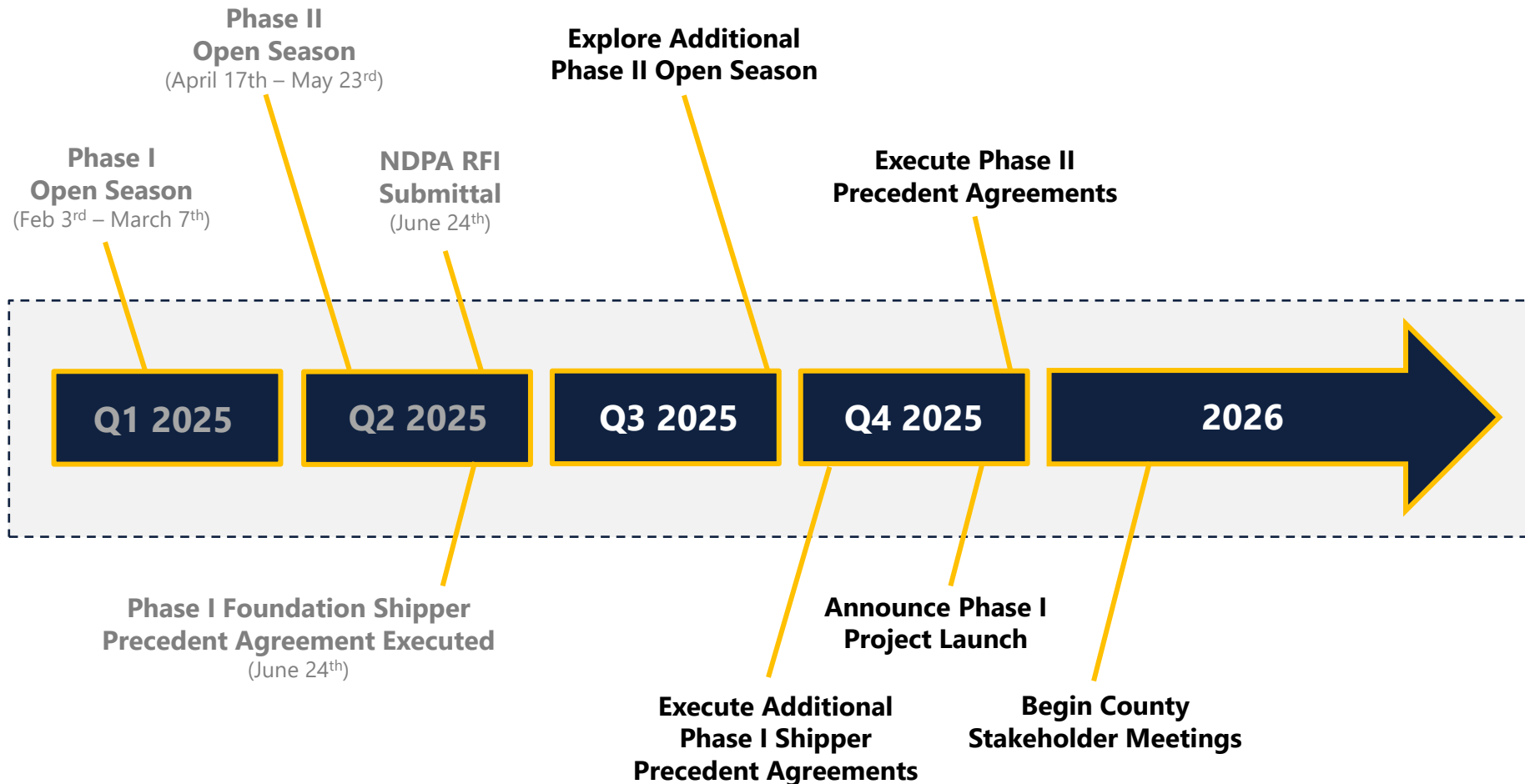
***\$50 MM annual commitment from NDIC ensures a 36" pipeline is constructed***



## Intensity Pipeline Phase II

- **208 miles of 30" natural gas transmission pipeline** originating at the east terminus of Phase I and extending to Casselton, ND
- **430,000 Dth/d initial capacity** and is expandable with additional compression to 875,000 Dth/d
- **Compression requires less than 0.9% fuel**
- **Multiple future tie-in delivery points** along the mainline allowing access to WBI, Alliance, and Viking as well as connections to future natural gas industrial and power demand near Mapleton, ND
- **January 1, 2030 target in-service date**, which can be accelerated if shipper demand timing requires
- **Rates in the \$.080/Dth area** to traverse entire ~350-mile, Intensity Pipeline



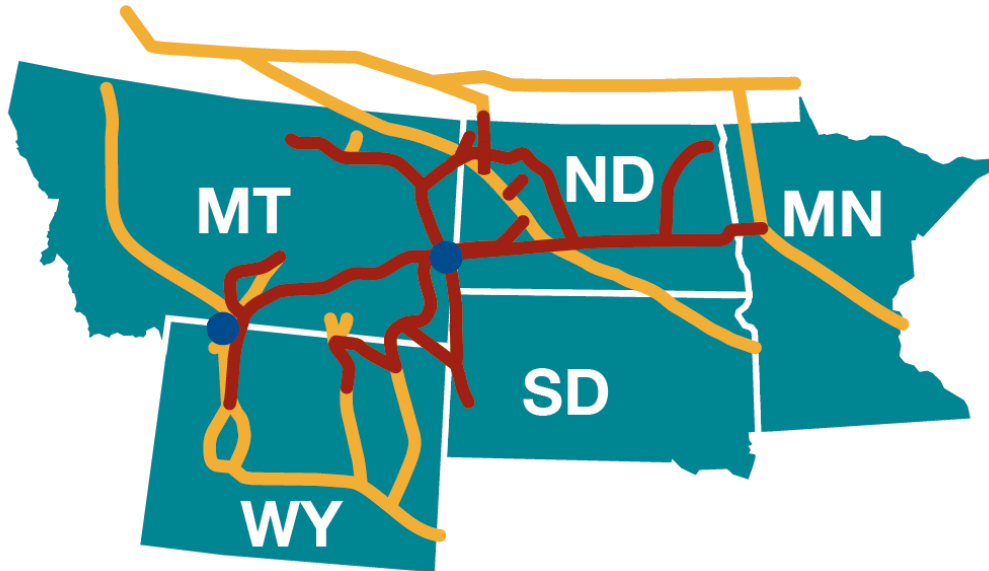


# Bakken East Pipeline

Rob Johnson - President

# WBI Energy Operations

- Company storage fields
- States of operations
- Pipeline systems
- Interconnecting pipelines



## Transmission

- 3,800 miles of transmission pipeline
  - 2.9 Bcf/day of system capacity
  - 14 interconnecting points
  - Storage (193 Bcf working gas capacity)
  - Approx. 350 employees
  - FERC regulated interstate pipeline
- 
- Transport ~60% of Bakken residue gas
  - Transport ~68% ND natural gas consumption



