

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on June 26<sup>th</sup>, 2025 beginning at 9:00 a.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 9:03 a.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 PUBLIC FINANCE AUTHORITY**

Ms. DeAnn Ament presented for consideration of approval the Reappointment of John Phillips to the PFA Advisory Committee for a term ending July 1, 2028.

The memo reads as follows:

“North Dakota Public Finance Authority Policy P-2A establishes:

The Public Finance Authority Advisory Committee consists of three members to be named by resolution of the Industrial Commission of North Dakota (the “Commission”). The Committee members must be appointed to three-year terms but shall serve at the pleasure of the Commission.

The current term for PFA Advisory Committee member John Phillips will expire on July 1, 2025. Mr. Phillips has served on the Committee since 2019 and has provided valuable input to the Committee and the PFA Executive Director. During his career he served as Real Estate and Development Director for Lutheran Social Services Housing. He also served as development director for Beulah Jobs Development Authority and many other committees in the community and region. He is now retired. John has been an active participant in the work of the Committee. DeAnn has stated that his knowledge of the needs of rural communities and the challenges they face in funding infrastructure and his understanding of the role of the PFA contribute significantly to the work of the Authority.”

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission reappoint Public Finance Authority Advisory Committee member Mr. John Phillips to serve a new three-year term, expiring on July 1, 2028.**

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

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

- i. **City of Grand Forks – Clean Water - \$10,872,000.** The purpose of this loan is to construct public utilities, including storm sewer system, stormwater pond, pumpstation, forcemain and sanitary sewer, to serve properties in the Korynta-Lemm 6<sup>th</sup> Resubdivision. The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 25 years. The average annual payment for the improvement bonds will be \$533,286. The City will issue improvement bonds payable with special assessments.

**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 \$10,872,000 for the City of Grand Forks.**

**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 Grand Forks (the "Political Subdivision") has requested a loan in the amount of \$10,872,000 from the Program to construct public utilities, including storm sewer system, stormwater pond, pumpstation, forcemain and sanitary sewer, to serve properties in the Korynta-Lemm 6<sup>th</sup> Resubdivision; 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: June 26, 2025

- ii. **City of Mapleton – Clean Water - \$10,600,000.** The purpose of this loan is to install a new main lift station and approximately five miles of 14” force main to connect to West Fargo’s wastewater system which ultimately receives treatment at the Fargo water reclamation facility. The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. The City will issue revenue bonds payable with sewer user fees. The average annual payment for the revenue bonds will be \$448,958.

**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 \$10,600,000 for the City of Mapleton.**

**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 Mapleton (the "Political Subdivision") has requested a loan in the amount of \$10,600,000 from the Program to install a new main lift station and approximately five miles of 14” force main to connect to West Fargo’s wastewater system, which ultimately receives treatment at the Fargo water reclamation facility; 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: June 26, 2025

- iii. **City of Fargo – Clean Water - \$20,000,000.** The purpose of this loan is for Federal Aid Projects for 2025-2028 in conjunction with NDDoT reconstruction of portions of 32nd Avenue S, 17th Avenue S, Main Avenue S and 1st Avenue N roadways that intend to encompass replacement of the aging water, sanitary and storm sewer. The requested term for the Clean Water State Revolving Fund (CWSRF) loan is 30 years. The City of Fargo will issue revenue bonds payable with sales tax and water reclamation fund revenues. The average annual payment for the revenue bonds will be \$864,518.

**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 \$20,000,000 for the City of Fargo.**

**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 Fargo (the "Political Subdivision") has requested a loan in the amount of \$20,000,000 from the Program for Federal Aid Projects for 2025-2028 in conjunction with ND Department of Transportation reconstruction of portions of 32<sup>nd</sup> Avenue S, 17<sup>th</sup> Avenue S, Main Avenue S, and 1<sup>st</sup> Avenue N roadways to replace the aging water, sanitary, and storm sewer; 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: June 26, 2025

- iv. **City of Fargo – Drinking Water - \$20,000,000.** The purpose of this loan is for Federal Aid Projects for 2025-2028 in conjunction with NDDoT reconstruction of portions of 32nd Avenue S, 17th Avenue S, Main Avenue S and 1st Avenue N roadways that intend to encompass replacement of the aging water, sanitary and storm sewer. The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The City of Fargo will issue revenue bonds payable with sales tax and water fund revenues. The average annual payment for the revenue bonds will be \$864,518.

