

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on October 27<sup>th</sup>, 2025, beginning at 1:30 p.m.

BND Executive Conference Room

Present: Governor Kelly Armstrong, 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 Armstrong called the meeting of the Industrial Commission to order at approximately 1:32 p.m.

Ms. Karen Tyler took roll call, and Governor Armstrong, Commissioner Goehring, and Attorney General Wrigley were present.

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

This was a joint meeting of the Industrial Commission and the Bank of North Dakota Advisory Board.

**BANK OF NORTH DAKOTA AND BND ADVISORY BOARD**

Mr. Don Morgan, along with the members of the Bank of North Dakota Advisory Board (Karl Bollingberg, Dennis Johnson, Brenda Foster, Kathleen Neset, Christie Obenauer, Bill Price, and Jean Voorhees), presented the BND CEO report which included the vision and traction organizer, Bank strategies, current and projected financials, various risks categories, and policy and program approvals. The full report is available on the website.

Mr. Morgan initiated discussion around the Ag Disaster 2025/2026 relief programs.

Mr. Morgan gave a brief update on the Furloughed Federal Employee Relief Program (FFERP) which was approved during a special Industrial Commission meeting held October 8, 2025.

Mr. Morgan presented the non-confidential August 20, 21, 2025 Advisory Board and Committee meeting minutes for the Commission's review.

**It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that under the authority of North Dakota Century Code Sections 6-09-35, 44-04-18.4, 44-04-19.2, and 54-17.5-06, the Industrial Commission enter executive session for the purpose of Bank of North Dakota confidential business and a Lignite Research Program confidentiality request.**

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

**The Commission is meeting in executive session pursuant to N.D.C.C. 6-09-35, 44-04-18.4, and 44-04-19.2 to consider those items listed on the agenda under Bank of North Dakota Confidential Business. Only Commission members, their staff, Commission staff, and Bank of North Dakota staff will participate in the executive session.**

**After the Bank of North Dakota executive session, the Commission is meeting in executive session pursuant to 44-04-18.4, 44-04-19.2 and 54-17.5-06 to consider a Lignite Research Program applicant confidentiality request. Only Commission members, their staff, Commission staff, and Department of Mineral Resources staff will participate in the executive session.**

**Any formal action taken by the Commission will occur after it reconvenes in open session.**

**Governor Armstrong reminded the Commission members and those present in executive session that the discussion must be limited to the announced purposes. The executive session is anticipated to last approximately 30 minutes and will begin at 2:24 p.m.**

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

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#### **BANK OF NORTH DAKOTA AND BND ADVISORY BOARD EXECUTIVE SESSION**

##### **Industrial Commission Members Present**

Governor Kelly Armstrong  
Attorney General Drew H. Wrigley  
Agriculture Commissioner Doug Goehring

##### **BND Members Present**

Don Morgan  
Kirby Evanger  
Kelvin Hullet  
Rob Pfennig  
Christy Steffenhagen  
Alison Anderson  
Lori Leingang

##### **BND Advisory Board Members Present**

Karl Bollingberg  
Dennis Johnson  
Brenda Foster  
Kathleen Neset  
Christie Obenauer  
Bill Price  
Jean Voorhees

##### **Others in attendance**

Jacy Schafer      Governor's Office

Chris Joseph	Governor's Office
Dutch Bialke	Agriculture Commissioner's Office
Karen Tyler	Industrial Commission Office
Jordan Kannianen	Industrial Commission Office
Brenna Jessen	Industrial Commission Office
Carmen Devney	Industrial Commission Office

### **LIGNITE RESEARCH PROGRAM APPLICATION CONFIDENTIALITY REQUEST**

#### **Industrial Commission Members Present**

Governor Kelly Armstrong  
 Attorney General Drew H. Wrigley  
 Agriculture Commissioner Doug Goehring

#### **Others in attendance**

Nathan Anderson	Department of Mineral Resources
Ed Murphy	Department of Mineral Resources
Jacy Schafer	Governor's Office
Chris Joseph	Governor's Office
Dave Gardner	Attorney General's Office
Dutch Bialke	Agriculture Commissioner's Office
Karen Tyler	Industrial Commission Office
Jordan Kannianen	Industrial Commission Office
Brenna Jessen	Industrial Commission Office
Carmen Devney	Industrial Commission Office

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The executive session ended at 3:03 p.m. and the Commission reconvened in open session.