# CANADA

## Proposed Bakken East Pipeline Project

Overview  
Exhibit

### Legend

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

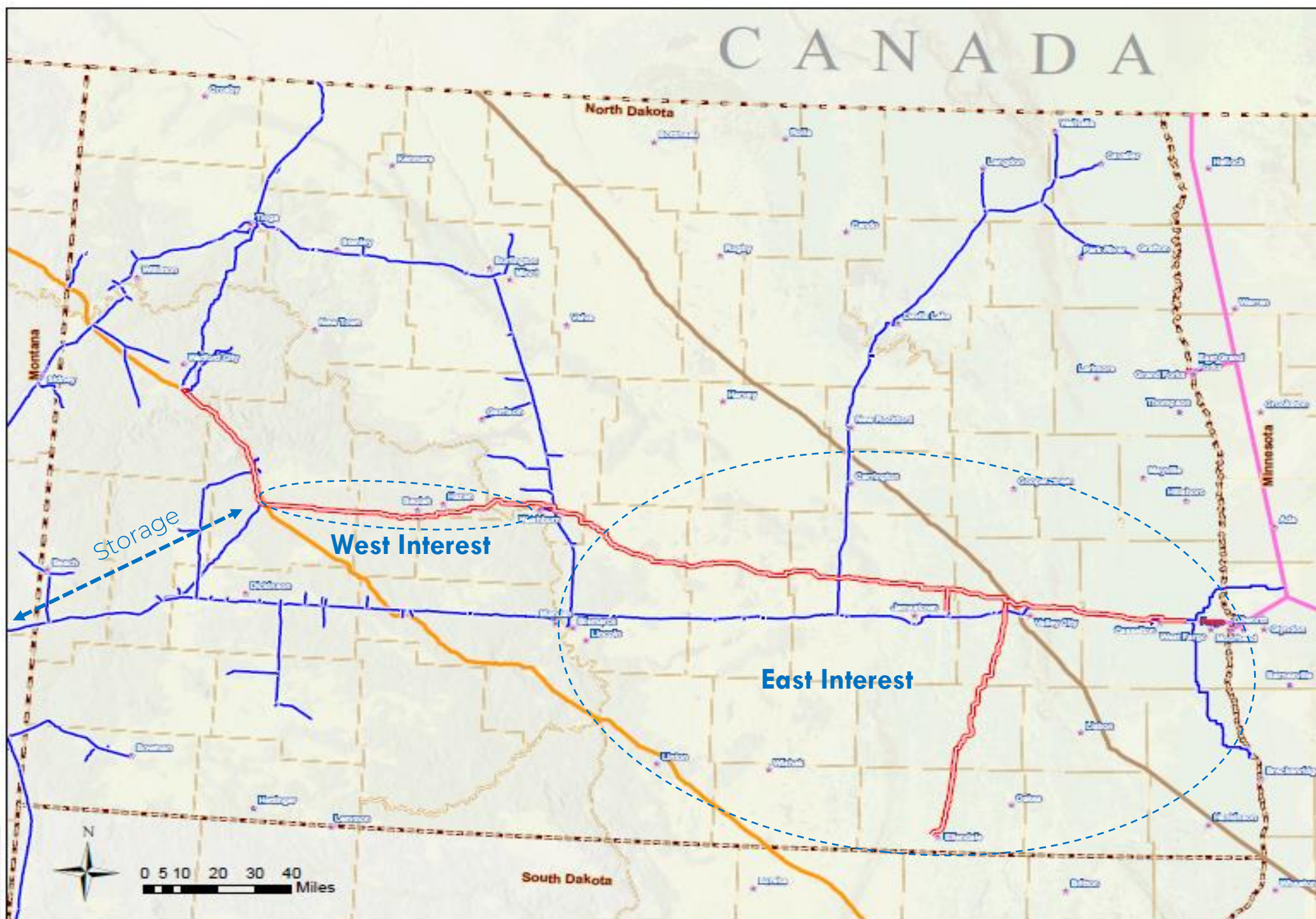
### Foreign Natural Gas Pipelines

- Alliance
- Viking
- Northern Border Pipeline

- ▬ State Boundaries
- ▬ County Boundaries

Scale: 1:1,750,000

**WBI ENERGY**  
TRANSMISSION  
an SDI Resources Group company





# Key Advantages

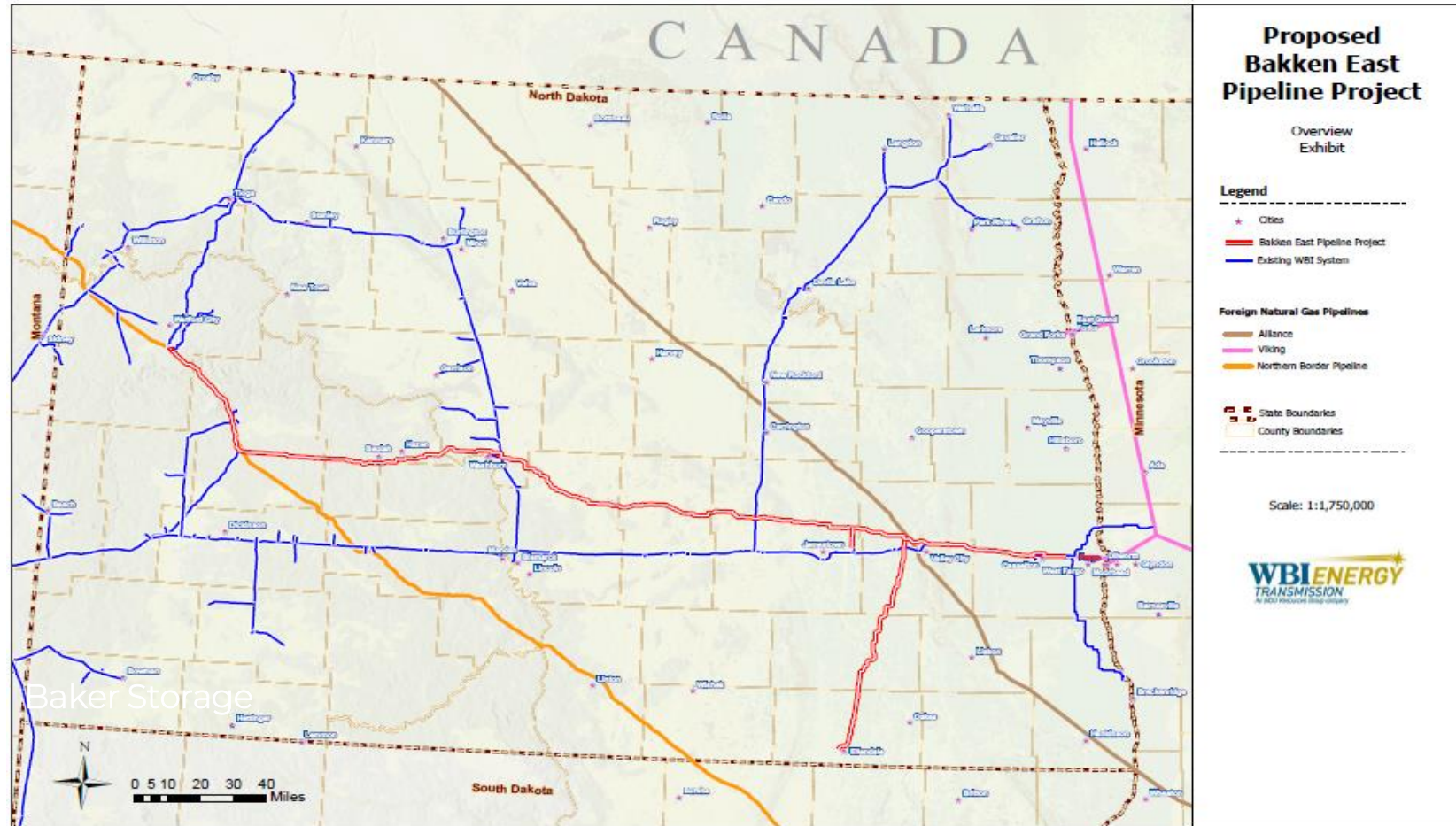
- 100 Years of interstate pipeline experience and expertise
  - Workforce of 350, skilled in all facets of interstate pipeline operations
  - Integrated system of assets and strategic position in the Bakken
- Support natural gas production growth in the Bakken
  - Additional natural gas take away capacity will be necessary
  - Direct access to 24 existing gas processing facilities in the Bakken
- Enhance Economic Development across North Dakota
  - Power generation including potential for data centers along with industrial growth will require natural gas

# Key Advantages

- No stacking of rates or fuel charges across WBI Energy's integrated system
- Direct access to storage
- Interconnects with multiple interstate pipelines
- Enhanced security and reliability for central and eastern ND
- Service to additional ND communities
- FERC Regulated – transparent, non-discriminatory, open access

# Bakken East Overview

- Proposed Route:
  - Phase 1: Elkhorn Creek to Washburn, ND
  - Phase 2: Washburn to Mapleton, ND
- Miles of Pipe
  - Phase 1: ~125 miles 36" pipe
  - Phase 2: ~225 miles 30" pipe
  - Ellendale Lateral: ~80 miles 20" pipe
- Compression (~55,000 add'l HP)
  - Two new compressor stations
    - Washburn
    - Alliance
  - Expand existing compressor stations
    - Elkhorn Creek
    - Mapleton
- Interconnects with Northern Border, Alliance and Viking



# CANADA



# Bakken East – Preliminary Work

- 85% permission to survey received for 350 mile mainline

- 20% permission to survey received for Ellendale Lateral

- 150 miles of wetland and general habitat surveys completed
- 54 miles of cultural surveys and staging yards completed
- 205 miles of special status species surveys completed



# State Support – Key Takeaways

- Bridge timing of varying customer needs for gas with project in-service date
- Competitive rates for all customers
- Provides incremental egress capacity for Bakken operators
- Provides increased access to natural gas for North Dakota communities, commercial users and industrial users
- Supports potential upsizing of pipeline for long-term strategic and economic growth in the state

