

Minutes of a Meeting of the Industrial Commission of North Dakota
Held on June 30, 2022 beginning at 12:40 p.m.
Governor's Conference Room – State Capitol

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

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

Governor Burgum called the meeting of the Industrial Commission to order at approximately 12:40 p.m. He congratulated Attorney General Wrigley on the U.S. Supreme Court decision that was announced regarding State rights as it relates to the Environmental Protection Agency.

PUBLIC FINANCE AUTHORITY (PFA)

Ms. DeAnn Ament, Public Finance Authority Executive Director, introduced Mindy Piatz from Brady Martz to present the North Dakota Public Finance Authority 2021 Audit Report. Ms. Piatz stated that this was a clean audit and their firm had expressed an unmodified opinion.

Ms. Ament presented the ND Public Finance Authority 2021 Annual Report and highlighted the activity that had taken place over the prior year:

- \$2.1 million of Capital Financing Program Bonds were issued;
- \$23.3 of Clean Water SRF loans were approved to 12 political subdivisions;
- \$28.3 million of Drinking Water SRF loans were approved to 21 political subdivisions;
- \$389.2 million of Legacy Fund Bonds were issued for the projects approved during the 2021 legislative session.

There was discussion on the additional federal funding that will be coming to the State over the next five years for the SRF program and potential staffing needs. Ms. Ament stated that the guidance has not been released on this significant amount of federal funding so she did not know if additional staffing would be needed. She commented on some of the potential regulations that will impact how the funding can be utilized in addition to supply chain challenges and the high costs of supplies.

In response to a question, Ms. Ament stated that only one PFA loan had defaulted in the past 15 years—under the Industrial Development Bond Program and one default prior to that time of a political subdivision loan.

Ms. Ament presented the following State Revolving (SRF) loan applications for consideration:

City of Wilton – Clean Water SRF loan in the amount of \$1,319,000 and Drinking Water SRF loan in the amount of \$1,688,000. The purpose of these loans is for replacement of sewer main and related appurtenances. The term of the loans is 30 years. The Clean Water SRF loan will be repaid with sewer user fees. The Drinking Water SRF loan will be repaid from water user fees. The Department of Water Resources is providing funding in the amount of \$1,250,000 for this project along with Burleigh County providing ARPA funds in the amount of \$666,667 and a Corps of Engineers grant of \$2,065,000. Total project costs of \$7,888,667. Based on this information the Advisory Committee recommended approval.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Industrial Commission adopt the following two resolutions:

RESOLUTION APPROVING
LOAN FROM CLEAN WATER STATE REVOLVING FUND

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

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

WHEREAS, the City of Wilton (the "Political Subdivision") has requested a loan in the amount of \$1,319,000 from the Program to replace sewer main and related appurtenances; and

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

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

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

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

RESOLUTION APPROVING
LOAN FROM DRINKING WATER STATE REVOLVING FUND

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

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

WHEREAS, the City of Wilton (the "Political Subdivision") has requested a loan in the amount of \$1,688,000 from the Program to replace water main and related appurtenances; and

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

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

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

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

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

City of Grand Forks – Drinking Water SRF loan in the amount of \$1,778,000 for a project to provide potable water services to 68 users in the area north of the City of Grand Forks. The term of the loan is 30 years with the repayment coming from water user fees. The Department of Water Resources is providing \$1,726,000 for the project which totals \$3,504,000.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission adopt the following resolution:

RESOLUTION APPROVING
LOAN FROM DRINKING WATER STATE REVOLVING FUND

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

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

WHEREAS, the City of Grand Forks (the “Political Subdivision”) has requested a loan in the amount of \$1,778,000 from the Program to provide potable water service to users in an area north of the City scheduled for annexation; and

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

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

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

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

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

Ms. Ament presented a memorandum regarding PFA Advisory Committee State Revolving Fund loan approvals for the following entities and briefly discussed the purpose of each of the loans:

1. City of Forman – Clean Water - \$550,000
2. Dakota Rural Water District, Drinking Water – increase of \$626,00 (total loan of \$2,176,000)
3. City of Forman – Drinking Water – \$871,000
4. City of Grand Forks (Lead Service Line) – Drinking Water - \$375,000 (loan forgiveness of \$337,500)
5. Northeast Regional Water District – Drinking Water - increase of \$118,000 (total loan of \$3,118,000)

Ms. Ament presented an amendment to the Public Finance Authority Policy P-3B regarding the dollar amount of a loan that should come to the Industrial Commission for approval. She reviewed the various levels of review that take place prior to a loan coming to the Commission which include DEQ Engineer Review; PFA Staff Review; BND Credit Analysis; Financial Advisor Market Review; and PFA Advisory Committee Approval. She stated that changing the threshold for Commission action would result in a timelier response to the borrowers. She noted the last time this policy was reviewed was in 2011. The proposed change would increase the threshold from \$1,000,000 to \$2,000,000.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Industrial Commission accept the recommendation of the Public Finance Authority Advisory Committee and approve amendments to the Public Finance Authority Policy P-3B to read as follows:

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

NDPFA POLICY P-3B

ADDENDUM TO PROGRAM PARTICIPATION APPROVAL POLICY (NDPFA POLICY P-1)

PURPOSE

The purpose of this Policy is to allow the Public Finance Authority to make loans for amounts that do not exceed \$500,000 under the Capital Financing Program or the School Construction Loan Program and \$2,000,000 under the State Revolving Fund to qualified borrowers with the approval of the Advisory Committee without having to refer the loan request to the Industrial Commission for final approval.