During the Bank of North Dakota executive session, confidential Bank business was discussed. No action was taken.

**During the Lignite Research Program executive session, a confidentiality request was discussed.**

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the confidentiality request by the LRP applicant with limitations as recommended by the Deputy Executive Director.**

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

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

Ms. DeAnn Ament presented for consideration of approval the following State Revolving Fund Loan:

- i. **City of Mandan – Drinking Water - \$4,491,000.** The purpose of this loan is to begin the process of replacing some of 58 known lead service lines out of approximately 4,481 unknowns. The requested loan term is 20 years, and the City will issue revenue bonds payable with water and sewer user fees. The average annual payment will be approximately \$75,922.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the following Drinking Water State Revolving Fund loan of \$4,491,000 for the City of Mandan.**

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

A RESOLUTION WAS MADE

**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 Mandan (the "Political Subdivision") has requested a loan in the amount of \$4,491,000 from the Program to begin the process of replacing some of the 58 known lead service lines out of approximately 4,481 unknown lines; and

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

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

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

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

Adopted: October 27, 2025

Ms. Ament presented for consideration of approval a Resolution providing for Reimbursement of Certain Costs of State Revolving Fund Programs.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the resolution presented by the Public Finance Authority Executive Director, providing for the reimbursement of certain costs of the State Revolving Fund Programs from subsequent bond issuance proceeds.**

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

A RESOLUTION WAS MADE

**RESOLUTION PROVIDING FOR REIMBURSEMENT OF CERTAIN COSTS FOR  
THE STATE REVOLVING FUND PROGRAMS**

WHEREAS, the North Dakota Public Finance Authority (the “Authority”) is duly constituted as an instrumentality of the State of North Dakota exercising public and governmental functions under the operation, management and control of the Industrial Commission of North Dakota (the “Industrial Commission”), pursuant to Chapter 6-09.4, North Dakota Century Code (the “Act”);

WHEREAS, pursuant to the Act, the Authority is authorized to issue bonds and to make loans to political subdivisions of the State of North Dakota and certain other entities through the purchase of municipal securities and other obligations;

WHEREAS, the Legislative Assembly of North Dakota has established a revolving loan fund (the “Clean Water State Revolving Fund” or “Clean Water SRF”) pursuant to Chapter 61-28.2, North Dakota Century Code (the “Clean Water SRF Act”) to be maintained and operated by the North Dakota Department of Environmental Quality (the “Department”) to provide for loans for the design, construction and rehabilitation of wastewater treatment facilities and certain other activities in accordance with Title VI of the Clean Water Act (the “Clean Water Program”);

WHEREAS, the Legislative Assembly of North Dakota has established a revolving loan fund (the “Drinking Water State Revolving Fund” or “Drinking Water SRF”) pursuant to Chapter 61-28.1, North Dakota Century Code (the “Drinking Water SRF Act”) to be maintained and operated by the Department to provide for loans for expenditures on public water systems and certain other activities in accordance with the Safe Drinking Water Act (the “Drinking Water Program”);

WHEREAS, the Industrial Commission, acting pursuant to provisions of the Act, the Clean Water SRF Act, and the Drinking Water SRF Act, and pursuant to the Amended and Restated Master Trust Indenture dated as of July 1, 2011, between the Authority and the Bank of North Dakota, as Trustee, as amended (the “Master Trust Indenture”) expects to authorize and direct the

issuance by the Authority of a future series of its State Revolving Fund Program Bonds (the “Bonds”);

WHEREAS, the Authority desires to fund additional projects pursuant to the Clean Water Program and the Drinking Water Program with amounts on deposit in the Federally Capitalized Loan Accounts and Unrestricted Cumulative Excess Subaccounts (the “Accounts”) and, at a later date as determined in the discretion of the Executive Director, and in compliance with Treas. Reg. §1.150-2, reimburse those Accounts of the Clean Water Program and the Drinking Water Program from the proceeds of Bonds subsequently issued pursuant to the Master Trust Indenture;

NOW THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL COMMISSION OF NORTH DAKOTA, AS FOLLOWS:

Section 1. Definitions. All terms capitalized herein and not otherwise defined shall have the meanings ascribed to them in the Master Trust Indenture.