# Questions



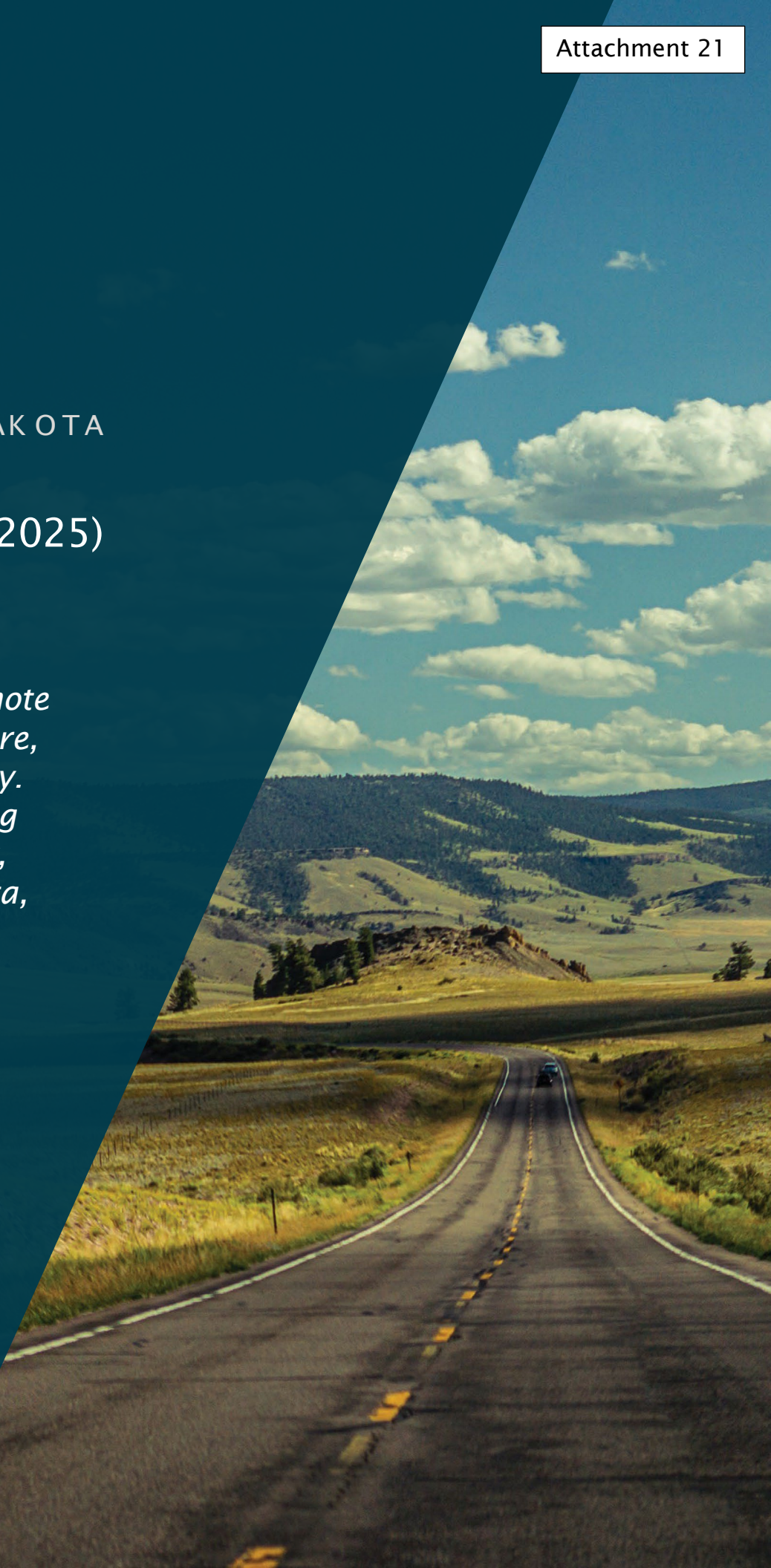


BANK OF NORTH DAKOTA

## CEO Update - (July 2025) (Non-Confidential)

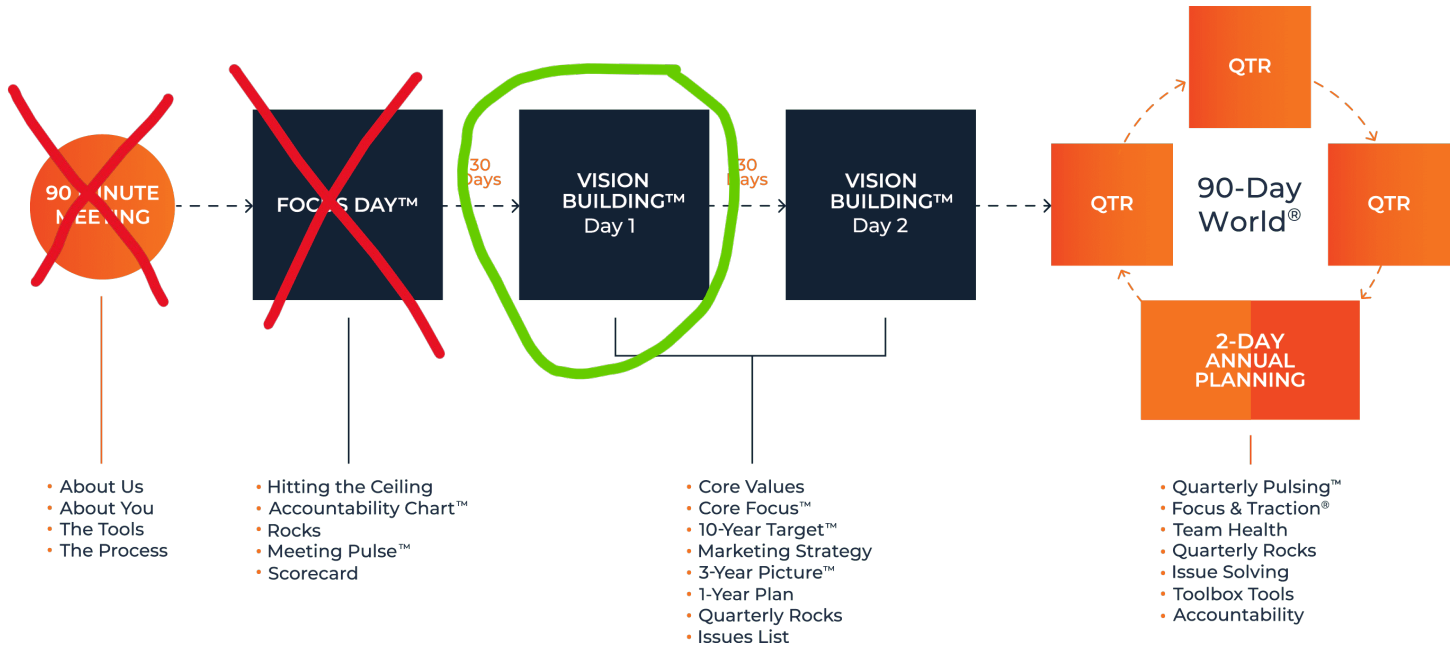
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*“Our mission is to promote North Dakota agriculture, commerce, and industry. We do that by managing risk, providing liquidity, promoting North Dakota, and earning a return. “*



# Strategic

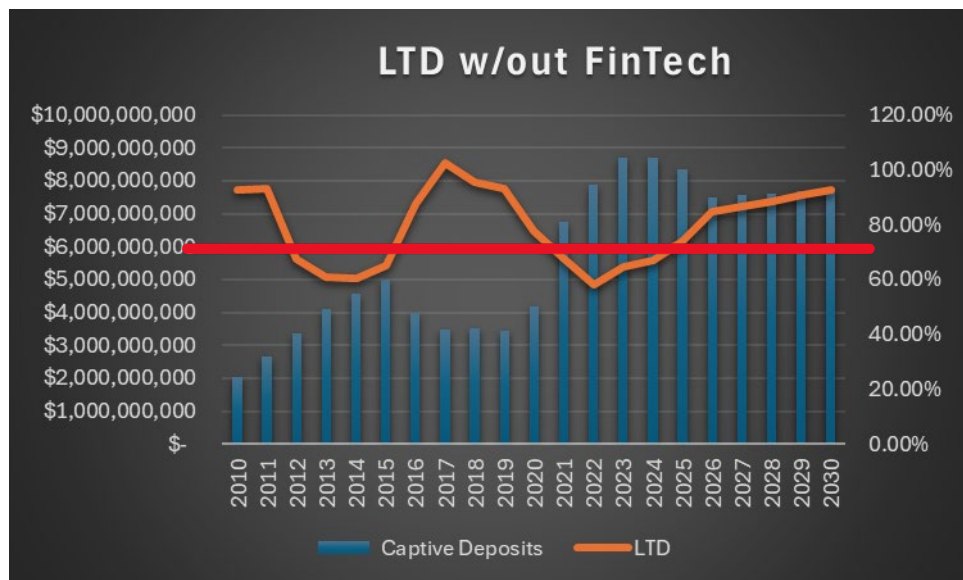
## Traction EOS



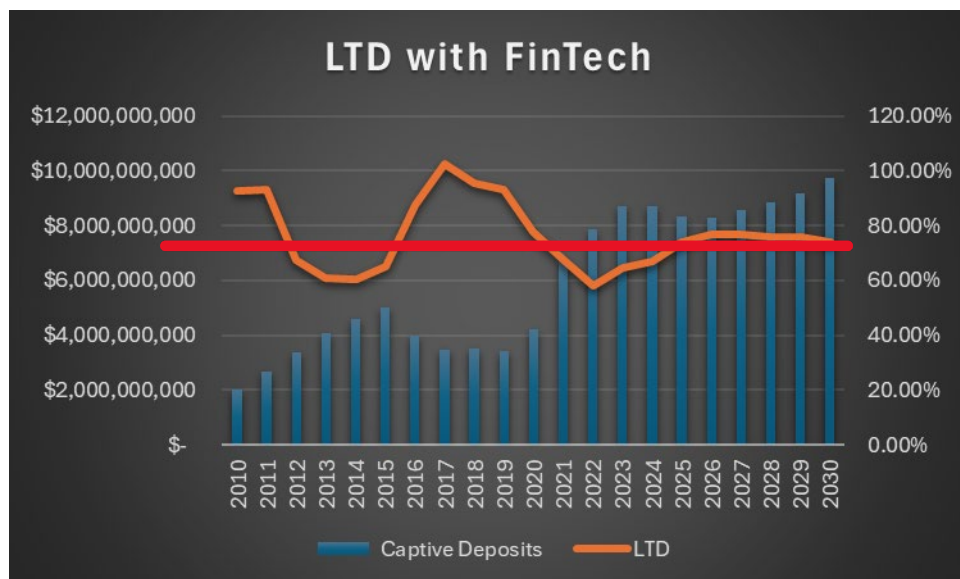
1. We continue our Traction EOS journey by actively developing four of the five Foundational Tools:
  - a. **Accountability Chart** – more than an organizational chart. Working from the needs of the Bank backward into the leadership roles and functional areas needed to achieve our strategies. Caring less about title and more about alignment and execution.
  - b. **Rocks** – the most important items to accomplish every 90 days. Aligning and prioritizing the projects, tasks, big to-do's, etc. Clarifying our expectations for improved accountability and prioritizing what will get done and, at times more importantly, what will not get done.
  - c. **Meeting Pulse (“L10” and “Quarterly Pulse”)** – a better meeting. Began our weekly “Executive L10” with space made for the Executive team to function as a team. Aids with improved clarity, issue resolution, team health, and efficient use of time – overall better execution.
  - d. **Scorecard / Dashboard** – finger on the pulse. The most important weekly leading and lagging financial indicators so the Executive team stays in the know. Faster issue identification and thereby resolution.
2. We are entering the Vision Building phase in August and September where we will develop the fifth Foundational Tool:
  - a. **Vision/Traction Organizer (the “VTO”)** – our new strategic roadmap. Rather than a 52-page strategic plan updated annually, the VTO is a two-page active strategic document updated quarterly. It sets the stage for alignment of all Rocks to achieve a 10-year target via a 4-year picture and plan. It will be our guiding light moving forward.

## New Initiatives

1. We continue to explore these three strategic pathways on our journey into “FinTech”:
  - a. **Diversify BND deposit base to ensure future funding sufficiency without competing within North Dakota borders** – Long-term forecasted State deposit base is flat to declining thereby limiting the growth outlook. Coupled with appropriate liquidity management (“Loan-to-Deposit” ratio), BND will likely reach a point of no growth or balance sheet shrinkage. Therefore, we are exploring the possibilities of various FinTech opportunities to grow future non-State captive deposits, diversify the balance sheet, and grow the organization for the long-term.



\* History/forecast BND deposits and LTD without FinTech



\*History/forecast BND deposits and LTD with FinTech



- Possible future projects under Strategy #1 include, but are not limited to:
    1. **Neobank** – a separately chartered financial institution (sister to BND) to market banking deposit products on a national level.
    2. **Embedded Banking** – partnering with an existing FinTech app (e.g. Chime, Uber Eats, Walmart, etc.) to provide banking deposit products within.
    3. **Upper Midwest Correspondent Banking** – offering BND’s correspondent services to upper Midwest financial institutions (i.e. South Dakota, Wyoming, Montana, Nebraska) requiring reserve deposit balances.
  - **The long-term (10 year) potential of Strategy #1 is to source nearly \$4B in out-of-state deposits, grow to a \$15B bank, and add over \$100M in additional annual net income.**
- b. **Help North Dakota financial institutions figure out FinTech et al** – the Nation’s banking system is changing and evolving rapidly. Concepts and ideas like neobank, embedded banking, open banking, debanking, stablecoin, cryptos, etc. continue to require financial institutions to adjust. The space is moving quickly and changing weekly. Our goal is to be that leading State-wide expert that our financial institutions can turn to.
- Possible future projects under Strategy #2 include, but are not limited to:
    1. **Banking Beyond Borders** – Annual Spring/Fall peer exchange for North Dakota financial institutions C-suite. Education, connecting, sharing, etc.
    2. **North Dakota Stablecoin** – With recent passage of framework laws at the Federal level, stablecoin is moving from the realm of speculative investment to a form of digital transaction currency (e.g. a new payment rail). Core providers are beginning to build beta systems as this new payment rail and the use cases are developing for the banking industry and possibly for long-term merchant adoption. We are exploring the possibility of acting as a beta for our North Dakota financial institutions under a possible hub and spoke model.
  - **The long-term (10 year) potential of North Dakota stablecoin is BND is the State hub that all our financial institutions use for stablecoin payment rails and nearly all forms of traditional financial transactions (i.e. loan payments and closings, title closings, participation payments, ACH/wires, etc.) have a stablecoin competitor.**
- c. **Diversify our income statement with noninterest income** – similar to our balance sheet growth and diversification Strategy #1, we are exploring opportunities to add safe, secure, sources of additional noninterest income.
- Possible future projects under Strategy #3 include, but are not limited to:
    1. **Earned Wage Access for all State employees** – offering the EWA product to State employees for recruitment/retention improvement.
    2. **State P-cards through BND** – exploring the opportunity to replace “outside the box” JP Morgan with BND as the P-card provider.
    3. **Custodial for Partner Financial Institutions** – exploring the opportunity to act as custodian for partner banks, credit unions, and/or FinTechs.