ELEMENTS

1. A loan request received by the Public Finance Authority that does not exceed \$500,000 under the Capital Financing Program or the School Construction Loan Program and \$2,000,000 under the State Revolving Fund may be processed under this Policy without regard to the dollar amount of any outstanding loan or loans that the political subdivision may have with the Public Finance Authority at the time the loan request is received.
2. Requests received by the Public Finance Authority under the Capital Financing Program, School Construction Loan Program or State Revolving Fund for an increased loan amount will be processed as follows:
 - a. If the borrower's loan was previously approved by the Industrial Commission and the entity is currently requesting an increased amount that is below the thresholds in Element 1, the Public Finance Authority may increase the loan amount with the approval of the Advisory Committee without having to refer the loan request to the Industrial Commission for final approval.
 - b. If the borrower's original loan request(s) was approved under this policy and the entity is currently requesting an increased amount that will bring the total loan amount above the thresholds in Element 1, the loan request must be presented to the Advisory Committee for approval and then referred to the Industrial Commission for final approval.
3. A financing request received by the Public Finance Authority under this Policy shall be made available to the members of the Advisory Committee for their review. If a majority of the Committee members approve the request, the loan may be funded.
4. A financing request under this Policy must meet all the applicable requirements set out in N.D.C.C. ch. 6-09.4 and in state and federal laws concerning the issuance and sale of municipal bonds by political subdivisions.
5. A financing request under this Policy does not need to be approved by the Commission, and the Advisory Committee is not required to make any recommendations to the Commission concerning a loan approved under this policy.
6. A financing request greater than \$2,000,000 under this Policy does need to be submitted to The Bank of North Dakota for a credit review and to the Public Finance Authority's financial adviser for a market analysis.
7. A record of the review of a financing request under this Policy, including the final action to be taken, shall be included in the minutes of the next Advisory Committee meeting following the completion of the review process.
8. A report of financing requests approved under this policy shall be submitted to the Industrial Commission no less frequently than quarterly.
9. Except as provided in this Policy, a financing request is subject to all applicable provisions in Policy P-1.

Amended by Industrial Commission: 9/26/96
Amended by Industrial Commission: 12/12/97
Amended by Industrial Commission: 7/21/05
Reviewed by Advisory Committee: 7/24/2009
Amended by Industrial Commission: 7/31/2009
Reviewed by Advisory Committee: 6/8/2011
Amended by Industrial Commission: 6/16/11
Reviewed by Advisory Committee: 6/24/2022

NORTH DAKOTA MILL (Mill)

Mr. Vance Taylor, Mill President and CEO, presented information on the Midds Storage and Handling System Project Phase I that had been discussed with the Commission for a few years. He noted the following:

- The Commission previously approved \$250,000 on July 27, 2021 for engineering on this project.
- This project is necessary because additional storage and handling capacity is required to efficiently transfer, pelletize, and load out the 1.65 million pounds of wheat midds produced by the Mill each day. The ongoing complexity of supply chain issues compound the need for additional by-product storage.
- The engineering for this project has been substantially completed. A bid package has been published requesting bids for the first phase of the project and two bids were received.
- Completion of the project will result in savings from reduced unscheduled downtime, increased shipments of pelletized midds at a premium, reduced demurrage on rail cars and trucks, additional backhauls reducing freight costs, and shipments of organic midds, and red dog.
- Completion of this project is needed to ensure reliable shipments of the Mill's products to flour and wheat midds customers across the nation.
- Plant safety will be improved with the completion of this project by putting screenings, grinding and pellet mills in a separate building.
- Storage for midds and pellets will be increased from 8 hours to 85 hours after construction is completed. (Storage increased from 625,000 pounds to 6,628,000 pounds.)
- Some storage for flour that may need to be put into feed stream.
- This project will allow the Mill to provide midds at the time when the customer is asking for the product. Currently if the Mill has trucks in for loose feed that forces the Mill to do loose feed at times when the Mill wants to do pellet.
- Will allow the Mill to have the flexibility timewise to load the loose feed when the Mill needs to and the pellets when the Mill needs to. Also maximizes what the Mill's customers are requesting on a timely basis and will help the Mill's reliability and efficiency.

Mr. Taylor provided pictures showing where the building would be on the Mill property and an artist's rendition of what the facility would look like. He explained the various features of what would be installed on each floor of the proposed building. The final drawing showed how the loading and unloading would be done in the building—one side of the building sits on a rail track.

In response to a question, he stated that the bentonite clay the Mill uses is for the pelletizing process. It is added at a very small percentage to help the midds stick together. It is shipped in by rail from Wyoming as it is not readily available in North Dakota.

Mr. Taylor reviewed the list of the various components of Phase I and noted the extensive pile foundations that will be needed to hold the weight of the facility. The total estimated cost for this bid is \$32,500 with an alternative freight elevator at a cost of \$1,499,143. Total request is for \$34,000,000. He pointed out that the Phase II components are estimated to come in at \$11,000,000. They are hoping to have the bidding done before the end of the year so that portion of the project can be brought to the Commission for their approval at that time.

Mr. Taylor stated there is good payback on this project—

- Premium for pellets over loose midds
- Increased margin truck vs railcar shipments
- Organic Midds sales
- Red Dog sales
- Wheat Procurement Savings
- Railcar Demurrage Savings
- Mill Downtime Savings
- Bakery Downtime allowances

Annual margin increase of \$5,068,000; Anticipate a payback in 11.5 years.

During the discussion it was noted that one of the areas where there is an increase in demand is for organic dogfood—this is a great opportunity for the Mill.

Mr. Taylor and Ms. Cathy Dub, North Dakota CFO, reviewed how this would be financed through the Bank of North Dakota with a term loan.

In response to a question, Mr. Taylor stated he would look at any impact the increased investments in capital have on the gain sharing plan.

It is anticipated that the completion date for the project would be February 2024 which reflects the current delays in the supply chain.

During the discussion on the piling that need to be done, the Governor commented on a new innovation used in Cass County where the pilings are screwed in rather than pounded in—lower cost with none of the vibration. Mr. Taylor stated that was an option that was discussed with the engineers, but he will look at that option again.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Wheat Midds Storage and Handling System Project Phase I in the amount of \$34,000,000 for the North Dakota Mill FY 2023 Capital Budget. On a roll call vote, Governor Burgum, Attorney General Wrigley, and Agriculture Commissioner Goehring voted aye. The motion carried unanimously.

Mr. Taylor presented an asphalt and concrete paving project in the amount of \$350,000 and provided a map of where the work would be done on the Mill property. There are several areas where flour and grain trucks are staged and loaded and employee parking areas require asphalt and concrete refurbishment.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the Industrial Commission approve the Asphalt and Concrete Paving Project in the amount of \$350,000 for the North Dakota Mill FY 2023 Capital Budget. On a roll call vote, Governor Burgum, Attorney

General Wrigley and Agriculture Commissioner Goehring voted aye. The motion carried unanimously.