Section 2. Purpose and Expectations. The Industrial Commission declares that pursuant to a plan of finance it intends for the Authority to undertake the making of Loans pursuant to the Clean Water Program and the Drinking Water Program with amounts on deposit in the Accounts and to reimburse the Accounts for expenditures made pursuant to the Loans out of the proceeds of the Bonds. This declaration is a declaration of official intent adopted pursuant to Treas. Reg. §1.150-2.

Section 3. Timing and Amount of Reimbursement. Reimbursement allocations made under the provisions of this resolution shall be made within 18 months of the date hereof and shall not exceed \$130,000,000 in aggregate principal amount consisting of up to \$120,000,000 for the Clean Water Program and up to \$10,000,000 for the Drinking Water Program. The Executive Director shall be responsible for the timing and amount of the reimbursement allocations. Each allocation shall be evidenced by an entry on the official books and records of the Authority maintained with respect to the Bonds.

Adopted: October 27, 2025

Ms. Ament presented a Report on the Sale of \$43,610,000 Capital Finance Program Bonds, Series 2025A. The Bond Sale took place on October 1, 2025.

#### Spread to BVAL

The following table shows the yields for the Series 2025A Bonds and their spread to the June 1 Interpolated BVAL AAA Municipal Curves (BVAL). The Interpolated BVAL AAA curve represents the valuation of AAA rated general obligation credits, assuming a 5.00% coupon, based on market activity in both the primary and secondary municipal bond market. BVAL uses real-time market data and transaction information for a more accurate and transparent representation of the municipal market.

<u>Maturity</u>	<u>Coupon</u>	<u>Yield</u>	Spread to June BVAL AAA		<u>Maturity</u>	<u>Coupon</u>	<u>Yield</u>	Spread to June BVAL AAA
			<u>BVAL AAA</u>	<u>Maturity</u>				
2026	5.00%	2.53%	0.25%	2036	5.00%	3.25%	0.27%	
2027	5.00%	2.44%	0.19%	2037	5.00%	3.39%	0.27%	
2028	5.00%	2.42%	0.19%	2038	5.00%	3.53%	0.28%	
2029	5.00%	2.42%	0.19%	2039	5.00%	3.65%	0.25%	
2030	5.00%	2.46%	0.20%	2040	5.00%	3.78%	0.28%	
2031	5.00%	2.53%	0.18%	2041	5.00%	3.91%	0.31%	
2032	5.00%	2.68%	0.22%	2042	5.00%	4.02%	0.30%	
2033	5.00%	2.79%	0.24%	2043	5.00%	4.11%	0.31%	
2034	5.00%	2.90%	0.22%	2044	5.00%	4.19%	0.31%	
2035	5.00%	3.07%	0.23%	2045	5.00%	4.25%	0.30%	

PFM reviewed the results of the Authority's Series 2025A Bonds with regard to prevailing market conditions, and it is our opinion that the interest rate scales, couponing, reoffering yields and underwriting compensation received for the Series 2025A Bonds are fair and favorable to the Authority. The final pricing for the Series 2025A Bonds resulted in a gross underwriting spread of \$135,772.94 or \$3.11 per face amount of bonds.

We also opine that the Authority's Series 2025A Bonds were appropriately priced relative to other issues sold or trading in the secondary market during the same period. PFM believes that the final all-in true interest cost of 3.7317% for the Series 2025A Bonds are favorable to the Authority in light of prevailing market conditions. Additionally, PFM believes that these statistics are comparable to the interest rate levels of similar transactions sold either competitively or through negotiated placement in the market during the week of sale.

S&P Global Ratings affirmed the Series 2025A Bonds a "AA-" credit rating prior to the receipt of bids.

We greatly appreciate the opportunity to have served as financial advisor to the Authority on the Series 2025A Bonds and we look forward to being of continued service on future financing transactions. As always, we will be available to respond to any questions you may have concerning the contents of this memorandum or on any part of the financing process.