**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 \$20,000,000 for the City of Fargo.**

**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 Fargo (the "Political Subdivision") has requested a loan in the amount of \$20,000,000 from the Program for Federal Aid Projects for 2025-2028 in conjunction with ND Department of Transportation reconstruction of portions of 32<sup>nd</sup> Avenue S, 17<sup>th</sup> Avenue S, Main Avenue S, and 1<sup>st</sup> Avenue N roadways to replace the aging water, sanitary, and storm sewer; 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.

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Ms. Ament presented a memo from the NDPFA Advisory Committee regarding SRF loans approved under Policy P-3B:

- i. City of Elgin – Clean Water - \$442,000.
- ii. City of Elgin – Drinking Water - \$668,000
- iii. City of Grand Forks – Drinking Water - \$1,718,000
- iv. City of Napoleon – Drinking Water - \$975,000

#### **NORTH DAKOTA MILL AND ELEVATOR**

Mr. Vance Taylor and Ms. Cathy Dub presented for consideration of approval the Mill Profit Transfer request.

The memo reads as follows:

“North Dakota Century Code § 54-18-19 and 54-18-21 state the following:

**54-18-19. Transfer of North Dakota mill and elevator profits to general fund.** The industrial commission shall transfer to the state general fund fifty percent of the annual earnings and undivided profits of the North Dakota mill and elevator association after any transfers to other state agricultural-related programs. The moneys must be transferred on an annual basis in the amounts and at the times requested by the director of the office of management and budget.

**54-18-21. Annual transfer.** Within thirty days after the conclusion of each fiscal year, the industrial commission shall transfer five percent of the net income earned by the state mill and elevator association during that fiscal year to the agricultural products utilization fund.

Mill management is planning to close their books on July 21, 2025, and is proposing to make the transfers no later than July 24, 2025. Therefore, we are requesting that the Industrial Commission authorize the transfer of 50% of the Mill FY 2025 profits to the General Fund and the 5% of net income to the Agricultural Products Utilization Fund utilizing unaudited numbers by no later than July 24, 2025, with Mill management reporting the amount of the transfers to the Commission at their July 30, 2025, meeting. “

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the North Dakota Mill is authorized to transfer 5% of the net income earned by the Mill for fiscal year 2025 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 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, and further that Mill management reports the amount of the transfers to the Commission at the July 30, 2025, meeting.**

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

Under other business, Mr. Taylor mentioned that they received responses to the RFP for the Mill policy and procedure review and are in the process for reviewing the five responses. It was noted that the Mill was continuing discussions with the union on a new contract.

#### **NORTH DAKOTA HOUSING FINANCE AGENCY**

Ms. Jennifer Henderson presented for consideration of approval a \$9,500,000 Tax-Exempt Multifamily Housing Revenue Bond Issuance for the Pleasant Valley Apartments in Dickinson.

The memo reads in part as follows:

**“The North Dakota Housing Finance Agency requests that the Industrial Commission approve the issuance of multifamily revenue bonds Pleasant Valley Apartments Series 2025, in an aggregate amount not to exceed \$9,500,000.**

Pleasant Valley Apartments is an existing 60-unit general occupancy Section 8 project. Originally constructed between 1978 and 1981, the project has not undergone any significant renovations since it was built. Renovations include full kitchen, appliances, and flooring replacement, exterior upgrades, replacement of all building systems, and improvements to grounds and parking. The total development costs are estimated at \$15.5 million.

The operative documents for the tax-exempt bond transaction are:

- a. A resolution authorizing the issuance of tax-exempt multifamily housing revenue bonds, Series 2025, amount not to exceed \$9,500,000.
- b. Trust Indenture
- c. Loan Agreement
- d. Regulatory Agreement
- e. Bond Purchase Agreement

The Commission, by executing the authorizing resolution, is approving the operative documents in their respective current forms and authorizing the Executive Director and Chief Financial Officer (Authorized Officers) to execute the documents in their respective current forms with such changes as are consistent with the parameters set forth in the authorizing resolution and approved by the Authorized Officers, such approval being evidenced by an Authorized Officer’s execution of the documents.”