## Talent Management

We are beginning our path to develop an evolved Talent Management framework. A part of our Traction EOS journey, the framework will include review and adjustments to functional structuring, hiring/onboarding, job analysis, career development, leadership development, succession planning, and retention/recruitment (i.e. recently approved SMART Plan).

We are in the beginning stages of this evolution that will culminate in the next four years.

The SMART Plan itself is successfully integrated into our managerial framework and is already producing anecdotal results.

1. We have witnessed managers pulling teams together, without it being directed or mandated by Executive leaders, to assess activities they can stop/start to align accomplishment with SMART objectives.
2. Several instances have arisen where staff have delayed retirement due specifically to the SMART Plan.
3. As shown below, we are exceeding SMART Plan targets through the first quarter of 2025:

## SMART Score Summary

### Employee Retention and Recruitment Review

8/12/2025

June 30, 2025

Payout Percentage	15.34%
-------------------	--------

Quarterly Comparison	YTD 3/31/25	YTD 6/30/25	YTD 9/30/25	12/31/25
Credit Quality	3.75%			
Enterprise Risk Management	3.75%			
Financial Performance	4.09%			
Mission and Strategy	3.75%			
<b>Total Payout Percentage</b>	<b>15.34%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

	Min 3.375%	Target 3.75%	Max 4.125%	Actual
<b>Credit Quality</b>		★		3.75%
<b>Enterprise Risk Management</b>		★		3.75%
<b>Financial Performance</b>			★	4.09%
<b>Mission and Strategy</b>		★		3.75%
<b>Payout Percentage</b>				<b>15.34%</b>

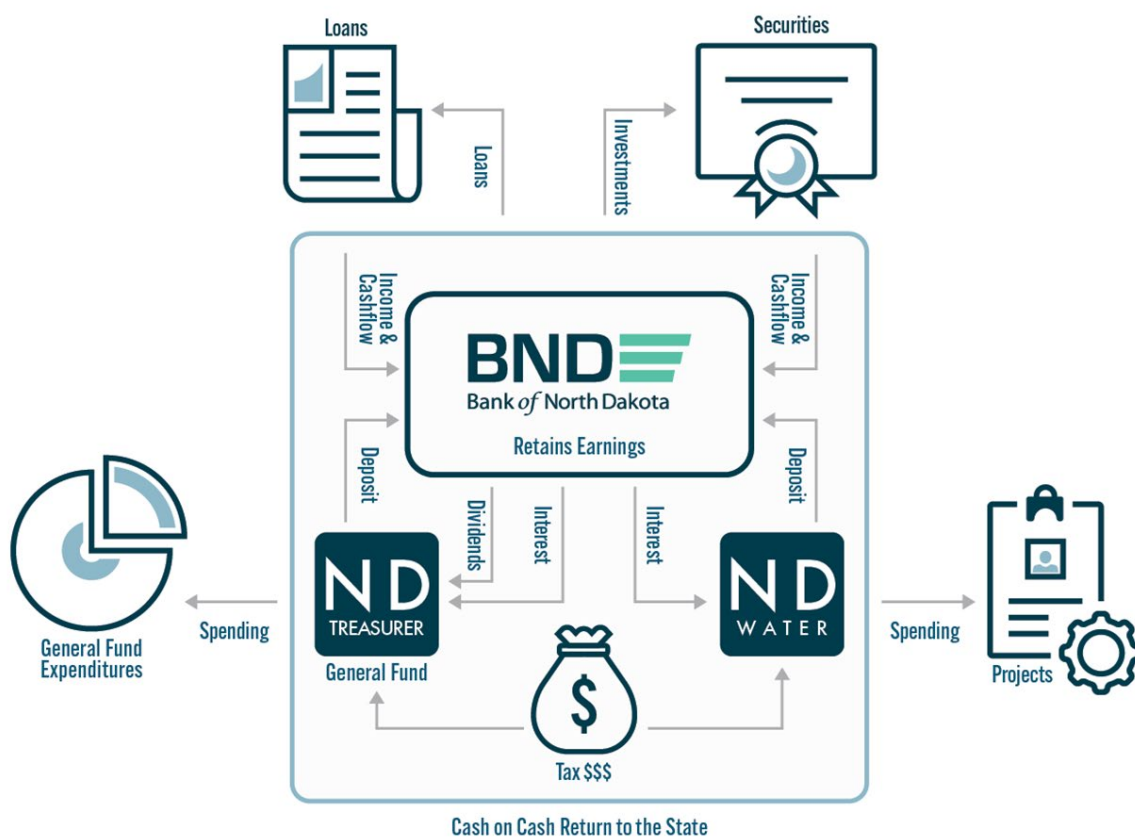
	Min	Target	Max	Total
<b>Credit Quality</b>				3.75%
Nonperforming Loans / Total Loans		1.125%		
Adversely Classified Assets / Total Loans	1.0125%			
Net Charge Offs / Average Loans			1.2375%	
Execution		0.375%		
<b>Enterprise Risk Management</b>				3.75%
Strategic, Credit, Liquidity, Interest Rate, Operational, Compliance, Reputational, & IT/Cyber		3.375%		
Execution		0.375%		
<b>Financial Performance</b>				4.09%
Total Return			1.2375%	
Efficiency Ratio			1.2375%	
Net Interest Margin			1.2375%	
Execution		0.375%		
<b>Mission and Strategy</b>				3.75%
Completion of BND Strategic Goals		1.875%		
Execution of Mission		1.875%		
<b>Payout Percentage</b>				<b>15.34%</b>

## Governance

We have successfully integrated the required changes resulting from the 69<sup>th</sup> Legislative assembly – policy changes; legislative program amendments, additions, and subtractions; etc.

Additionally we are preparing to actively participate in the newly formed Cash Management Committee. In this context and working with the Governor as the Chair of Cash Management, we plan to introduce the following ideas/concepts:

1. “In the Box” vs. “Out of the Box”
2. Align language and nomenclature
3. “In the Box” process solutions
4. “Out of the Box” mission, risk/return balance, and structuring solutions
5. Whole of State perspective
6. Examples



## ***Financials***

Overall, we continue to grow at a moderate pace and produce strong earnings. The bond swap executed in the first half of the year will begin to pay significant returns after October and our loan and security portfolios continue to benefit from repricing in this prolonged “up rate” environment. We continue to manage costs well and net income without consideration of the one-time \$(17M) swap loss is \$11M or 11% higher year-over-year.

Dividends are fully paid out for the 2023-2025 biennium and capital continues to grow at an acceptable pace. Forecasted deposit balances and our ability to grow into the future remain our top financial concern.

## ***Balance Sheet***

Through June 30, 2025, the following are key balance sheet updates:

1. Total deposits have shrunk \$655M or 7.08% from last year. This was anticipated due to forecasting of State deposits based on production and price. This flat/shrinkage trend is one key reason we are looking so closely at go forward FinTech strategies.
2. We are running at a 3.18% loan growth rate (YOY YTD), significantly slower than in recent years.
  - a. We continue to intentionally yet moderately slow loan growth through our “balanced” credit decision tree and culture approach.
  - b. Most of the current loan growth is from our two ag disaster programs.
3. As a result of the relationship between loans and deposits, our securities portfolio has shrunk by \$100M or 2.4% from last year.
  - a. We continue to benefit from the \$1B bond swap executed on in the first half of the year. We improved security yield by an approximate 3% average on swapped bonds with a breakeven recovery of the realized loss in October of this year. Long-term approximate \$30M increase to annual security yield revenue.
4. Borrowings are up \$494M year-over-year; however, capital continues to grow at a 10.65% rate (even after full dividend distribution of \$167M in the first half of 2025) primarily due to strong continued earnings.

## ***Income Statement***

Through June 30, 2025, the following are key income statement updates:

1. Net interest income is up \$18M or 15% year-over year. Primarily resulting from the continued repricing occurring in our loan and security portfolios in this prolonged “up-rate” environment.
2. Provision for credit loss is up \$4M or 67% year-over-year due to credit quality moderately deteriorating and requiring a higher allowance for loss.
3. Noninterest income is down significantly when you factor in the \$(17M) recognized security loss from the bond swap. Outside of this one-time event, noninterest income is relatively flat year-over-year.
4. Operating expenses are up \$3M or 17% year-over-year. Primarily resulting from increased IT & System costs as well as staff expense as we are 1) running closer to full staffing levels when compared to a year ago, and 2) we have fully accrued for the SMART Plan expense for 2025.



# Risk

## Enterprise Risk Management (“ERM”)

We are nearly complete with the ERM evolution coinciding with the new Capital Plan approved earlier this year. We have reviewed and amended key risk indicators (“KRI’s”) and aligned to our strategies and our SMART Plan. Below is the most recent version of where BND sits in terms of holistic risk identification, mitigation, and overall management. The dashboard below is 90% complete in terms of our new KRI framework.

Enterprise Risk Dashboard July 31, 2025			
Risk Category	Risk Weight	2Q25 Risk Score	2Q25 Weighted Risk
Strategic Risk	15%	1	0.15
Operational Risk	15%	2.2	0.33
Compliance Risk	15%	2.08	0.312
Credit Risk	25%	2.2	0.55
IT Cyber Risk	7.50%	1.3	0.0975
Liquidity	15%	1	0.15
Interest Rate Risk**	0%	0	0
Reputation Risk	7.50%	1.4	0.11
Total Weighted AVG ERM Rating			1.69
Green Range			0 - 2.99
Yellow Range			2.99 - 4.99
Red Range			⇒ 5.00

As shown, holistic risk is trending well within the green through July 2025. Additionally, all major risk categories remain green. Important to note that Credit Risk, Compliance Risk, and Operational Risk are running the highest within the green range.

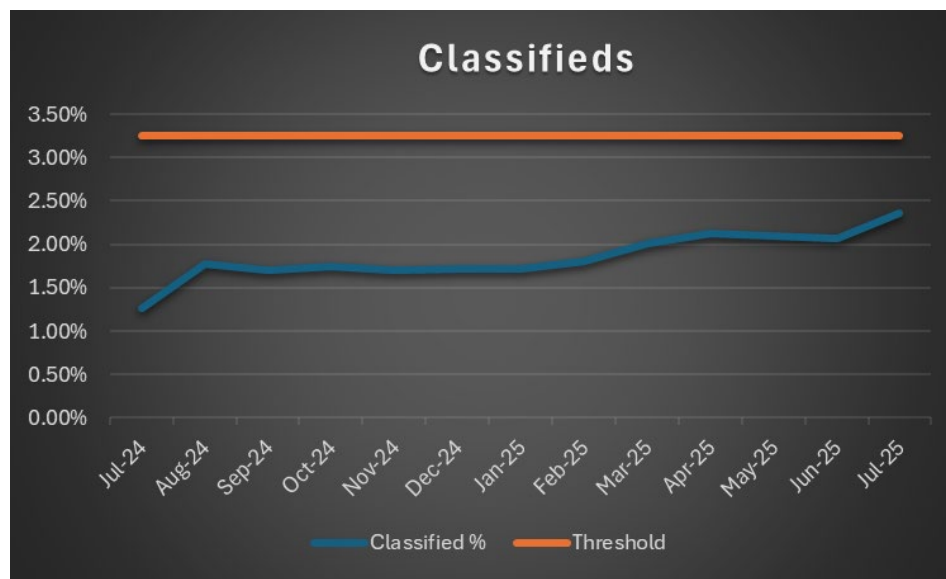
Credit Risk continues to moderately deteriorate and our ERM framework is capturing this appropriately – we are not yet in our yellow banded range.