## DEPARTMENT OF MINERAL RESOURCES

Mr. Nathan Anderson and Mr. Mark Bohrer presented for consideration of approval the following cases:

- i. **Order 34057 in Case 31357** – Regarding Application of Spotted Hawk Development, LLC to amend field rules for Van Hook and/or Deep Water Creek Bay-Bakken Pool for 4160 acre spacing unit and authorize up to eight wells, dissolving other spacing units as necessary, and such further relief as appropriate.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34057 in Case 31357 approving the application of Spotted Hawk Development, LLC for an order amending the field rules for the Van Hook and/or Deep Water Creek Bay-Bakken Pool, McLean and Dunn Counties, ND, so as to create and establish a 4160-acre spacing unit comprised of Sections 15, 16, 17, 18, 19, 20 and the N/2 of Section 21, T.150N., R.91W., authorizing the drilling, completing and producing of a total not to exceed eight wells, dissolving such other spacing units as may be necessary to allow for**

**orderly development of the proposed 4160-acre spacing unit, and such other relief as appropriate.**

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

- ii. **Order 34622 in Case 31880** – Regarding application of Devon Energy Williston, LLC to amend field rules for Glass Bluff-Bakken Pool, Foremen Butte-Bakken Pool and/or Nameless-Bakken Pool for overlapping 3200 acre spacing unit, authorizing not more than ten wells and other relief as appropriate.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34622 in Case 31880 denying the application of Devon Energy Williston, L.L.C. for an order amending the field rules for the Glass Bluff-Bakken Pool, Foremen Butte-Bakken Pool, and/or Nameless-Bakken Pool, McKenzie County, ND, so as to create and establish an overlapping 3200-acre spacing unit comprised of the W/2 of Section 27, all of Sections 28, 29, 32 and 33, and the W/2 of Section 34, T.151N., R.102W., authorizing the drilling of a total not to exceed ten wells on said proposed overlapping 3200-acre spacing unit, and such further relief.**

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

- iii. **Order 34198 in Case 31477** – Regarding application of CTI Well Service to transfer certain confiscated wells as identified in Rough Rider and Grassy Butte Fields to CTI Well Service as Operator to bring back on production and other relief as appropriate.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34198 in Case 31477 approving the application of CTI Well Service for an order of the Commission transferring the following confiscated wells: the Placid 28-1V well (File No. 32883) and the Placid 28-2V well (File No. 33042), located in the Section 28, T.146N., R.100W., and the Sheep Creek Storm 1-1V well (File No. 33126), located in Section 1, T.145N., R.100W., Rough Rider and Grassy Butte Fields, respectively, McKenzie County, ND, to CTI Well Service as operator so said wells might be brought back on production and/or such further and additional relief.**

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

- iv. **Order 34355 in Case 31623** – Regarding Petition of Cobra Oil & Gas Corp for unitized management, operation, and development of Bull Moose-Duperow Unit Area, approval of plan of operation, vacating applicable spacing orders and other relief as appropriate.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34355 in Case 31623 approving the petition of Cobra Oil & Gas Corp. for an order providing for the unitized management, operation, and further development of the Bull Moose-Duperow Unit Area, consisting of lands within the Bull Moose Field in McKenzie County, ND; for approval of the unit agreement and unit operating agreement constituting the plan of unitization for the Bull Moose-Duperow Unit Area; for approval of the plan of operation; vacating the applicable spacing orders; and for such further and additional relief.**

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

- v. **Order 34356 in Case 31624** – Regarding application of Cobra Oil & Gas Corp for determination that unitization for Bull Moose-Duperow Unit Area is signed, ratified or approved by owners of interest as required by statute and rules of Commission.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34356 in Case 31624 authorizing the DMR Director to sign a ratification order upon demonstration by Cobra Oil & Gas Corp that the statutory requirements under N.D.C.C Section 38-08-09.5 have been met.**

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

- vi. **Order 34728 in Case 31976** – North Dakota Industrial Commission, Complainant, v. Rocky Top Energy, LLC Administrative Complaint, Imposition of Civil Penalties.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve default Order No. 34728 in Case 31976, imposing a fine in the amount of \$1,139,973 and costs of investigation of \$1,789.78 on Rocky Top Energy LLC for violations of N.D. Admin. Code §§ 43-02-03-55(1), 43-02-03-34, 43-02-03-34.1, 43-02-03-30, and 43-02-03-30.1.**

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

Under other business, Mr. Anderson stated that the Oil and Gas proposed rules are published and open for public comment until October 31, 2025.