Mr. Taylor presented a memorandum requesting authorization to make the transfers to the Agricultural Products Utilization Fund and the General Fund as required by law the last week of July which is prior to the next Industrial Commission meeting.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the North Dakota Mill is authorized to transfer 5% of the net income earned by the Mill for fiscal year 2022 to the Agricultural Products Utilization Fund (APUF) and transfer to the General Fund 50% of the annual earnings and undivided profits of the Mill after any transfers to other state agricultural-related programs as per the request of the Office of Management and Budget Director noting that the transfers will be based on unaudited year-end results and reserving the right to adjust the transfer numbers once the year-end results have been audited. Further that Mill management reports the amount of the transfers to the Commission at their August 4 meeting. On a roll call vote, Governor Burgum, Attorney General Wrigley and Agriculture Commissioner Goehring voted aye. The motion carried unanimously.

In response to a comment from Governor Burgum regarding the transfers, Mr. Taylor stated that they would be asking the Office of Management Budget to put a cap on the amount of the transfers at \$3 million a year for a total of \$6 million for the biennium. Governor Burgum challenged Mill management to look for more high ROI projects for one of the best-kept mills in the United States and to continue to improve its competitive advantage.

Under other business Mr. Taylor noted that Redwood Holdings just acquired Grain Craft Milling which is the third largest miller in the country. Grain Craft has 13 mills across the country. This is big news in the milling industry.

HOUSING FINANCE AGENCY (HFA)

Mr. David Flohr, Housing Finance Agency Executive Director, and Ms. Kayla Axtman, Assistant Chief Financial Officer, presented the 2022 Series F Resolution authorizing the issuance of not to exceed \$100,000,000 State of North Dakota North Dakota Housing Finance Agency Housing Finance Program Bonds Home Mortgage Finance Program 2022 Series F. He noted that these would be tax exempt bonds and the Agency expects to issue \$75,000,000 but are asking for a higher amount in case there is a need for a higher amount and if the pricing is good at the time the bonds go to market.

Mr. Flohr noted there have been fluctuations in the rate for the homebuyer in the last month or so—currently the Agency's rate is 5.1%. The bond issuance is expected to close expect to close in August. Currently there is \$84.9 million in the FirstHome loan pipeline. Those loans will be using the previous bond issue proceeds before the Agency uses the proceeds from this new bond issue. He stated that the non-first-time home loan pipeline is at \$54.9 million. Business continues to be very active and the inventory of homes for sale has increased. The Agency is well ahead of last year's pace of purchasing loans.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the issuance of the 2022 Series F Bonds in an amount not to exceed \$100,000,000 and adopt the following Resolution:

2022 SERIES F RESOLUTION
of the
NORTH DAKOTA HOUSING FINANCE AGENCY
Authorizing the Issuance of
NOT TO EXCEED \$100,000,000
STATE OF NORTH DAKOTA
NORTH DAKOTA HOUSING FINANCE AGENCY
HOUSING FINANCE PROGRAM BONDS
HOME MORTGAGE FINANCE PROGRAM
2022 SERIES F

WHEREAS, the Industrial Commission of North Dakota (the “**Commission**”), acting in its capacity as a state housing finance agency, i.e., the North Dakota Housing Finance Agency (the “**Agency**”), is empowered by the provisions of the North Dakota Century Code Chapter 54-17 (the “**Act**”) to establish and has established a home mortgage finance program to contract to purchase from lenders mortgage loans made to persons or families of low or moderate income to finance the purchase or substantial rehabilitation of owner occupied, residential dwelling units; and

WHEREAS, the Commission adopted the Housing Finance Program General Bond Resolution of 1994, on July 21, 1994, as amended (the “**General Resolution**”) under which Wilmington Trust, National Association, Minneapolis, Minnesota, was appointed successor trustee (the “**Trustee**”), which General Resolution was accepted by the Trustee, and which General Resolution is hereby ratified and confirmed; and

WHEREAS, the General Resolution authorizes the issuance and sale of the captioned 2022 Series F Bonds (the “**Bonds**”) pursuant to the Act, the application of the proceeds of which will provide funding for the captioned Home Mortgage Finance Program, which may include the North Dakota Roots Program (the “**Program**”), contemplated by the Act in furtherance of the Program for the providing of decent, safe, and sanitary housing for persons and families of low or moderate income; and

WHEREAS, the Commission acting as the Agency, pursuant to that 2022 General Authorization Resolution adopted by the Commission on February 22, 2022 (the “**General Authorization Resolution**”), regarding the authorization of and the negotiation and sale of the Bonds, appointed as its agents the Executive Director, the Director of Homeownership Programs, and the Chief Financial Officer of the Agency for the purpose of negotiation of the terms of sale of the Bonds, subject to the limitations set out in the General Authorization Resolution, and to sign such agreements as are required for the issuance of the Bonds on behalf of the Commission after such terms of sale had been negotiated and to sign such certificates and other documents as are necessary and customary to complete the sale of the Bonds and to enter into agreements for their sale by the Agency and purchase by the Underwriters (as hereinafter defined, and which are so designated by an Authorized Officer, as defined below); and

WHEREAS, the Agency wishes to authorize the issuance of not to exceed \$100,000,000 in aggregate principal amount of the Bonds upon the terms stated herein and in the Bond Certificates (as defined below); and

WHEREAS, the Authorized Officers (as defined below) intend to formally negotiate the interest rates on, and sale of the Bonds within the limitations set out in the General Authorization Resolution (as

hereby supplemented and amended) as to, final maturities, maximum interest rates, variable interest rates (if any) and tender rights of the bondholders (if any); and

WHEREAS, the following documents (collectively, the “**Closing Financing Documents**”) may prepared in connection with the issuance of the Bonds:

- A. One or more Bond Certificates, (the “Bond Certificates”);
- B. Fixed Rate Bond Purchase Contract (the “Fixed Rate Bond Purchase Contract”) with respect to any Bonds issued with fixed interest rates (the “Fixed Rate Bonds”), by and between the Commission and RBC Capital Markets, LLC as representative of the underwriters selected by an Authorized Officer (as defined below) of the Agency (collectively the “Underwriters”);
- C. Variable Rate Bond Purchase Contract (the “Variable Rate Bond Purchase Contract”) with respect to any Bonds issued with variable interest rates (the “Variable Rate Bonds”), by and between the Commission and RBC Capital Markets, LLC (“RBCCM”) as sole underwriter of any Variable Rate Bonds;
- D. Preliminary Official Statement, with respect to the Bonds (the “Preliminary Official Statement”);
- E. Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) by and between the Agency and the Trustee;
- F. Remarketing Agreement (the “Remarketing Agreement”) with respect to any Variable Rate Bonds by and among the Commission, RBCCM and Wilmington Trust, National Association, as tender agent (the “Tender Agent”); and
- G. Standby Bond Purchase Agreement (the “Standby Bond Purchase Agreement”) with respect to any Variable Rate Bonds by and among the Agency, the Trustee, the Tender Agent and a counterparty selected by an Authorized Officer (as defined below) of the Agency.

WHEREAS, in the judgment of the Commission, it is advisable that the Agency by its Executive Director, its Director of Homeownership Programs, its Chief Financial Officer or its Assistant Chief Financial Officer (each an “Authorized Officer”), jointly or severally, be authorized, and each are hereby so authorized, to do all things necessary to establish the final rates and terms of the Bonds and to complete the transaction described herein, and in the Closing Financing Documents.

NOW BE IT HEREWITH RESOLVED:

1. The Agency is hereby authorized to issue, execute, sell and deliver the Bonds, in substance as provided in the final forms of the Closing Financing Documents as approved by an Authorized Officer, provided that the Bonds meet the following conditions:
 - A. The Bonds: (i) shall be sold, issued, executed and delivered at such time as an Authorized Officer shall determine, in one or more series or sub-series, in an aggregate principal amount not to exceed the amount set forth in the preambles to this Resolution; (ii) shall be

subject to redemption prior to maturity, at prices and otherwise as determined by an Authorized Officer to be in the best interests of the Agency; (iii) shall have long term ratings no lower than the long term rating on the bonds outstanding under the General Resolution immediately prior to the issuance of the Bonds; and (iv) shall mature not later than January 1, 2055.

- B. Any Bonds issued as Fixed Rate Bonds shall bear interest at fixed rates determined by an Authorized Officer, provided, however that the weighted average of such rates shall not exceed 7.0% per annum. Any Bonds issued as Variable Rate Bonds shall bear interest at a variable rate that shall not initially exceed 7.0%.
 - C. Unless otherwise determined by an Authorized Officer, the Bonds shall be issued as bonds the interest on which is exempt from federal income taxation
 - D. The Bonds shall not constitute debt of the State or any political subdivision thereof. Neither the faith and credit nor the taxing powers of the State or any political subdivision thereof may be pledged to the payment of the principal of or interest on the Bonds.
 - E. The Bonds shall be special limited obligation revenue bonds of the State payable solely from the revenues and assets pledged therefore under the General Resolution.
2. The form of one or more Bond Certificates, in substantially the forms of either the 2022 Series D Bond Certificate executed in connection with the issuance of the Agency's Housing Finance Program Bonds, Home Mortgage Finance Program, 2022 Series D (the "2022 Series D Bonds"), the 2022 Series E Bond Certificate executed in connection with the issuance of the Agency's Housing Finance Program Bonds, Home Mortgage Finance Program, 2022 Series E (the "2022 Series E Bonds" and, together with the 2022 Series D Bonds the "2022 Series D/E Bonds"), or the 2022 Series A/B Bond Resolution adopted by the Commission on March 24, 2022 in connection with the issuance of the Agency's Housing Finance Program Bonds, Home Mortgage Finance Program, 2022 Series A (the "2022 Series A Bonds") are hereby approved with such changes, variations, omissions and insertions as an Authorized Officer shall approve. The execution and delivery of such Certificates by an Authorized Officer shall constitute conclusive evidence of such approval.
3. The form of the Fixed Rate Bond Purchase Contract, in substantially the form of either the purchase contract prepared in connection with the issuance of the 2022 Series A Bonds or the 2022 Series D Bonds, and the form of the Variable Rate Bond Purchase Contract, in substantially the form of the purchase contract prepared in connection with the issuance of the 2022 Series E Bonds, are hereby approved with such changes variations, omissions and insertions as an Authorized Officer shall approve. The execution and delivery of the respective Purchase Contracts by an Authorized Officer shall constitute conclusive evidence of such approvals.
4. The Preliminary Official Statement, in substantially the form of either the Official Statement prepared in connection with the issuance of the 2022 Series A Bonds or the issuance of the 2022 Series D/E Bonds, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable, is hereby authorized, and the furnishing of the information in the Preliminary Official Statement and in a final Official Statement for the Bonds, and the use of such Preliminary Official Statement and final Official Statement by the Underwriters and RBCCM in connection with the offering of the Bonds to the public, are hereby approved. Any Authorized Officer is hereby authorized to execute and deliver to the Underwriters the final Official Statement for the Bonds in

