

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on March 25th, 2025, beginning at 1:00 p.m.

Governor's Conference Room – State Capitol

Present: Governor Kelly Armstrong, Chairman

Attorney General Drew H. Wrigley

Agriculture Commissioner Doug Goehring

Also Present: This meeting was open through Microsoft Teams 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 1:05 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.

NORTH DAKOTA HOUSING FINANCE AGENCY

Ms. Jennifer Henderson presented for consideration of approval the 2026 Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan.

The NDHFA Advisory Board recommends the Industrial Commission approve the 2026 Low Income Housing Tax Credit Qualified Allocation Plan.

Section 42 of the Internal Revenue Code requires that the Agency allocate Low Income Housing Tax Credits in accordance with a Qualified Allocation Plan (QAP).

The initial draft 2026 QAP was published on February 14, 2025, for a 15-day public comment period that ended at 5 pm on March 3, 2025. A public hearing was held on March 5, 2025. Interested parties had the option to attend either in person at NDHFA Executive Board Room or via Microsoft Teams. A summary of the substantive changes to the draft plan, comments received, and a copy of the final red-line draft was provided to the Commission for review. Following Industrial Commission approval, the final QAP will be published to the Agency website. The application round will open on September 1, 2025, and close on the last business day in September.

The full Allocation Plan is available on the website.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the 2026 Low Income Housing Tax Credit Qualified Allocation Plan as presented by the North Dakota Housing Finance Agency.

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

Ms. Henderson presented for consideration of approval the 2025 Housing Incentive Fund (HIF) Allocation Plan.

The NDHFA Advisory Board recommends the Industrial Commission approve the 2025 Housing Incentive Fund Allocation Plan.

Annually the agency is responsible for developing a Housing Incentive Fund Allocation Plan (the Plan). The plan identifies the process for which eligible applicants must apply for HIF funding including the scoring criteria that will be used to rank, score, and select successful applications for multifamily projects. The 2025 Plan was made available for public comment February 14-March 3, 2025. A public hearing was held on March 5th, 2025, at NDHFA's office and via Microsoft Teams.

The 69th Legislative Assembly is in session and the final HIF appropriation is yet to be determined. It is anticipated that a portion of the HIF appropriation will be made available for HIF Single Family and a separate allocation plan will be made available for public input at that time. Current HIF appropriation proposed as of the time of this meeting is \$25 million and \$10 million of ND Homeless Grant to be transferred to HIF to be used for homeless activities.

The full Allocation Plan is available on the website.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the 2025 Housing Incentive Fund Allocation Plan as presented by the North Dakota Housing Finance Agency.

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

Ms. Henderson gave a report on the 2025 HOME Investment Partnership Program and 2025 National Housing Trust Fund Allocation Plans.

The HOME Investment Partnership Program (HOME) is a permanent federal program, established under Title II of the Cranston-Gonzalez National Affordable Housing Act and codified under 24 CFR part 92. Unlike Housing Trust Fund, HOME eligible activities include more than affordable multifamily production and rehabilitation such as rehabilitation of homeowner housing, homebuyer assistance, and tenant based rental assistance. Distribution of HOME funds must be consistent with the goals identified in the State Consolidated Plan and Annual Action Plan (AAP). North Dakota receives the small state minimum allocation of \$3 million annually.

As drafted the 2025 HOME Allocation plan (Plan) makes available a total of \$3,143,222 in funds set aside as follows: \$840,000 to single family homeowner rehabilitation programs, \$500,000 for homebuyer downpayment assistance, allowable administration and planning funds, and the remainder for multifamily rental production and rehabilitation.

The Plan was published for public comment February 14 - March 3, with a public hearing held March 5, 2025. The Plan will now be incorporated into the development of the 2025-2029 Consolidated plan and the 2025 State Annual Action Plan (AAP) and a 30-day public comment period is planned in April. Following the comment period, the AAP will be submitted to HUD for approval. HUD has 45 days to review the plan and provide feedback or it becomes final. Comments may be received for any part of the AAP including the HOME allocation plan.