Mr. Anderson also provided an update on the progress of hiring a Deputy Director and stated that the position will be posted soon.

## OIL AND GAS RESEARCH PROGRAM

Mr. Kannianen presented the Renewable Energy Program Project Management and Financial Report. The program currently has 12 active projects with a cash balance of \$23,667,315.77. The committed funds are \$16,008,821.91 with \$7,658,493.86 available for new projects. It was noted that the legislature appropriated an additional \$25 million over and above the tax formula funding to the OGRP for this biennium to be used for enhanced oil recovery projects.

Mr. Kannianen and Mr. Brent Brannan presented for consideration of approval the Grant Round 62 Applications Approved by the Oil and Gas Research Council.

- i. G-062-L: "Large-Scale Hydrocarbon Gas Injection EOR Pilot to Inform Future CO2 EOR in the Bakken" Chord Energy; Total Project Cost: \$38,632,967; Request: \$13,998,200
- ii. G-062-I: "Bakken Production Optimization Program (BPOP) 5.0" EERC; Total Project Cost: \$12,030,206; Request: \$6,000,000
- iii. G-062-O: "Proposal for Subfactant-Based EOR Pilot Testing Program, Bakken – Three Forks Formations, Williston Basin, ND" Devon; Total Project Cost: \$3,370,000; Request: \$1,535,000
- iv. G-062-H: "Enhanced Oil Recovery and Advanced Completion Design for Tight Carbonate Reservoirs in Western North Dakota" Cobra Oil & Gas Corp; Total Project Cost: \$10,000,000; Request: \$5,000,000
- v. G-062-M: "Williston Basin Resources Optimization: Large-Scale Miscible Gas Huff n Puff EOR Pilot in Continental's Dunn County Acreage – Roadrunner/Clover Pad" Continental Resources; Total Project Cost: \$26,889,228; Request: \$8,771,905
- vi. G-062-N: "A Multi-Well, Multi-Zone Enhanced Oil Recovery Project Utilizing Produced Natural Gas in Williams County – Durant Pad" Continental Resources; Total Project Cost: \$29,918,810; Request: \$9,836,905

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accept the recommendation of the Oil and Gas Research Council, approve the funding of the following projects in the amounts recommended, based on the expectation by industry and the EERC that federal funds from the Department of Energy may be received by April 1, 2026, with a contingent plan that if federal funding is not available by that time, project G-062-I (BPOP) would receive a reduction in funding of \$1,000,000, and the remaining five grant applications would receive a five-percent reduction in funding, and authorize the Office of the Industrial Commission to enter into contracts for the projects:**

**G-062-L: "Large-Scale Hydrocarbon Gas Injection EOR Pilot to Inform Future CO2 EOR in the Bakken" Chord Energy \$13,998,200**

**G-062-I: "Bakken Production Optimization Program (BPOP) 5.0" EERC \$6,000,000**

**G-062-O: “Proposal for Surfactant-Based EOR Pilot Testing Program, Bakken – Three Forks Formations, Williston Basin, ND” Devon \$1,535,000**

**G-062-H: “Enhanced Oil Recovery and Advanced Completion Design for Tight Carbonate Reservoirs in Western North Dakota” Cobra Oil & Gas Corp \$5,000,000**

**G-062-M: “Williston Basin Resources Optimization: Large-Scale Miscible Gas Huff n Puff EOR Pilot in Continental’s Dunn County Acreage – Roadrunner/Clover Pad” Continental Resources \$8,771,905**

**G-062-N: “A Multi-Well, Multi-Zone Enhanced Oil Recovery Project Utilizing Produced Natural Gas in Williams County – Durant Pad” Continental Resources \$9,836,905**

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

#### **RENEWABLE ENERGY PROGRAM**

Mr. Kannianen presented the Renewable Energy Program Project Management and Financial Report. The program currently has 13 active projects with a cash balance of \$5,884,602.09. The committed funds are \$3,444,550.83 with \$2,590,053.63 available for new projects.