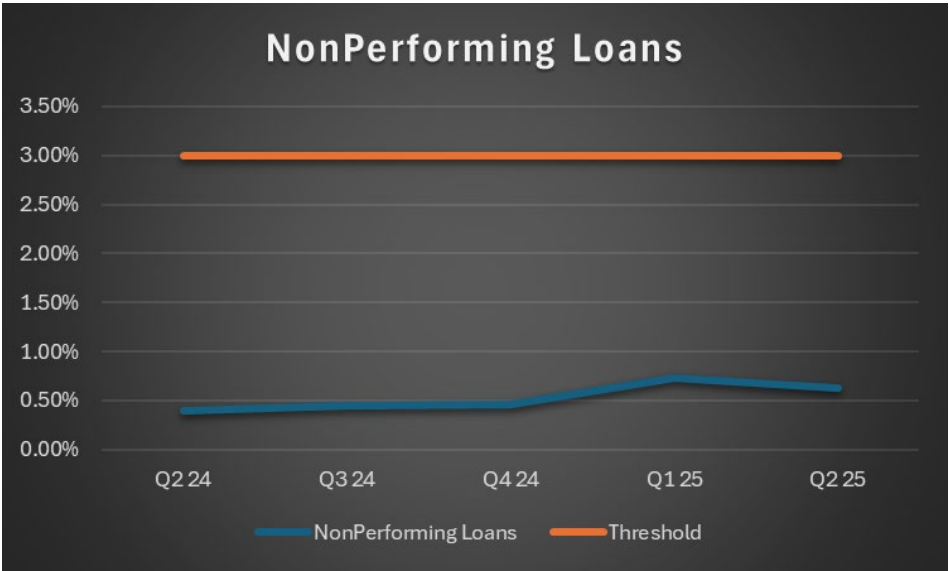
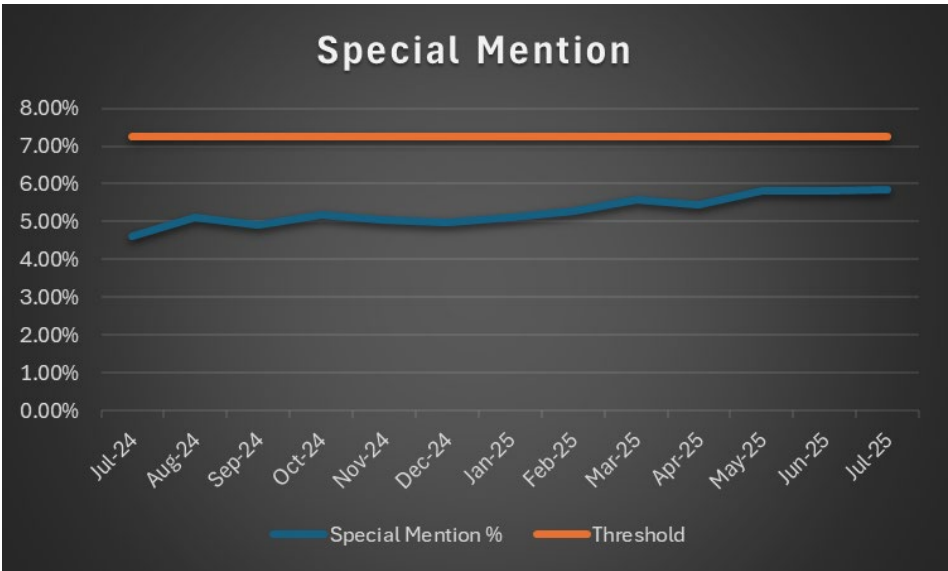
Compliance and Operational Risk is elevated due to issues that will be covered in our confidential conversation.

## Credit Quality

As of July 31, 2025, we continue to see moderate credit quality deterioration in our portfolio.

1. Classified loans have increased from a low of 1.26% in July last year to 2.36% currently. Special mention loans have similarly increased from 4.61% to 5.86% over the same time period. Nonperforming loans have increased from a low of 0.40% last year to 0.63% as of July 2025. We remain well within established thresholds in these three critical categories; however, the trend is concerning and indicative of the stress building in our commercial and agricultural portfolios.
  - a. The primary drivers of the deteriorating trend include 1) systemic agricultural stress across our State due to depressed commodity prices, inflated operating costs, and high interest expense, and 2) pockets of commercial stress specifically in multi-use retail/residential projects, hotels/motels, and mixed C&I businesses.
  - b. As we enter this trend of credit quality deterioration, below are activities we are focused on:
    - i. We are moderately slowing loan growth with our new “balanced” credit decision trees and culture.
    - ii. We are actively identifying and addressing all micro-trends that emerge within credit administration that may indicate broader systemic risk (i.e. tickler past dues, construction draw issues, etc.)
    - iii. Ensuring we maintain adequate current special assets staff and resources as well as go forward continuity and contingency resources.
    - iv. Working closely and frequently with our lead financial institution partners to quickly identify problem credits and/or problematic micro-trends.
    - v. Conducting frequent loan and/or capital stress tests to assess macro-level deterioration.
    - vi. Forecasting, to the best of our ability, possible trend peak scenarios and aligning to ensure allowance for loss and capital adequacy.





## Liquidity

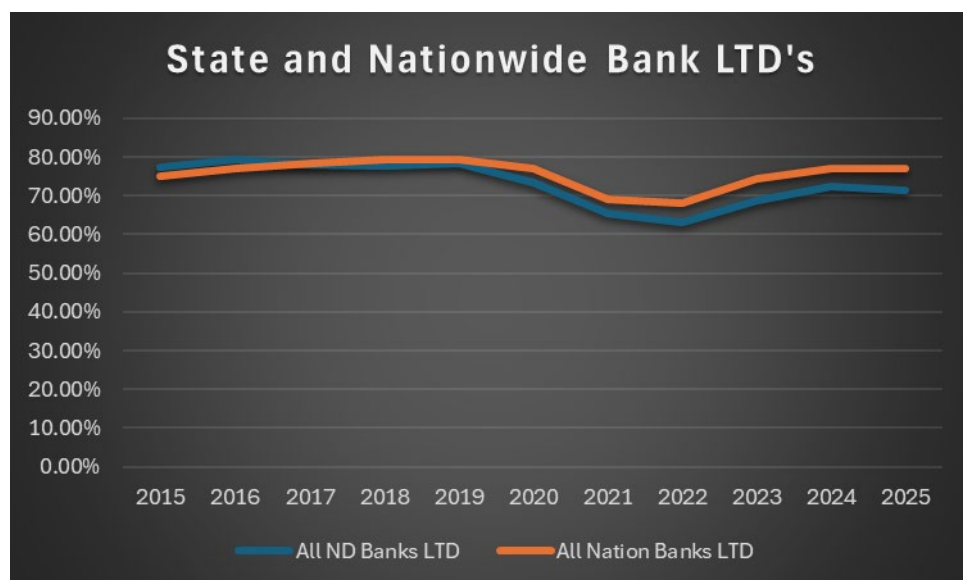
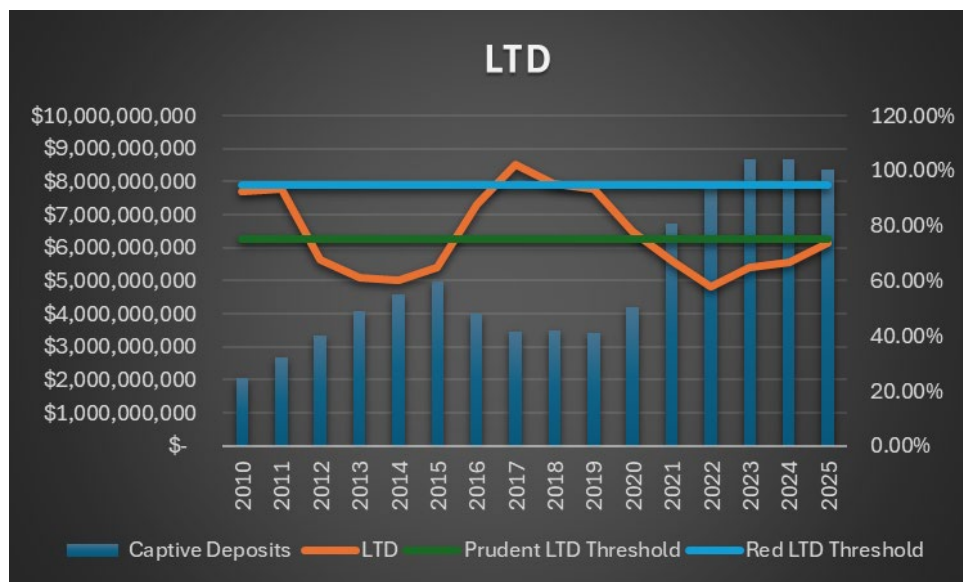
Liquidity and liquidity management are materially important to the Bank's mission. As such, many metrics are utilized to measure, set thresholds, monitor, and make decisions regarding liquidity. These metrics are measured in various functional areas (i.e. Finance, Treasury, Lending, etc.) and through varying Executive-level committees (i.e. Funds Management, Investment Committee, etc.).

For the purposes of Industrial Commission, the most material and high-level strategic liquidity measurement is the Loan-to-Deposit ratio (the "LTD"). Measuring the percentage of our deposit funding invested in non-liquid loans versus held in cash or invested in liquid securities.

The banking industry widely ranges in terms of thresholds for LTD as it is closely tied to those institutions' strategies – aggressive or moderate, robust mergers and acquisitions or organic growth, risk tolerance of shareholders and the Board, etc.

As BND's mission is fulfilled by managing risk, providing liquidity to the State, promoting North Dakota, and earning a healthy risk-balanced return – we have set our thresholds for LTD at a target of 75% with a redline of 90%. This range appropriately aligns to our mission, our governance risk profile, and to our strategies.