There were no substantial changes made to the Homeowner Rehabilitation program or the Homebuyer Down Payment Assistance program except updating language for the resale and recapture provisions used by the CLT.

The National Housing Trust Fund (HTF) is a permanent federal program, established as part of the Housing and Economic Recovery Act of 2008 and codified in the Code of Federal Regulations, Title 24, Parts 91 and 93. The primary purpose of the HTF is to provide grants to state governments to increase and preserve the supply of affordable rental housing for extremely low income (ELI) households, defined as those earning less than 30% of the area median income (AMI), including homeless families. The HTF is funded by an assessment of the percentage of new business booked by Fannie Mae and Freddie Mac. North Dakota receives the small state minimum allocation of \$3 million annually.

The HTF allocation plan compliments the Federal Low Income Housing Tax Credit Qualified Allocation Plan (LIHTC QAP). The plan was published on February 14, 2025, opening a 15-day public comment period. The public input hearing was held on March 5, 2025.

HTF plan will be incorporated into the 2025 State Annual Action Plan as part of the 2025-2029 State Consolidated plan. A 30-day public comment period for the action plan and consolidated plan begins April 12th. Following completion, the plan will be submitted to HUD for approval. HUD has 45 days to review the plan and provide feedback or it becomes final. Comments may be received for any part of the Annual Action Plan including the HTF plan. The redline draft plan was provided to the Commission for review.

Ms. Henderson gave a report on the 2025 Emergency Solutions Grant and ND Homeless Grant Allocation plans.

The agency serves as the administrator for the Federal Emergency Solutions Grant (ESG) and the state appropriated ND Homeless Grant (NDHG). Similar to the multifamily programs, the funds are allocated to recipients through the allocation plan which details the eligible activities and the selection criteria for each program. The ESG allocation plan is then incorporated into the HUD Annual Action plan for submission to HUD for approval.

Emergency Solutions Grant

PROGRAM OVERVIEW

Emergency Solutions Grants will be utilized to provide services to homeless and those at risk of becoming homeless in the following eligible activities.

- Street Outreach;
- Emergency Shelter;
- Homelessness Prevention;
- Rapid Re-housing Assistance; and
- Homeless Management Information System- HUD required homeless data repository.

Ms. Henderson gave a report on the Declaration of Intent to Issue Multifamily Revenue Bonds to Wild Rose Senior Housing in Minot, ND.

The memo reads as follows:

“On February 7, 2025, NDHFA issued a Declaration of “Official Intent” to issue Multifamily Revenue Bonds in the amount not to exceed \$5,600,000. The proceeds of the bonds will be used for the acquisition and rehabilitation of Wild Rose Senior housing 48-unit affordable rental project located in Minot, North Dakota. A copy of the declarations is attached.

The issuance of tax-exempt bonds is required for a project to qualify for a non-competitive 4% tax credit allocation. The authority to issue the intent declaration was given by a Resolution Authorizing Declarations of Intent adopted by the Commission on March 24, 2015.

Wild Rose Senior Housing is an acquisition/rehabilitation of an existing 48-unit general occupancy project currently known as Southside Living, formally Guardian Manor. Southside living is a LIHTC project built in 1993 and will finish its original period of affordability on 12/31/2026. The project is in need of significant rehabilitation updates including unit modernization, HVAC replacement, and exterior improvements.

The project is optimal for conversion to senior housing as it is single-level cottage style units with community space and is located in close proximity to grocery and medical facilities.

The developer, American Covenant Senior Housing Foundation from Kalispell, MT, has experience owning and operating senior living communities that offer supportive services as needed. Total development costs of \$8.1 million of which \$3.9 million will be in hard rehabilitation costs. Completion of this project will preserve existing affordable housing for an additional 30 years. Other funding awarded includes \$300,359 4% LIHTCs, and \$2,150,000 HIF.