- substantially the form of the Preliminary Official Statement with such changes therein as are approved by such Authorized Officer. The execution and delivery of one or more copies of the final Official Statement by an Authorized Officer shall constitute conclusive evidence of such approval.
5. The form of the Continuing Disclosure Agreement, in substantially the form of the Continuing Disclosure Agreement prepared in connection with the issuance of the 2022 Series D/E Bonds is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve. The execution and delivery of the Continuing Disclosure Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.
 6. The form of the Remarketing Agreement, in substantially the form of such agreement prepared in connection with the issuance of the 2022 Series E Bonds is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve. The execution and delivery of the Remarketing Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.
 7. The form of the Standby Bond Purchase, in substantially the form of such agreement prepared in connection with the issuance of the Agency's Housing Finance Program Bonds, Home Mortgage Finance Program, 2019 Series E if the counterparty specified by an Authorized Officer of the Agency is Federal Home Loan Bank of Des Moines or substantially in the form prepared in connection with the issuance of the 2022 Series E Bonds if any other counterparty is specified by an Authorized Officer of the Agency, is hereby approved with such changes, variations, omissions, and insertions as an Authorized Officer shall approve. The execution and delivery of the Standby Bond Purchase Agreement by such Authorized Officer shall constitute conclusive evidence of such approval.
 8. The use of interest rate hedging agreements with such financial organizations as an Authorized Officer of the Agency may specify (each, a "Counterparty") is hereby approved, in particular financial organizations with whom the Agency already has such hedging agreements and the form of the interest rate hedging agreements with such counterparties, consisting of an ISDA Master Agreement, including a Schedule and Credit Support Annex, and one or more Confirmations thereto, relating to the Bonds, which Counterparties and form of agreements satisfy the provisions of the Agency's Interest Rate Swap Policy (collectively, the "Hedging Agreements"), and the Authorized Officers of the Agency are authorized to negotiate the final terms of, approve and execute any such Hedging Agreements; and such execution and delivery shall constitute conclusive evidence of their approval of all changes thereto.
 9. The Authorized Officers of the Agency are hereby authorized, empowered and directed to do all acts and things required or provided for by the Closing Financing Documents and to execute and deliver all such additional certificates, instruments, agreements and documents, (including any tax certificate or forms) pay all such fees, charges and expenses and to do all such further acts and things as may be necessary, or in the reasonable discretion of applicable Authorized Officer, desirable and proper to effect the purposes of this resolution and to cause compliance by the Agency with all the terms, covenants and provisions of such documents binding upon the Agency.
 10. All prior acts of the officers, agents and employees of the Commission and the Agency which are in conformity with the purpose and intent of the General Resolution, the General Authorization Resolution, this 2022 Series F Resolution and the Closing Financing Documents in furtherance of the sale of the Bonds shall be and the same hereby are in all respects approved, ratified and

confirmed, and the officers, agents and employees of the Commission and the Agency are hereby authorized, empowered and directed to take any actions required to effect the transactions contemplated therein and to finalize the terms of and execute any instruments and take any actions required to effect the issuance of the Bonds, and to apply the monies received by the Commission from the bond proceeds in such manner as is necessary to give effect to the Program.

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

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that under the authority of North Dakota Century Code Sections 54-17.6-06, 44-04-18.4 and 44-04-19.2 the Industrial Commission enter into executive session for the purpose of considering an Oil and Gas Research Program confidentiality request. On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Governor Burgum stated that the Commission will be meeting in executive session to consider an Oil and Gas Research Program confidentiality request. Only the Commission members, their staff, EERC staff, and Industrial Commission staff will be in the Oil and Gas Research Program portion of the executive session. Following the Oil and Gas Research Program executive session, the Industrial Commission will enter into executive session regarding Bank of North Dakota business pursuant to N.D.C.C. 6-09-35 to consider those items listed on the agenda under Bank of North Dakota confidential business. Only Commission members, their staff, and BND staff will participate in that executive session. Any formal action by the Commission will occur after it reconvenes in open session.

Governor Burgum reminded the Commission members and those present in the executive sessions that the discussion must be limited to the announced purpose for entering into the executive sessions which is anticipated to last approximately 50 minutes for both executive sessions. The executive session for Oil and Gas Research Program business will begin at 1:37 p.m.

OIL AND GAS RESEARCH PROGRAM EXECUTIVE SESSION

Members Present:

Governor Doug Burgum
Attorney General Drew H. Wrigley
Commissioner Doug Goehring

Others in Attendance:

Ryan Nordell	Governor's Office
Dutch Bialke	Department of Agriculture
Karlene Fine	Industrial Commission Office
Reice Haase	Industrial Commission Office
Tom Erickson	Energy and Environmental Research Center/State Energy Research Center

The Oil and Gas Research Program executive session ended at 1:42 p.m. and the Commission continued in executive session pursuant to N.D.C.C. 6-09-35 and considered the following items listed on the agenda under BND confidential business:

- Consideration of loan requests
- Presentation of the Concentrations of Credits as of 3/31/21 Report

- Spirit Lake \$200,836/year for 5 years
- MHA \$99,451/year for 5 years
- Turtle Mountain \$327,156/year for 5 years

The State and Tribes are required to apply for the formula funding under separate applications. Funding requires a 15% match by the State or Tribe and allows for up to 5% of the grant to be used for technical assistance and administrative costs.

Mr. Weeda reviewed what the draft guidelines provide for the eligible costs and the eligible entities for subgrants and what the guidelines are for the subgrants.

Mr. Weeda stated that he was recommending the Transmission Authority lead the efforts for coordinating the State's application including the state-portion of the subgrants. He noted that the Tom Erickson with the EERC has been asked to assist with writing the grant application. A letter from the Governor to the Department of Energy, appointing the Transmission Authority as the sole entity to apply for, receive, and administer the grid resilience award is also required. He indicated that the work the Authority will be doing in preparing the State's application would be made available to the Tribes.

In response to a question, Mr. Weeda stated that Reice Haase, Deputy Industrial Commission Executive Director, has also been working on this effort and will continue to be in contact with the Tribes regarding this funding opportunity.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that the North Dakota Industrial Commission, acting in its capacity as the North Dakota Transmission Authority, appoint as its agent the Director of the Transmission Authority for the purposes of administering grants under the Infrastructure Investment and Jobs Act related to the enhancement of electric grid resilience and accept the recommendation that the Governor designates the same as the sole entity within the State to apply for, receive, and administer the award as authorized by IIJA section 40101(d). On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Ms. Fine noted that this action by the Commission includes the commitment of \$67,000 of the SERC \$500,000 allocation to the EERC for Tom Erickson's assistance with preparing and submitting the grant application.

Mr. Weeda and the Commission members discussed the challenges the transmission (MISO and SPP) and energy industries are facing with near brownouts across the United States because of the heat waves the nation is seeing this year.