The chart below shows the LTD history:

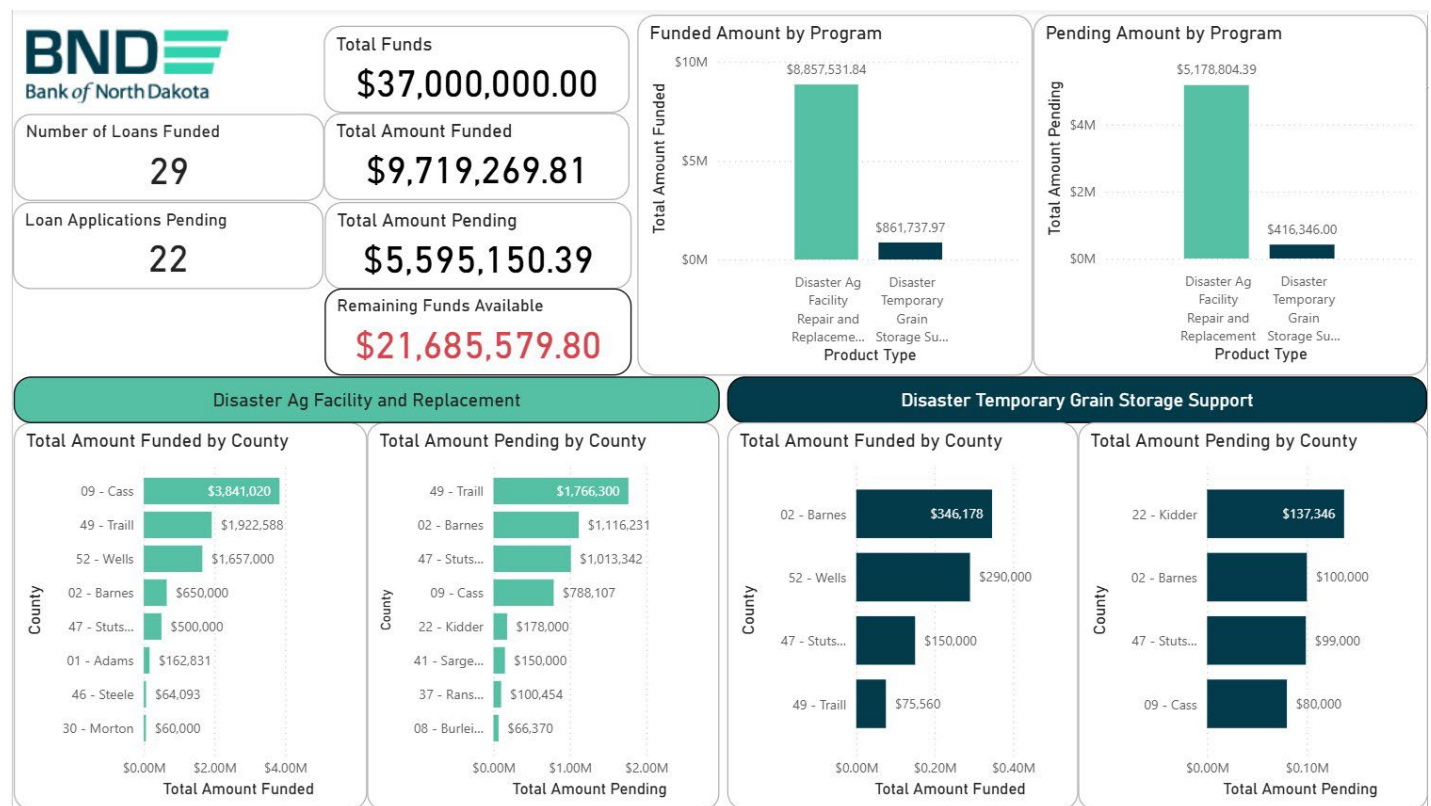


As shown, currently we are at our prudent target threshold of 75%. However, in our history you can see periods at and even above our red line threshold. Therefore, our largest strategic concern going forward is deposit funding and how our LTD forecast is trending – back to our strategic focus on the possibility of gathering out-of-state deposits via FinTech ideas, relationships, and projects.

In terms of 75% as a prudent target threshold for the Bank’s liquidity, you can see all North Dakota banks and all our Nation’s banks have trended in this range over the last decade. It is the prudent threshold range for banking on the average.

## Policy and/or Program Approvals or Updates

### 2025 Storm Disaster Relief Program (Rebuilders) – Update



We are experiencing moderately robust utilization of our Storm Disaster Relief programs as shown in the dashboard above. Highest utilization is in the larger disaster ag facility repair with less than expected usage in temporary storage loans. We have reports of insurance proceeds processing more rapidly than expected and producers appear to be creating unique storage solutions in time for harvest.

We continue to work with affected elevators in the area on specific long-term recovery solutions, as well as monitor emerging needs in other impacted sectors.



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## North Dakota Industrial Commission Clean Sustainable Energy Authority Program Guidelines

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- CSEA – 3 Financial Assistance Limitations and Matching Funds Requirement
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- CSEA – 5 Review and Award Process
- CSEA – 6 Public Information – Access to Records

### CSEA – 01 GENERAL PROVISIONS

- CSEA – 1.01 Statutory Purpose Statement
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- CSEA – 1.03 Membership
- CSEA – 1.04 Costs of Application Preparation
- CSEA – 1.05 Acceptance and Rejection of Applications
- CSEA – 1.06 Reservation of Funds

**CSEA – 1.01 Purpose Statement.** The Clean Sustainable Energy Authority is created to support research, development, and technological advancements through partnerships and financial support for the large-scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery. The purpose of the financial support is to enhance the production of clean sustainable energy, to make the State a world leader in the production of clean sustainable energy, and to diversify and grow the State’s economy.

**CSEA – 1.02 Definitions.** As used in these policies:

1. “Applicant” means any entity applying to the Commission for a grant or loan from the Clean Sustainable Energy Fund.
2. “Application” means the written document that is submitted to the Commission by an applicant seeking a grant or loan from the Fund.
3. “Authority” means the Clean Sustainable Energy Authority consisting of ~~sixteen~~ eighteen members, including ~~eight-nine~~ voting members and ~~eight-nine~~ nonvoting technical advisors.
4. “Bank” or “BND” means Bank of North Dakota.
5. “Borrower” means successful applicant for a loan or loan guarantee from the Fund.
6. “Chair” means Authority member appointed by Legislative Management.
7. “Clean” means a technology or concept that reduces emissions to the air, water, or land and meets or exceeds state and federal environmental regulations.
8. “Commercial” means full-scale, similar (prototypical) system demonstrated in a relevant environment or actual completed and qualified through test and demonstration.
9. “Commission” means the North Dakota Industrial Commission or its representative.
10. “Contract” means the signed agreement between the Commission and recipient which describes the rights and duties of the Commission and recipient with regard to the Program or the Loan Agreement.



11. "Financial Assistance" means grants, loans, loan guarantees, venture capital and interest rate buydowns, etc.
12. "Fund" means the Clean Sustainable Energy Fund available to the Commission to provide funding for the Program and as authorized in N.D.C.C. 54-63.1.
13. "Grant" means a monetary award made by the Commission under the Program.
14. "Grantee" means a successful applicant for a grant from the Fund.
15. "Loan Agreement" means a contract governing the extension of money from the Commission under the Program to another entity with the agreement that the money will be repaid and outlines the interest rate, the repayment period, the collateral (if any) and any special terms.
16. "Pilot Scale" means representative engineering scale model or prototype system which is well beyond the lab scale and tested in a relevant environment. Represents a major step up in the technology's demonstrated readiness and is followed by commercialization.
17. "Program" means the Clean Sustainable Energy Program administered by the Commission.
18. "Quorum" or "Majority" is defined as five voting members.
19. "Recommendation" the Authority may not forward a recommendation to the Commission unless the recommendation fulfills the Authority's purpose and is approved by a majority of the voting members of the Authority. All projects will first go through Independent Technical Advisor review, Bank of North Dakota review, and Technical Committee review.
20. "Recipient" means a grantee or borrower.
21. "Sustainable" means a technology or concept that allows the use of a natural resource to be maintained or enhanced through increased efficiency and life cycle benefits while either increasing or not adversely impacting energy security, affordability, reliability, resilience, or national security.
22. "Technical Advisor(s) or Technical Committee" means ~~eight-nine~~ nonvoting Authority members as authorized in N.D.C.C. 54-63.1.
23. "Technical Reviewers" mean independent technical reviewers selected by the Commission to review the merits of applications.

**CSEA – 1.03 Membership.** The Clean Sustainable Energy Authority consists of ~~sixteen-eigtheen~~ members, including ~~eight-nine~~ voting members and ~~eight-nine~~ nonvoting technical advisors.

1. The ~~eight-nine~~ voting members consist of:
  - a. ~~One-Two~~ members, one from the senate and one from the house of representatives, appointed by the legislative management to serve as co-chairman;
  - b. Two members appointed by the lignite research council;
  - c. Two members appointed by the oil and gas research council;
  - d. Two members appointed by the renewable energy council; and
  - e. One member appointed by the western Dakota energy association.
2. The ~~eight-nine~~ nonvoting technical advisors consist of:
  - a. One member appointed by the North Dakota outdoor heritage fund advisory board;
  - b. The commissioner of commerce or the commissioner's designee;

- c. The director of the department of environmental quality or the director's designee;
- e.d. The director of the department of water resources or the director's designee;
- d.e. The director of mineral resources or the director's designee;
- e.f. The director of the North Dakota pipeline authority or the director's designee;
- f.g. The director of the North Dakota transmission authority or the director's designee;
- g.h. The director of the state energy research center or the director's designee; and
- h.i. The president of the Bank of North Dakota or the president's designee.

***CSEA – 1.04 Costs of application preparation.*** The Commission is not liable for any cost, including costs of preparation of applications, incurred by applicants prior to issuance of a Contract, Loan Agreement or other Financial Assistance. The Commission will be liable only for those costs and expenses expressly identified by contract/agreement.

***CSEA – 1.05 Acceptance and rejection of applications.*** These guidelines do not commit the Commission to award funds. The Commission reserves the right to accept or reject any or all applications received as a result of the Program and to negotiate with any and all qualified applicants. An application must have received a favorable Clean Sustainable Energy Authority recommendation prior to consideration by the Industrial Commission.

***REC – 1.06 Reservation of funds.*** The Commission is not obligated to award the total amount of funds made available under this Program. Funds not awarded will be reserved for future financial assistance under the Program.

## **CSEA – 02 ELIGIBILITY CRITERIA**

*CSEA – 2.01 Eligible Applicants*

*CSEA – 2.02 Eligible and Ineligible Projects*

***CSEA – 2.01 Eligible applicants.*** Any corporation, partnership, cooperative, association or other appropriate entity, or consortium of such parties, may apply for financial assistance under this Program. Applicants who do not own or control or have the clear and firm commitment of ownership or control are ineligible. Any interested person in doubt as to eligibility should contact the Commission.