The issuance of an official intent memo declares the intention to issue multifamily bonds, however, does not obligate the Agency to give final approval for the issuance of the bonds. Final approval for issuance of the bonds can only be authorized by independent action of the Industrial Commission. Prior to final bond issuance, the application must meet underwriting conditions and receive an approval for 4% tax credits. Once underwriting conditions are met, the project will then be presented to the Commission with a request to approve the issuance of a Resolution Authorizing Revenue Bonds and approve the substantially drafted bond documents.”

Mr. Flohr gave a legislative update. The following bills are being tracked by the NDHFA: HB1362, HB1378, HB1524, SB2014, SB2018, SB2030, and SB2225.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

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

- i. **City of Hazen – Clean Water - \$2,506,000.** The purpose of this project is to reline the sanitary sewer mains and spot repair any that cannot be relined. The manholes will also be rehabilitated. The requested term for the loan is 30 years,

and the City will issue improvement bonds payable with special assessments.
The average annual payment for the improvement bonds will be \$105,049.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Clean Water State Revolving Fund Loan request of \$2,506,000 for the City of Hazen.

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 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 Hazen (the "Political Subdivision") has requested a loan in the amount of \$2,506,000 from the Program to reline the sanitary sewer mains and spot repair any that cannot be relined, and rehabilitate the manholes; and

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

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

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

1. The Loan is hereby approved, as recommended by the Advisory Committee.
2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.
3. The Executive Director is authorized to fund the Loan from funds on hand in the Clean Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.

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

Adopted: March 25, 2025

Ms. Ament presented the following SRF Clean Water loan for consideration of approval:

- ii. **City of Mandan – Clean Water - \$12,478,000.** The purpose of this project is to replace the water main, sanitary and storm sewer, and a lift station along Memorial Highway from approximately 32nd to 46th Avenue. The water main will be relocated to a more accessible location and upsized to provide redundancy of service to the southwest portions of Mandan. The requested term for the loan is 20 years, and the City will issue improvement bonds payable with special assessments. The average annual payment will be \$721,863.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Clean Water State Revolving Fund Loan request of \$12,478,000 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 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 Mandan (the "Political Subdivision") has requested a loan in the amount of \$12,478,000 from the Program to replace the water main, sanitary and storm sewer, and a lift station along Memorial Highway from approximately 32nd to 46th Avenue, relocate the water main to a more accessible location, and upsize the water main to provide redundancy of service to the southwest portions of Mandan; and

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

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

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

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

Adopted: March 25, 2025

Ms. Ament presented the following SRF Drinking Water loan for consideration of approval:

- iii. **City of Mandan – Drinking Water - \$6,909,000.** The purpose of this project is to replace the water main, sanitary and storm sewer, and a lift station along Memorial Highway from approximately 32nd to 46th Avenue. The water main will be relocated to a more accessible location and upsized to provide redundancy of service to the southwest portions of Mandan. The requested term for the loan is 20 years, and the City will issue improvement bonds payable with special assessments. The average annual payment will be \$399,259.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Drinking Water State Revolving Fund Loan request of \$6,909,000 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 \$6,909,000 from the Program to replace the water main, sanitary and storm sewer, and a lift station along Memorial Highway from approximately 32nd to 46th Avenue, relocate the water main to a more accessible location, and upsize the water main to provide redundancy of service to the southwest portions of Mandan; 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: March 25, 2025

Ms. Ament gave a presentation of a Memo from the NDPFA Advisory Committee regarding SRF Loans approved under Policy P-3B:

- i. City of Colfax – Drinking Water - \$245,000. The purpose of this project is to construct a new water main loop from the reservoir to the north side of the City along Richland County Road 1. This would create redundancy in the system and increase water pressure. The requested loan term is 30 years and the City will issue revenue bonds payable with water user fees. The average annual payment will be \$10,256.
- ii. City of Jamestown – Drinking Water - \$1,618,000. The purpose of this project is to replace fourteen blocks of cast iron water mains including valves and hydrants with PVC pipe along with the associated appurtenances. The requested loan term is 20 years, and the City will issue improvement bonds payable with special assessments. The average annual payment will be \$94,951.