NORTH DAKOTA PIPELINE AUTHORITY

Mr. Jusin Kringstad, Pipeline Authority Director, provided a presentation on the WBI Energy Transmission, Inc. Wahpeton Expansion Project and WBI's request for the Commission to send a letter of support for this project to the Federal Energy Regulatory Commission. He noted the following project highlights:

- 60.5 miles of 12-inch diameter natural gas pipeline;
- Providing up to 20.6 million cubic feet of natural gas per day to southeastern North Dakota;
- Starting Point: WBI Energy's existing Mapleton Compressor Station near Mapleton, ND;
- End Point: A new delivery station near Wahpeton, ND;

- Will provide natural gas service for the first time to Kindred, ND; and
- The project may include the installation of farm taps along the pipeline route.

Mr. Kringstad provided a map showing the pipeline route. He provided a timeline of the steps that have already been taken and, should FERC issue its Certificate in July, the plan is to have the WBI Energy Places Project into service in November of 2024.

Mr. Kringstad also noted that with all new projects he will get calls from various stakeholders, local leaders and other interested parties about a project; what he has been hearing on this particular project is positive. WBI has done a good job in working with the various parties and has received permission from over 99% of the affected parties to do the surveying and maintained a good relationship with the interested parties. In response to a question, he stated that Wahpeton and Colfax are looking into the option of seeking service from this pipeline.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the following letter of support for the Wahpeton Expansion Project to be sent to the Federal Energy Regulatory Commission:

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: Support for the Wahpeton Expansion Project, Docket No. CP22-466-000

Dear Secretary Bose,

The North Dakota Industrial Commission strongly supports WBI Energy Transmission, Inc.'s (WBI Energy) Wahpeton Expansion Project, which involves a 60-mile, 12-inch diameter natural gas pipeline connecting the company's existing Mapleton Compressor Station with two new delivery locations in Wahpeton and Kindred in North Dakota. WBI Energy's Wahpeton Expansion Project will provide up to 20.6 million cubic feet of natural gas per day to southeastern North Dakota and expand additional markets for natural gas in North Dakota, enhancing economic growth across our state.

One of the Industrial Commission's missions is to encourage and promote the development, production, and utilization of oil and gas in the state. Energy is a critical industry in North Dakota, driving economic benefits on which our state and local communities depend. New natural gas pipeline infrastructure allows for increased utilization of co-produced gas, reduced flaring, and supports our economy and the transition to a lower carbon intensive future.

Another mission of the Industrial Commission is to support the expansion of North Dakota's agricultural industry. As demand for agricultural production grows, so does the need for reliable sources of natural gas, which has become more integral to both traditional and large-scale farming operations over the years. WBI Energy's Wahpeton Expansion Project bringing much-needed natural gas capacity to southeastern North Dakota supports our existing agricultural producers. It offers natural gas farm taps, which may support grain drying and other activities that enhance farming operations, and attracts additional large-scale, value-added agriculture projects to the region. This economic development results in good-paying jobs and community growth and prosperity.

The Wahpeton Expansion Project will benefit surrounding communities and local business owners. Construction activity will have a positive impact on many small businesses, including restaurants, hotels and stores frequented by the workers. The Project will bring increased tax revenues and construction jobs and contribute to the growth and maintenance of community services.

Pipelines continue to be the safest and most reliable method to transport natural gas in the U.S. As with all their projects, we appreciate that maintaining safety at all times is a top priority for WBI Energy during the construction phase of the project and once the pipeline is in service and operational. We are also pleased to note that, throughout the regulatory process, WBI Energy has shown a commitment to working with landowners and stakeholders. We commend WBI Energy's team for evaluating multiple route alternatives and listening to landowner and community suggestions and concerns.

The Wahpeton Expansion Project supports economic development opportunities for North Dakota, particularly southeastern North Dakota. We strongly support the development of the Wahpeton Expansion Project and urge the Federal Energy Regulatory Commission to issue its approval of the project.

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

Commissioner Goehring left the meeting at this time.

DEPARTMENT OF MINERAL RESOURCES (DMR)

Mr. Lynn Helms, Director of the Department of Mineral Resources, presented orders for the following cases.

Mr. Helms stated Case 29224 involves the unitization of the Haystack Butte (Bakken Pool) Unit and Case 29225 involves the determination that the required percentage of working and royalty interest owners have ratified and approved the leases. He discussed the information that was presented at the hearing and provided a map that showed the location of the proposed unit. Topography and federal land surface ownership were two of the challenges in forming the unit. By forming this unit more wells can be appropriately located and drilled which is beneficial to the state and to the royalty and mineral owners. The Oil and Gas Division staff is recommending approval of the order which includes some requirements that the operator must make to the unit documents.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approve Order No. 31792 issued in Case No. 29224 this 30th day of June, 2022 that provides for the unitized management, operation, and further development of the Haystack Butte-Bakken Unit, located in McKeen County, North Dakota; approval of the Unit Agreement and Unit Operating Agreement constituting the plan of unitization for the Haystack Butte-Bakken Unit, approval of the plan of operation and the vacation of the applicable spacing orders subject to Unit Agreement and participation changes, and that the Department of Mineral Resources Director be authorized to sign an order for Case 29225 regarding the effective date of the Haystack Butte-Bakken Unit when sufficient ratifications of >55% are submitted and confirmation of the required participation changes have been made. On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Commissioner Goehring was absent and not voting. The motion carried.

Mr. Helms stated that Case 29038 relates to the confiscation of certain abandoned wells operated by 31 Operating LLC. The proposed order approves the confiscation of 91 wells - 78 wells would be confiscated

right now and reclaimed; the remaining 13 wells would allow time—until October 1—for two parties who have expressed an interest in taking over those 13 wells to complete the transfers and, if the transfers are not completed, Mr. Helms is given authority to issue a Director’s Order to confiscate those additional 13 wells. Case 29331 relates to the confiscation of six underground water gathering pipeline systems that were connecting some of the wells that are being confiscated. Two of the systems are related to wells that have the October 1 deadline for transfers so those two systems would not be confiscated until after the October 1st date. He reviewed the process they will be using in recording the equipment; determining if there are ownership issues of the equipment; holding a sheriff’s sale, and ultimately any proceeds will go into the Abandoned Well Fund to be used to cover the costs of plugging and reclaiming the wells. A total of \$4.4 million in bonds have been confiscated. A portion of the additional federal IJA dollars that the state will be receiving will be used to cover the estimated cost of \$24 million to plug and reclaim the wells and to deal with the underground gathering pipeline systems. The costs are significant but are much less than what other 24 states like Pennsylvania have – 27,000 abandoned wells that will require \$1.8 billion to plug and reclaim.