***CSEA – 2.02 Eligible and ineligible projects.*** Any project proposing research, development, and technological advancements for large-scale development and commercialization of projects, processes, activities and technologies that reduce environmental impacts and/or increase sustainability of energy production and delivery is eligible for financial assistance under this Program. Projects must demonstrate how financial support will enhance the production of clean sustainable energy, make the state a world leader in production of clean sustainable energy, and/or diversify and grow the state's economy. Projects must have other sources of financial support and not be duplicative of other research or development projects or technology. The following are examples, in no particular order, of eligible projects.

- Investments that result in low-emission advancements that lead to increased economic benefits and positive environmental public health benefits.
- Have the highest potential for preserving and creating clean sustainable energy jobs, wealth, and tax revenues for North Dakota.
- Promote efficient, economic and environmentally sound development and use of

North Dakota's energy resources, materials and products.

- Maximize the market potential for clean sustainable energy resources, materials and products and the associated byproducts.
- Minimize waste, including lower carbon-intensive agricultural products or processes and quantities of energy used.
- Increasing efficiencies that reduce emissions to the air, soil and water within North Dakota.
- Increase reliability and resiliency for sufficient dispatchable electrical generation capacity to avoid brownouts, blackouts or outages.

The following activities or uses are ineligible for funding under this Program:

- a. Business startup capital.
- b. Business working capital for grant awards.
- c. Business advertising or promotional expenses pertaining to a specific company or entity.
- d. Expenses not outlined in the proposed budget.
- e. Expenses incurred prior to submission of application. Note, applicants may incur expenses after submission of their proposal for which they intend to seek reimbursement; however, they do so at their own risk as the Authority/Commission may not award funding.

**CSEA – 2.03 Projects eligible for a CSEA loan.** A company applying for a loan from the Authority must meet the following criteria:

- The project must be ready to move into commercialization with a clear path towards profitability. Projects in any phase of a FEED study are not eligible for a loan.
- The project must also include private sector financing and equity from the company.
- There may be up to a maximum interest only period of 24 months, the company must be able to support monthly interest payments that will be due upon drawing on the loan. After the 24 months, principal and interest payments will be required.

### ***CSEA – 3 FINANCIAL ASSISTANCE LIMITATIONS AND MATCHING FUNDS REQUIREMENT***

*CSEA – 3.01 Minimum and Maximum Financial Assistance*

*CSEA – 3.02 Matching Funds Requirement*

***CSEA – 3.01 Minimum and Maximum Financial Assistance.*** Grants may be awarded for up to 50% of project cost, with a minimum grant of \$1 million and a maximum grant of \$10 million per project unless extraordinary circumstances exist. These grants are primarily targeted for pilot and demonstration scale systems but can be used through commercialization. Loan or loan guarantees may be for up to 50% of project cost, with a minimum loan or guarantee amount of \$10 million. Loan guarantees may also be considered with the amount and terms set by the Authority but underwritten and recommended by the Bank of North Dakota. Total Financial Assistance may not exceed 50% of the total project cost.

***CSEA – 3.02 Matching Funds Requirement.*** Commission funding must be matched with industry or other sources (e.g., various federal government agencies, non-profit organizations) of cash. This includes any specific project related expenses in which actual funds were expended that are incurred and documented. Documentation demonstrating the matching funds must be provided prior to disbursement. Letters of commitment from other

funding sources must be submitted to the Commission at the time of application. The Commission's approval is contingent upon receiving this documentation. If it is not received, the approval lapses and no funding may be made. A higher priority will be given to those applications having private industry investment equal to at least 50% or more of total cost.

### ***CSEA – 4 APPLICATION REQUIREMENTS***

CSEA – 4.01 Application Format

CSEA – 4.02 Application Deadline

***CSEA – 4.01 Application format.*** An application must be direct, concise, and informative. The application form to be completed is available on the Commission's website or can be obtained from the Industrial Commission at the address noted below. Prior to submitting the application, a discussion with the Bank of North Dakota is encouraged. Each page shall be numbered, and the application shall not exceed 20 pages in length (including the transmittal letter but not appendices). A copy of the application should be submitted electronically to [ndicgrants@nd.gov](mailto:ndicgrants@nd.gov), [sustainableenergy@nd.gov](mailto:sustainableenergy@nd.gov) and two paper copies of the application are to be submitted to the following address.

~~North Dakota Industrial Commission ATTN: Clean Sustainable Energy Program State Capitol Fourteenth Floor~~

~~600 East Boulevard, Bismarek, North Dakota 58505~~

The application must contain the following as outlined in the application form:

1. Transmittal letter. A transmittal letter setting forth a binding commitment on behalf of the applicant to complete the project as described in the application if the Commission makes the award requested. The letter must be signed by someone authorized to contract on behalf of the applicant.
2. Title Page. A title page setting forth the project title, applicant, principal investigator, date of application, proposed project duration, mailing address, and amount of the request.
3. Table of contents.
4. Abstract. A one-page abstract of the project stating its objective, expected results, duration, total project cost, and participants.
5. Project description. A detailed description of the project, including its objectives; its methodology outlining what will be done with the funds and the tasks necessary to accomplish project goals; its anticipated results including project deliverables; the facilities, resources, to be used and their availability and capability; the environmental and economic impacts of the project while it is underway; its ultimate technological and economic impacts; and why the project is needed.
6. Standards of success. The standards by which the success of the project is to be measured. This may include:
  - a. Emissions reduction.
  - b. Reduced environmental impacts.
  - c. Increased energy sustainability.
  - d. Value to North Dakota.
  - e. Explanation of how the public and private sector will make use of the project's results, and when and in what way.
  - f. The potential commercialization of the project's results.
  - g. How the project will enhance the research, development and technologies that

- reduce environmental impacts and increase sustainability of energy production and delivery of North Dakota's energy resources.
  - h. How it will preserve existing jobs and create new ones.
  - i. How it will otherwise satisfy the purposes established in the mission of the Program.
- 7. Background/Qualifications. A summary of prior work related to the project conducted by the applicant and other participants as well as by other organizations. This should also include summary of the experience and qualifications pertinent to the project of the applicant, key personnel, and other participants in the project.
- 8. Management. A description of how the applicant will manage and oversee the project to ensure it is being carried out on schedule and in a manner that best ensures its objectives will be met, and a description of the evaluation points to be used during the course of the project.
- 9. Timetable. A project schedule setting forth the starting and completion dates, dates for completing major project tasks/activities, and proposed dates upon which the interim reports will be submitted.
- 10. Budget. An itemized list of the project's capital costs; direct operating costs, including salaries; and indirect costs; and an explanation of which of these costs will be supported by the Program and in what amount. Identification of all other committed and prospective funding sources and the amount of funding from each source, differentiating between cash and indirect costs. An explanation why the funding requested is necessary to achieve the project's objectives and, if less funding is available than that requested, whether the project's objectives will be unattainable or delayed. The budget should identify all other committed and prospective funding sources and the amount of funding from each source. Higher priority will be given to those projects that have matching private industry investment equal to at least 50% or more of total cost. (Note ineligible activities or uses listed under CSEA 2-02.)
- 11. Tax liability. An affidavit stating that the applicant does not have an outstanding tax liability owed to the State of North Dakota or any of its political subdivisions.
- 12. Confidential information. Any information in the application that is entitled to confidentiality and which the applicant wants to be kept confidential should be placed in an appendix to protect the information from public disclosure while allowing public access to the rest of the application. Such information must be clearly labeled as confidential, and the applicant must explain why the information is entitled to confidentiality as described in North Dakota Century Code 54-63.1-06.
- 13. Patents and Rights to Technical Data. Any patents or rights that the applicant wishes to reserve must be identified in the application.
- 14. State Programs and Incentives. Any programs or incentives from the State that the applicant has participated in within the last five years must be identified, along with the timeframe and value.
- 15. Business Plan, 3 years historical financial information, budgeted projections, organizational documents (Note item 12, if confidential).
- 16. Appendices, Any necessary supporting documentation.

**CSEA – 4.02 Application deadline.** The Commission shall establish application rounds and set application deadlines. Applications ~~each calendar year~~ must be ~~delivered-submitted~~ to the Industrial Commission ~~or postmarked~~ on or before the deadlines set forth by the Commission. ~~November 1, March 1 and July 1. In addition to these funding rounds, the~~

~~Commission may establish additional rounds and set application deadlines for those rounds.~~

The applicant may amend its application at any time before the application deadline. After the application deadline, the applicant may amend its application only upon the approval of the Commission.

### ***CSEA – 05 REVIEW AND AWARD PROCESS***

*CSEA – 5.01 Application Evaluation – Criteria*

*CSEA – 5.02 Application Review – Initial Review*

*CSEA – 5.03 Application Review – Technical Reviewer*

*CSEA – 5.04 Application Review – Bank of North Dakota*

*CSEA – 5.05 Application Review – Authority Recommendation and Commission Decision*

*CSEA – 5.06 Loan Terms*

*CSEA – 5.07 Contracts*

*CSEA – 5.08 Loan Closing*

*CSEA – 5.09 Disbursement of Funds*

*CSEA – 5.10 Project Duration*

*CSEA – 5.11 Allocations*

*CSEA – 5.12 Partially Funded or Delayed Projects*

*CSEA – 5.13 Contract Modifications*

*CSEA – 5.14 Reporting Requirements*

***CSEA – 5.01 Application evaluation – Criteria.*** All applications will be evaluated according to the criteria set forth in North Dakota Century Code Chapter 54-63.1, and the criteria established by the Commission as stated in these program guidelines.

General Criteria. Program priority areas and have the outcome of accomplishing late-stage research, development, demonstration, commercialization include, in no particular order, but are not limited to the following:

- Concept enhances the production of clean sustainable energy, to make the State a world leader in the production of clean sustainable energy, and/or to diversify and grow the State's economy:
- Concept will lead to the large-scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and/or increase sustainability of energy production and delivery:
- The funds distributed from the financial assistance are to be applied to support in-state activities and must have significant involvement from other private sources.

The project's compatibility with the purpose of the Program will be evaluated on the following criteria:

- (1) The degree to which the project reduces environmental impacts and increases sustainability of energy production and delivery.
- (2) The timeliness of the project.
- (3) The impact on natural resource industries and value to the State.
- (4) The level of funding previously supplied by the State.
- (5) The level of matching funds, with higher priority given to those projects with private industry investment.
- (6) The short-term and long-term benefits to the State, including the diversification and growth of the State's economy.
- (7) The likelihood that the project will achieve its technical and market goals.