Mr. Kannianen presented for consideration of approval the Grant Round 56 Applications approved by the Renewable Energy Council.

- i. R-056-A: “Unlocking Lithium Carbonate in Produced Water for Battery Grade Li<sub>2</sub>CO<sub>3</sub> for in-State Cathode Manufacturing” Triple 8 LLC dba Wellspring Hydro; Project Cost \$1,000,000; Request: \$500,000

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

**R-056-A: “Unlocking Lithium Carbonate in Produced Water for Battery Grade Li<sub>2</sub>CO<sub>3</sub> for in-State Cathode Manufacturing” Triple 8 LLC dba Wellspring Hydro \$500,000**

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

- ii. R-056-B: “Empowering the Critical Minerals for Novel Cathode Materials-based Drone Batteries” University of North Dakota; Project Cost \$1,000,000; Request: \$500,000

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

**R-056-B: “Empowering the Critical Minerals for Novel Cathode Materials-based Drone Batteries” University of North Dakota \$500,000**

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

**OFFICE OF THE INDUSTRIAL COMMISSION**

Ms. Karen Tyler presented for consideration of approval the July 30, 2025, Industrial Commission meeting minutes.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the July 30, 2025, Industrial Commission meeting minutes.

Ms. Tyler presented for consideration of approval the annual bonus for the North Dakota Mill President, Vance Taylor.

The memo reads as follows:

“Fiscal Year 2025 was another record year for the North Dakota Mill. Profits were \$26,694,411 which was an increase from the prior year's profits of 20,795,168 and an all-time record high for the Mill.

**When Vance Taylor was hired by the Industrial Commission in June of 2000, his compensation package included an annual bonus opportunity based on performance, up to 30% of base salary. Thirty percent of Vance's current base salary of \$395,076 is \$118,522.**

The Commission has previously determined that the 30% bonus payment provided for in Vance's contract is to be determined with two components: 20% of the bonus will be based on what has been distributed to Mill employees under the Mill's gain sharing plan. 10% of the bonus is based on other criteria, with the priority consideration being the achievement of goals established in the Mill Strategic Plan.

The gain sharing payout for FY 2025 for Mill employees was 30.43% as compared to 29.84% in 2024. The maximum bonus amount under this component of the compensation plan is \$79,015. All four gain sharing criteria goals were met, and profits as previously stated were a new record for the Mill. Based on the gain sharing payout portion, it is my recommendation that Vance receive the full amount applicable under the 20% component.

The remaining 10% of the 30% bonus potential is \$39,507. For this component I recommend \$35,500. Under Vance's leadership, the Mill achieved numerous goals that were established by the Commission in the Mill's 2025 strategic plan. Increased operating efficiencies were achieved through the completion of the lot and rail improvement project and the expanded use of private rail cars to move wheat, use of a new transload site in Cincinnati, OH, and establishment of a new transload site in Ft. Lauderdale, FL. The Mill continued to operate in compliance with industry quality and safety standards, passing the Version 6.0 FSSC certification audit, and also completed its FY 2025 financial audit with no findings. Shipment volume and exports increased, but at a lower rate than the previous year, at 7% and 11.8% respectively. The Mill did not add any new significant customers in FY 2025 but did add four new locations for existing customers. As directed by the

Commission, the Mill has retained a consulting firm to assess its policies related to human resources, information technology, and governance, and management practices related thereto. The review process is underway and is expected to be completed by year end.

Vance continues to do an excellent job leading the Mill team in the operation of an enterprise that supports growers, provides quality products and services to customers, and delivers a profit to its owners – the citizens of North Dakota. **For the 2025 fiscal year I am recommending a bonus totaling \$114,515.00.”**

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve a bonus for the North Dakota Mill President in accordance with the applicable employment contract and policy, in the amount of \$114,515.00, with a required bonus calculation formula that is set at 20% related to gain sharing results for Mill employees and 10% based on other criteria, primarily achievement of goals established in the Mill Strategic Plan.**

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

With no further business, Governor Armstrong adjourned the meeting of the Industrial Commission at 3:58 p.m.

North Dakota Industrial Commission



Brenna Jessen, Recording Secretary



Karen Tyler, Interim Executive Director



Jordan Kannianen, Deputy Executive Director