The suggestion was made that the Oil and Gas Division develop some graphics that show the work that has been done, and is ongoing, in dealing with these wells; especially in comparison to what other states are doing. The nationwide program of \$4.7 billion was based on what North Dakota had done using CARES dollars.

In response to a question, he noted that most of the wells are vertical wells and were drilled in the 60’s and 70’s to about 4,000 to 6,000 feet. The topography is flatter in this area so the costs of reclaiming should be much less than some of the wells that are further west. There should be sufficient workforce to do the reclamation, but it will be challenging to find workforce to do the plugging this summer.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that Order No. 31702 issued in Case No. 29038 approving the confiscation, under NDCC §§ 38-08-04 and 38-08-04.9 of all production and/or injection related equipment and salable oil at certain abandoned wells, located in Bottineau, Burke and Renville Counties, ND operated by 31 Operating LLC or any working interest owner (A list of the wells is available in Order 31702) and that Order No. 31901 issued in Case No. 29331 approving the confiscation, under NDCC §§ 38-08-04 and 38-08-04.9, of all pipelines and related equipment, salable oil at the produced water under underground gathering pipeline system which transports water from Anderson CTB (CTB No. 209732), located in the SESE of Section 25, T.162N., R.82W., Hedges 3 & 4 CTB (CTB No. 207815), located in the SESW of Section 30, T.162N., R.81W., Steinhaus CTB (CTB No. 207317), located in the NESE of Section 30, T.162N., R.81W., Evenson CTB (CTB No. 209091), located in NENW of Section 31, T.162N., R.81W., and Esther Steinhaus 1 (File No. 7817), located in SWSW of Section 29, T.162N., R.81W., to the Evanson 2 (File No. 9304), located in SENW of Section 31, T.162N., R.81W.; the produced water underground gathering pipeline systems which transports water from George Adams CTB (CTB No. 210883), located in NENW of Section 6, T.160N., R.82W. to the Dale G. Leathers 31-6 (File No. 10954), located in NENE of section 6, T.160N., R.82W.; and the produced water underground gathering pipeline systems which transports water from the Erickson CTB (CTB No. 219027), located in SWSE of Section 30, T.162N., R.82W. to the Cramer 1 SWD (File No. 90090), located in SENW of Section 8, T.161N., R.82W., all in Bottineau County, ND, be approved this 30th day of June, 2022. On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Commissioner Goehring was absent and not voting. The motion carried.

Mr. Bruce Hicks, Oil and Gas Division Assistant Director, presented the Oil and Gas Division Quarterly Report – First Quarter of 2022 including statistics on permitting, drilling, well count, production, prices, inspections and enforcement and fund balances. (A copy of the report is available in the Commission files.)

Weather did impact the numbers during the first quarter. The differential is the lowest that he could find for the last ten years. There was discussion on the development of graphics to show rig counts, miles of laterals completed each month, permits issued for 3-mile laterals, etc.

Mr. Hicks stated that the amount of gas flared is the lowest in ten years. He provided a map showing the gas plants and noted where gas plants are either expanding or are being constructed. It was pointed out that with the expansion that is taking place, the one area where the operators have been unable to meet the gas capture goals should be resolved.

Mr. Hicks provided an update on the number of complaints which increased in the first quarter.

It was noted that today was the last day for the Department's Public Information Officer, Katie Haarsager. She had an offer in the private sector that substantially increased her compensation. There was discussion that the compensation issue is happening across state government and the impact of these departures on workload for other employees and the retraining of staff is significant.

Mr. Helms provided an update regarding ongoing litigation:

- Case No. 31-2020-CV-0018 - Northern Oil and Gas, Inc. vs. Continental Resources, Inc; Board of University and School Lands and ND Industrial Commission et al – *discovery is continuing*.
- Case No. 05-2019-CV-00085 - Northwest Landowners Association vs. State of North Dakota, et al. – *waiting for North Dakota Supreme Court decision*.
- Case No. 04-2021-CV-00011 Gallatin Oil, LLC vs. ND Industrial Commission, Attorney General Stenehjem and Lime Rock Resources III-A, L.P. – *Gallatin did not appeal so the Commission's order stands*.
- Case No. 13-2021-CV-00036 - Blue Appaloosa vs. North Dakota Industrial Commission – *Supreme Court affirmed the District Court's decision to uphold the Commission's order*.
- Case No. 27-2022-CV-00305 - Blue Steel Oil and Gas, LLC v. North Dakota Industrial Commission, Slawson Exploration Company, Inc and White Butte Oil Operations, LLC – *reply brief is due in July*.
- North Dakota Industrial Commission v. U.S. Department of Interior – *motion regarding scheduling is being discussed*. The Commission discussed the need to continue to push forward on the issue of leasing because of its impact on the State, energy industry and royalty owners. Commissioner Goehring rejoined the meeting and indicated the importance of this issue as it also impacts agriculture and food security.

Mr. Helms reported that Red Trail Energy has started injection on June 16 into their carbon storage project. This was the first carbon storage project approved under State primacy in the world. Next month the Department will be hearing the storage facility project from Dakota Gasification Company. That will be the third application to be considered by the Commission with several more anticipated in the year.

Mr. Helms stated that the IJJA monies they had anticipated receiving approval on in June has been delayed until possibly July. The Emergency Commission and the Budget Section have approved the administrative line for costs so the Department is ready to move forward when the monies are received.

Mr. Helms also noted that the Bureau of Land Management requirements have delayed the conversion of 16 abandoned and confiscated wells to livestock wells. They are hopeful that all the information will be filed soon so that work can be done this year. The Grazing Associations and the Forest Service have been very supportive of getting this done.