- (8) The scientific soundness and innovation of any proposed technology.
- (9) The financial feasibility of the proposed project.
- (10) The technical qualifications and expertise of the applicant, key personnel, and the sponsors.

***CSEA – 5.02 Application review – Initial review.*** Upon receipt of an application, the CSEA director and/or the Commission will determine if the application meets eligibility requirements and is complete. During this initial review the Commission or the CSEA Director may seek additional information from the applicant regarding the application including, but not limited to, application completeness, clarification of budget and matching funds, feasibility of the project meeting timelines, confidentiality request, and viability of the project. Any additional information provided during the initial review shall be included as part of the application. If the Commission determines that the application meets eligibility requirements and is complete, the application will be referred to the Bank of North Dakota and the Technical Reviewers selected by the Commission. The Commission may also refer any question it has about completeness and eligibility to the Technical Reviewers or the Bank of North Dakota and such question may then be a consideration throughout the review process.

***CSEA – 5.03 Application review – Technical Reviewer.***

- (1) Technical Reviewers are selected by the Commission. Technical Reviewers should possess the expertise and experience necessary to adequately review the application.
- (2) No independent Technical Reviewer with a direct financial interest in a proposed project may be involved in any way in the technical review of the application. If asked to review the application, the individual with the conflict of interest shall immediately inform the Commission of the conflict. Failure to notify the Commission disqualifies the individual from serving as a Technical Reviewer unless reinstated by the Commission, and the Commission may disqualify the application from being approved during the round of grants or loans within which the conflict occurred.
- (3) The Technical Reviewers shall assess the technical and fiscal merits of the application. Upon completion of the application review, the Technical Reviewers shall make their recommendation to the Authority Technical Committee.
- (4) Notification to applicant. The Commission shall promptly notify the applicant of the recommendations made by the Technical Reviewers to the Technical Committee.

***CSEA – 5.04 Application review – Bank of North Dakota***

- (1) Bank of North Dakota shall review the application to determine economic feasibility of the project.
- (2) Economic feasibility will be determined based on an evaluation of the following:
  - a. Business Plan
  - b. Historical Financial Statements
  - c. Budgeted Projections
  - d. Evaluation of project partners

***CSEA – 5.05 Application review – Authority recommendation and Commission decision.***

- (1) The Technical Committee shall assess the technical and fiscal merits of the application, the Technical Reviewers comments, the Bank of North Dakota comments, and must determine project feasibility. The Technical Committee shall

then submit their recommendation to the Authority. If an applicant scores less than a total of 35 points on the 50-point scoring scale, they will not advance to present before the Authority.

- (2) The Authority shall then assess the technical and fiscal merits of the application based on the Technical Committee's review and submit their recommendations for funding to the Commission at the next available Commission meeting.

**CSEA – 5.06 Loan Terms.** Bank of North Dakota will review the provided documentation and make a recommendation to the Authority for a final determination of the proposed financing. The documentation shall demonstrate how the project will generate sufficient cash flow to repay the debt under the structure and terms determined by the Authority.

Bank of North Dakota is responsible for the administration of all loan and loan guarantees approved by the Authority.

**CSEA – 5.07 Grant Contracts.** A grantee must enter into a contract with the Commission and submit any supporting documentation required by the Commission. The application will form an integral part of the contract. The Commission shall provide a proposed contract to grantee. If a contract is not executed by the grantee within the sixty days, the award will be canceled unless an extension of time is granted by the Commission. Work carried out under a contract is the work of the grantee and not the Commission.

**CSEA – 5.08 Loan Closing.** Loan documents will be prepared by Bank of North Dakota. Bank of North Dakota will coordinate with applicant for execution of the loan documents and closing of the loans. Applicant will be responsible for all costs associated with the loan closing. Estimated fees must be paid at the time of loan funding.

**CSEA – 5.09 Disbursements of funds.** Funds will be disbursed only after a contract has been executed. All disbursements will be made on a reimbursement basis for the grant program as outlined in the contract. All disbursements may be withheld if the Commission deems the grantee or borrower has not complied with these policies or the contract.

**CSEA – 5.10 Project duration.** The project must be completed within the time specified in the contract. If the project cannot be completed within the time specified in the contract, the recipient may make a written request to the Commission for an extension of up to one year. The request must set forth the specific additional time requested and the reasons why an extension is needed. Upon receipt of the request, the Commission shall decide whether or not to grant the request. Additional extensions may be sought under the same procedure described above but may only be granted if the recipient proves that factors beyond the recipient's control are the cause of its inability to complete the project on time and that since receiving the first extension the recipient has been diligent in all respects in trying to complete the project on time.

**CSEA – 5.11 Allocations.** If the work under a contract extends beyond the State's fiscal biennium in which the contract is made, any further disbursements of the Financial Assistance by the Commission to the recipient cannot be guaranteed and will be made only if sufficient funds are appropriated in the new biennium to satisfy the contract.

**CSEA – 5.12 Partially funded or delayed projects.** If the Commission Financial Assistance

is less than the amount requested, the applicant may decline the award or proceed with the project as proposed, notwithstanding the reduced award. Failure of a recipient to proceed with the project in a timely manner or comply with contract terms or these guidelines entitles the Commission to cancel the Financial Assistance and contract and to receive from the recipient full reimbursement of all funds the Commission disbursed under the contract.

**CSEA – 5.13 Contract modifications.** If at any time after entering a contract the grantee or borrower desires to change any term of the contract, the grantee or borrower shall make a written request to the Commission. The request must set forth the specific change desired and the reasons why the change is needed. Upon receipt of the request the Commission shall review the request. The Commission shall determine if the requested change is substantive. If the requested change is substantive the Commission may use Technical Reviewers and the Bank of North Dakota to analyze the request. After completion of their review and consideration of any recommendation that may be provided by the Authority, the Commission shall decide whether or not to grant the request.

**CSEA – 5.14 Reporting requirements.** A grantee or borrower has the following reporting obligations:

- (1) Interim reports. A grantee or borrower shall submit to the Commission reports summarizing the project's accomplishments and expenditures to date. The timing of the reports will be specified in the contract.
- (2) Special reports. If substantial progress on a project occurs earlier than anticipated, the grantee or borrower shall immediately submit to the Commission a report explaining the accomplishment.
- (3) Final report. A comprehensive final report must be submitted to the Commission by all grantees or borrowers within the time specified in the contract. This report must include a single page project summary describing the purpose of the project, the work accomplished, the project's results, and the potential applications of the project. The final report shall include the project's financial impact on the State's revenues and the State's economy. The rest of the report must explain these subjects in detail as well as the total costs of the project, a summary fiscal accounting of the entire project, any plans for developing or putting to commercial use the results of the project, and whether and in what manner the project met or failed to meet the standards referred to in these guidelines.

## **CSEA – 6 PUBLIC INFORMATION – ACCESS TO RECORDS**

*CSEA – 6.01 Application Ownership*

*CSEA – 6.02 Rights to Technical Data*

*CSEA – 6-03 Invention Rights*

*CSEA – 6-04 Patent Rights*

*CSEA – 6-05 Designation of Confidential Material*

*CSEA – 6.06 Independent Technical Reviewers*

**CSEA – 6.01 Application ownership.** Information contained in unsuccessful applications will remain the property of the applicant, but the Commission will retain file copies of all successful applications, findings, and reports. Except with regard to confidential information, applications are public information and are available to the public upon request and payment of copying charges.

***CSEA – 6.02 Rights to technical data.*** To the extent the Commission determines the materials or data consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying to or contracting with the Commission or receiving Commission services under this program, materials and data submitted to, made by, or received by the Commission, Bank of North Dakota or Authority, are not public records subject to N.D.C.C. Section 44-04-18 and Section 6 of Article XI of the Constitution of North Dakota, and are subject to N.D.C.C. Section 44-04-18.4.

Rights to technical data shall remain with the grantee or borrower. The grantee or borrower may establish claim to copyright subsisting in such technical data first produced in the performance of a financial assistance contract. The State of North Dakota and its consultants, independent contractors, and suppliers, to the extent such are providing services to the State of North Dakota, shall have a nonexclusive, irrevocable, royalty-free license in such technical data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly by or on behalf of the State of North Dakota. However, such license does not discharge the State's duty of confidentiality and nondisclosure with regard to the recipient's confidential information.

***CSEA - 6.03 Invention Rights.*** Recipient may retain the principle worldwide rights, whether in patent or otherwise, to any invention made with financial support under this program. The State of North Dakota and its consultants, independent contractors, and suppliers, to the extent such are providing services to the State, shall have a nonexclusive, irrevocable royalty-free right to practice under any patents, patent applications, or other new technology developed under the Program. The intent of this section is to enable state agencies to use new technology products or processes for governmental purposes without having to pay the imputed development costs of the products or processes twice; first in the research and development state under Commission funding and then later in the purchase of the processes or products. The State may not use this provision to enter into the private marketplace through direct manufacture or production of goods and services.

***CSEA - 6.04 Patent Rights.*** Recipient shall utilize commercially reasonable efforts to ensure that North Dakota manufacturers will be offered a nonexclusive, fair market value, royalty-bearing license to use any technology developed with funding from the Clean Sustainable Energy Fund. Unless prohibited by law or conflicting State of North Dakota policy, and as referenced in Sections 5.07 or 5.08, the Commission may include a clause within any Financial Assistance agreement that royalties collected from North Dakota manufacturers would be paid to the Industrial Commission until the entire amount of funding supplied by the Commission was returned in full.

***CSEA – 6.05 Designation of Confidential Material.*** A person or entity may file a request with the Commission to have material designated as confidential. The request for confidentiality should be strictly limited to information that meets the criteria to be identified as trade secrets or commercial, financial, or proprietary information. The Commission shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definitions in N.D.C.C. Sections 47-25.1-01 or 44-04-18.4.

The request is confidential and must contain any information required by the Commission and must include at least the following:

- a. A general description of the nature of the information sought to be protected.
- b. An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.
- c. An explanation of why the information is not readily ascertainable by proper means of other persons.
- d. A general description of any person that may obtain economic value from disclosure or use of the information, and how the person may obtain this value.
- e. A description of the efforts used to maintain the secrecy of the information.

If the Commission determines the information is either not relevant or not a trade secret, the Commission shall notify the requester and the requester may ask for the return of the information and the request within ten days of the notice. If no return is sought, the information and request are public record. Until such time as the Commission meets and reviews the request for confidentiality, the portions of the application for which confidentiality is being requested shall be held, on a provisional basis, as confidential.

***CSEA - 6.06 Independent Technical Reviewers.*** The names or identities of Technical Reviewers on a project or program are confidential, may not be disclosed by the Commission, and are not public records subject to N.D.C.C. Section 44-04-18 or Section 6 of Article XI of the Constitution of North Dakota.

**Approval dates:**

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