- iii. City of Zeeland – Drinking Water - \$60,000. The purpose of this project is to install a mixer in the water tower to prevent freezing, and new pumps and controls in the pump house to monitor the water levels in the City’s system. The requested loan term is 20 years, and the City will issue revenue bonds payable with water user fees. The average annual payment will be \$3,497.

Ms. Ament gave a legislative update. The following bills are being tracked: SB 2014, HB 1537, HB 1577, HB 1016, HB 1176, SB 2151, and SB 2372.

BANK OF NORTH DAKOTA

Mr. Don Morgan presented for consideration of approval a Rural In-House Non-Compliant Residential Loan Program.

The memo reads as follows:

“Under authority provided to Bank of North Dakota in **N.D.C.C. § 06-09-15**, the bank is requesting approval to create the **Rural In-House Non-Compliant Residential Program (RINC)** to assist with housing issues identified in rural communities with a population of 20,000 or less.

The RINC program provides a solution for the largest identified need in rural communities in North Dakota – secondary market non-compliant appraisals. Specifically, those first lien (purchase or construction) rural residential loans that comply with secondary market requirements; but do not comply with secondary market appraisal requirements.

A loan in this program will exhibit characteristics consistent with a strong likelihood of repayment and consistent with secondary market requirements, i.e. credit score, debt-to-income, length of employment, etc.; however, the appraisal(s) are not acceptable typically based on distance and/or size of required comparable adjustments given the nature of a residence in a North Dakota rural community.

These non-compliant rural residential loans are not sellable to secondary market sources (e.g. FNMA, FMAC) based on appraisal non-compliance and North Dakota financial institutions must choose to hold them on book for term and/or choose not to provide a solution for their customer.

The RINC program as proposed allows the Bank of North Dakota to “buy” these secondary market non-compliant loans under the following guidelines:

Eligibility:

- Loan is non-compliant with secondary market appraisal requirements
- Must be for the construction or purchase of a residence in a rural community (population of 20,000 or less)
- No investment or rental properties

Use of Proceeds:

- Purchase or construction of residence in rural community

Loan amount/Limit:

- Maximum loan amount will be tied to conforming loan limits set forth by Federal Housing Finance Agency (FHFA).

- No Jumbo Loans

Loan Terms/Guidelines:

- Loan shall be underwritten and closed by North Dakota financial institutions and/or mortgage originators in compliance with secondary market requirements (FNMA/FMAC)
- Up to 30-year amortization
- Purchase price to be at par and at a market rate of interest

Loan to Value:

- In compliance with secondary market requirements as set by Fannie Mae (FNMA) or Freddie Mac (FMAC)

Credit/Underwriting Criteria:

- Appraisal non-compliance aside, loan will be underwritten and in compliance with secondary market requirements as set by Fannie Mae or Freddie Mac

Collateral:

- 1st mortgage on subject property
- Not to exceed 40 acres

Appraisal Requirements:

- Uniform Residential Appraisal Report must be completed by a licensed appraiser”

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Rural In-House Non-Compliant Residential Loan Program as presented by the Bank of North Dakota.

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

Mr. Kirby Evanger presented for consideration of approval Amendments to the General Loan Policy (Annual Policy Amendments).

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the amendments to the Bank of North Dakota General Loan Policy as presented by the Bank of North Dakota and as recommended by the Bank of North Dakota Advisory Board.

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

Mr. Evanger and Mr. Mike Morey gave a presentation of BND’s annual loan stress testing results that included a summary that provided a high-level overview of the results of the Annual BND Loan Stress Testing model and made available the full report that contained detailed results and narrative. The loan stress test results are reviewed with the Lending and Credit Administration areas of BND, including the administrator of the CECL credit loss model to consider changes to allowance factors.

Mr. Morgan gave a legislative update. The categories of bills that BND is tracking includes Fintech/Crypto, Revolving Loan Funds, Carbon Capture, Energy, Agriculture, Pipelines, and Property Tax.

Mr. Morgan presented the Non-Confidential Committee and Advisory Board Minutes for January 15th and 16th, 2025 meetings for the Commission member'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, 44-04-19.1, 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, Department of Mineral Resources attorney consultation, and for the purpose of considering Lignite Research Program confidential information.