Mr. Helms stated they held their final hearing on the Drill Back/Drill In policy and order. No one made an appearance, but written comments were provided. He anticipates bringing an order to the Commission at their next meeting.

BANK OF NORTH DAKOTA

Mr. Todd Steinwand, Bank of North Dakota President, and Mr. Kirby Evanger, Bank of North Dakota, introduced Mr. Dave Falkenstein, Lending Projects Specialist, to present the Stress Testing Model that the Bank utilizes in its loan operations. This model has been discussed with the Department of Financial Institutions and the Bank Advisory Board. Bank leadership has received positive comments about the Bank utilizing this model. Mr. Evanger stated that the Bank through this model is stressing several things in their loan portfolios such as revenues; vacancies; value of the property and the impact of interest rates. Mr. Falkenstein presented the interactive model on the Direct Farm Portfolio, Participation Farm Portfolio, BND Farm and Commercial Portfolio, and Student Loan Payments, and gave information on how it is being utilized. As he went through the presentation suggestions were made on additional data that might be added to the model. The Commission indicated this would be a good tool as they consider various programs that may be needed in the future. The Commission thanked Mr. Falkenstein and Bank management for their presentation. On an annual basis this is especially helpful in looking at the overall loan portfolios of the Bank and the ability to identify where there may be risks and set aside additional reserves if needed.

Commissioner Goehring left the meeting.

Ms. Fine presented a draft Resolution of Appreciation for Gary Peterson who has served as a member of the Bank of North Dakota Advisory Board since 2002.

It was moved by Attorney General Wrigley and seconded by Governor Burgum approved the following Resolution of Appreciation:

Resolution of Appreciation

Whereas, Gary Petersen has served as a member of the Bank of North Dakota Advisory Board since 2002 as a representative of the banking community and served as Chairman for the past five years and Vice Chairman for over ten years; and

Whereas, Gary has been a passionate advocate for the Bank and the work that they do for all the citizens of North Dakota; and

Whereas, Gary's knowledge of the banking industry and understanding of how the Bank could partner with financial institutions across the state has been a key in the Bank's success and meeting its mission of encouraging and promoting agriculture, commerce, and industry; and

Whereas, Gary's thoughtful counsel and willingness to assist the Bank in all facets of its operations over the past 20 years has been valuable to the Bank, Industrial Commission and an overall benefit to North Dakota;

Now, therefore, the Industrial Commission hereby thanks Gary Petersen for his years of service to the Bank of North Dakota, the Industrial Commission and to the State of North Dakota and all its citizens.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Commissioner Goehring was absent and not voting. The motion carried.

Mr. Steinwand presented the Bank of North Dakota Advisory Board April 21, 2022 non-confidential meeting minutes for the Commission’s information.

WESTERN AREA WATER SUPPLY AUTHORITY

Ms. Fine presented a request from the Western Area Water Supply Authority Board to be reimbursed \$29,512.96 from the Capital Reserve Trust Account for reservoir riser replacement. She stated it was her recommendation to approve this request as it is an appropriate use of funding in the Capital Reserve Trust Account. Ms. Fine further requested that she be given authority to approve any further capital improvements up to a total of \$50,000 for the remainder of the year. This is a similar amount to what the Commission had authorized in prior years.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission authorize the expenditure of \$29,512.96 from the Western Area Water Supply Authority (WAWSA) Industrial Capital Reserve Account as requested by the WAWSA Board and further grant the Industrial Commission Executive Director authority to approve up to \$50,000 for WAWSA capital improvement during the remainder of CY2022. On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Commissioner Goehring was absent and not voting. The motion carried.

INDUSTRIAL COMMISSION ADMINISTRATIVE BUSINESS

Ms. Karlene Fine, Industrial Commission Executive Director, presented her recommendation for salary increases for the agency directors. She stated that the agency directors are doing exceptional work and have taken on additional workload. She based her recommendation on the guidance by the Legislature and noted where agency directors have taken on additional workload because of increased federal funding and the responsibilities that come with administering those federal funds. Her recommendations were as follows:

	<u>Current</u> <u>Annual Salary</u>	<u>Recommended</u> <u>Increase</u>	<u>New Annual</u> <u>Salary</u>
Lynn Helms	\$250,586	\$12,529 (5% increase)	\$263,115
Vance Taylor	\$351,351	\$ 7,027 (2% increase)	\$358,378
Dave Flohr	\$150,675	\$ 4,520 (3% increase)	\$155,195
DeAnn Ament	\$124,760	\$ 3,743 (3% increase)	\$128,503

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission accept the recommendation of the Executive Director for the agency directors as follows and further approve a 5% increase for the Executive Director as noted below:

	<u>Current</u> <u>Annual Salary</u>	<u>Recommended</u> <u>Increase</u>	<u>New Annual</u> <u>Salary</u>
Lynn Helms	\$250,586	\$12,529 (5% increase)	\$263,115
Vance Taylor	\$351,351	\$ 7,027 (2% increase)	\$358,378
Dave Flohr	\$150,675	\$ 4,520 (3% increase)	\$155,195
DeAnn Ament	\$124,760	\$ 3,743 (3% increase)	\$128,503

	<u>Current</u> <u>Annual Salary</u>	<u>Increase</u>	<u>New Annual</u> <u>Salary</u>
Karlene Fine	\$130,773	\$6,538.65 (5% increase)	\$137,311.65

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Commissioner Goehring was absent and not voting. The motion carried

Governor Burgum indicated that there was additional workload that Ms. Fine assumed when the Industrial Commission Administrative Office was without a Deputy for four months and believed there should be compensation for the additional workload that she did during that time.

Ms. Fine presented the March 24, and April 20, 2022 Industrial Commission meeting minutes for approval.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the March 24, and April 20, 2022 meeting minutes be approved as presented. On a roll call vote Governor Burgum, and Attorney General Wrigley voted aye. Commissioner Goehring was absent and not voting. The motion carried.

Ms. Fine distributed the new North Dakota Mill's 100th anniversary mugs for the Commission members and staff.

With no further Industrial Commission business, Governor Burgum adjourned the meeting at 4:26 p.m.

North Dakota Industrial Commission

Karen Tyler, Interim Executive Director and Secretary