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

The Commission met in executive session pursuant to N.D.C.C. 6-09-35 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 BND staff participated in this executive session.

Following the Bank of North Dakota Executive Session, the Commission met in executive session to pursuant to 44-04-19.1 and 44-04-19.2 for attorney consultation regarding Cares Act Funding and Abandoned Well Plugging and Site Reclamation Fund expenditure recovery. Only Commission members, their staff, and Commission staff, and Department of Mineral Resources staff participated in this executive session.

Following the Department of Mineral Resources Executive Session, the Commission met in executive session to consider a Lignite Research Program confidentiality request. Only Commission members, their staff, Commission staff, Lignite Research Council Members and the LRP technical advisor participated in this executive session.

Any formal action taken by the Commission occurred after it reconvened in open session.

Governor Armstrong reminded the Commission members and those present in the executive sessions that the discussion must be limited to the announced purposes. The executive session was anticipated to last approximately one hour and began at 2:10 p.m.

Meeting Closed to the Public for Executive Session Pursuant to NDCC 6-09-35, 44-04-18.4, 44-04-19.1, 44-04-19.2 and 54-17.5-06.

BANK OF NORTH DAKOTA EXECUTIVE SESSION

Industrial Commission Members Present

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

BND Members Present

Don Morgan
Kelvin Hullet
Kirby Evanger

Others in attendance

Jacy Schafer	Governor's Office
Chris Joseph	Governor's Office
Karen Tyler	Industrial Commission Office
Jordan Kannianen	Industrial Commission Office
Erin Stieg	Industrial Commission Office

DEPARTMENT OF MINERAL RESOURCES EXECUTIVE SESSION

Industrial Commission Members Present

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

DMR Members Present

Nathan Anderson
Cody VanderBusch

Others in attendance

Jacy Schafer	Governor's Office
Chris Joseph	Governor's Office
Karen Tyler	Industrial Commission Office
Jordan Kannianen	Industrial Commission Office
Erin Stieg	Industrial Commission Office

LIGNITE RESEARCH, DEVELOPMENT AND MARKETING PROGRAM GRANT ROUND 106 EXECUTIVE SESSION

Industrial Commission Members Present

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

LIGNITE Members Present

Mike Holmes
Jonathon Fortner
Jason Bohrer

Others in attendance

Jacy Schafer	Governor's Office
Chris Joseph	Governor's Office
Karen Tyler	Industrial Commission Office
Jordan Kannianen	Industrial Commission Office
Erin Stieg	Industrial Commission Office

The executive session ended at 3:08 p.m. and the Commission reconvened in open session.

During the Bank of North Dakota executive session, the Commission discussed those items listed on the agenda. No formal actions were taken.

During the Department of Mineral Resources executive session, the Commission consulted with its attorneys regarding the item listed on the agenda. Guidance was provided and no formal action was taken.

During the Lignite Research Program executive session, the Commission considered a confidentiality request.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the confidentiality request pursuant to 54-17.5-06 and determine that the information described in the request is confidential.

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

LIGNITE RESEARCH DEVELOPMENT AND MARKETING PROGRAM

Mr. Jordan Kannianen presented the Lignite Research Program Project Management and Financial Report. The Lignite Research Fund currently has a cash balance of around \$30,800,000. There have been 261 cumulative projects since the inception of the program, with 20 of those projects being active. There has been a total of \$183.1 million granted, with approximately a \$2.8 billion project value. There is currently \$8,843,050.32 in uncommitted funds which are available for new projects.

Mr. Mike Holmes presented for consideration of approval Grant Application 106A: Carbon Ore, Rare Earth, and Critical Minerals (CORE-CM) Initiative – Phase II, Applicant: EERC; NDIC Funding \$1,500,000; Total Project Costs: \$3,830,000.

Mr. Kannianen presented for consideration of approval Grant Application 106B: The Regulatory and Litigation Support Project for the North Dakota Lignite Industry, Applicant: Lignite Energy Council; NDIC Funding: \$1,325,000.

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

FY25-106-A: EERC: “Carbon Ore, Rare Earth, and Critical Minerals (CORE-CM) Initiative- Phase II”, \$1,500,000.00

FY25-106-B: Lignite Energy Council: “The Regulatory & Litigation Support Project for the North Dakota Lignite Industry”, \$1,325,000.00

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

Under other business, it was noted that Jonathon Fortner was named the Interim Chair of the Lignite Research Council, replacing Jason Bohrer.

DEPARTMENT OF MINERAL RESOURCES

Mr. Nathan Anderson gave a legislative update. DMR is currently tracking 54 bills, but the following 17 are of highest priority: SB2014, HB1210, HB1292, HB1295, HB1306, HB1414, HB1429, HB1434, HB1573, SB2285, SB2313, SB2320, SB2322, HB1089, HB1459, HB1483, HB1574.

NORTH DAKOTA PIPELINE AUTHORITY

Mr. Justin Kringstad gave an update on the Natural Gas Pipeline Development. He gave an update on the ND Production Forecast: EIA Price Deck, ND Gas Processing Outlook, Major Residue Gas Pipeline Infrastructure, Residue Gas Pipeline Capacity Visualization, the Northern Border Pipeline and Market Share, and the Bakken xPress Project which has a targeted in-service date of March 2026, and will have a Capacity of 300,000 Dth/Day. His report also included: The Options Beyond 2027: the 5 “C’s” were discussed – Construction (Long-haul Pipe to New or Expanded Markets), Compete (Price Canadian Volumes to Flow Elsewhere), Compression (Increase Capacity on Existing Interstate Systems), Consumption (Intra Region Gas Demand Expansion), Contraction (Reduce E&P Activity to Meet Limited Gas Options). Other projects that were noted were the WBI Energy Proposed Bakken East Project, and the Intensity Infrastructure Partners Proposed Pipeline.

Mr. Kringstad also gave legislative update related to potential changes in the pipeline capacity purchase program.

LEGAL UPDATE

- A. Challenges to State Law:
 - i. NW Landowners v. State
- B. Challenges to Federal Rules:
 - i. EPA Mercury and Air Toxics Rule (DC Cir)
 - ii. EPA Carbon Rule (DC Cir)
 - iii. EPA Methane Tax Rule (DC Cir)
 - iv. EPA Methane OOOO Rule (DC Cir)
 - v. EPA PM2.5 Rule (DC Cir)
 - vi. EPA WOTUS Rule (DND)
 - vii. EPA/DOT Vehicle Mandate Rules (DC Cir; CA6)
 - viii. BLM Venting and Flaring Rule (CA8)
 - ix. BLM Conservation Rule (DND)
 - x. BLM Resource Management Plan (DND)
 - xi. CEQ NEPA Phase 2 Rule (DND)
- C. Interventions to Defend Against Federal Actions:
 - i. DAPL Operations (DDC)
- D. Other States’ Actions of Concern:
 - i. Minnesota Carbon-Free Power Plan
 - ii. New York Climate Superfund Law

OFFICE OF THE INDUSTRIAL COMMISSION

Ms. Karen Tyler presented for consideration of approval the February 19, 2025, Industrial Commission meeting minutes.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the February 19, 2025, Industrial Commission meeting minutes.

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

Mr. Jordan Kannianen gave a legislative update. The following bills are being tracked: SB 2014, SB 2143, SB 2159, SB 2170, SB 2188, SB 2256, SB 2285, SB 2302, SB 2321, SB 2323, SB 2335, HB 1025, HB 1027, HB 1258, HB 1278, HB 1442, HB 1459, HB 1483, HB 1539, HB 1554, and HB 1592.

With no further business, Governor Armstrong adjourned the meeting of the Industrial Commission at 4:05 p.m.

North Dakota Industrial Commission



Brenna Jessen, Recording Secretary



Karen Tyler, Interim Executive Director



Jordan Kannianen, Deputy Executive Director