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Housing Finance Agency issuance of multifamily revenue bonds Pleasant Valley Apartments Series 2025, in an aggregate amount not to exceed \$9,500,000, and approve the execution of the authorizing resolution therefore.**

**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 a \$5,600,000 Tax-Exempt Multifamily Housing Revenue Bond Issuance for the Wild Rose Senior Housing Development in Minot.

The memo reads in part as follows:

“The North Dakota Housing Finance Agency requests **that the Industrial Commission approve the issuance of multifamily revenue bonds Wild Rose Senior Apartments Series 2025, in an aggregate amount not to exceed \$5,600,000.**

Wild Rose Senior Housing is a 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 full interior unit updates, HVAC systems replacement, and exterior upgrades such as roofing, siding, windows, concrete repair.

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.

The operative documents for the tax-exempt loan are:

- a. A resolution authorizing the issuance of tax-exempt multifamily mortgage revenue note, Series 2025, amount not to exceed \$5,600,000
- b. Project Loan Agreement
- c. Funding Loan Agreement
- d. Regulatory Agreement

The Commission, by executing the authorizing resolution, is approving the operative documents in their respective current forms and authorizing the Executive Director and Chief Financial Officer (Authorized Officers) to execute the documents in their respective current forms with such changes as are consistent with the parameters set forth in the authorizing resolution and approved by the Authorized Officers, such approval being evidenced by an Authorized Officer’s execution of the documents.”

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the North Dakota Housing Finance Agency issuance of multifamily revenue bonds Wild Rose Senior Apartments Series 2025, in an aggregate amount not to exceed \$5,600,000, and approve the execution of the authorizing resolution therefore.**

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

#### **BANK OF NORTH DAKOTA**

Mr. Don Morgan presented an update on the bank’s implementation of the Entrepreneurial Operating System (EOS) Traction.

Mr. Morgan presented the Non-Confidential Committee and Advisory Board Minutes for March 19<sup>th</sup> and 20<sup>th</sup>, 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 and 44-04-19.2 the Industrial Commission enter executive session for the purpose of Bank of North Dakota confidential business.**

**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 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 will participate in this 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 the executive session that the discussion must be limited to the announced purposes. The executive session is anticipated to last approximately one hour and will begin at 10:10 a.m.**

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

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#### **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  
Craig Hanson  
Gus Staahl

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

Jacy Schafer	Governor's Office
Karen Tyler	Industrial Commission Office
Jordan Kannianen	Industrial Commission Office
Brenna Jessen	Industrial Commission Office
Erin Stieg	Industrial Commission Office

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The executive session ended at 10:24 a.m. and the Commission reconvened in open session at 10:34 a.m.

During the Bank of North Dakota executive session, the Commission discussed those items listed on the agenda. No action was taken.

## **NORTH DAKOTA PIPELINE AUTHORITY**

Mr. Justin Kringstad presented a summary of submissions received in response to the Request for Information (RFI) regarding the West to East Natural Gas Pipeline. The two submissions received were from WBI Energy Transmission and Intensity Infrastructure Partners. Following due diligence and a review of all relevant information, it is expected the Industrial Commission at its regularly scheduled July 2025 Industrial Commission meeting will make a determination which pipeline system(s) should be selected to move forward with capacity negotiations with the Pipeline Authority.

## **STATE ENERGY RESEARCH CENTER (SERC)**

Mr. Jordan Kannianen presented for consideration of approval the SERC Contract 2025-01 Pursuant to SB 2143 enacted by the 69<sup>th</sup> Legislative Assembly.

The memo reads as follows:

“In 2019, North Dakota’s 66th Legislative Assembly established the Energy & Environmental Research Center (EERC) as the State Energy Research Center (SERC) through Senate Bill No. 2249. The legislation included \$5 million of funding per biennium to fulfill three objectives: 1) conduct exploratory, transformational, and innovative research of technologies and methodologies that facilitate the prudent development and clean and efficient use of the state’s energy resources; 2) provide greater access to energy experts for timely scientific and engineering studies to support the state’s interests; and 3) educate stakeholders on issues related to the state’s energy resources through public outreach.

In 2023, North Dakota’s 68th Legislative Assembly passed SB 2161 to amend the law related to SERC in the following ways:

- Changed the sunset date of SERC activities and funding from its current end date of June 30, 2027, to June 30, 2029.
- Raised the SERC fund limit from \$5 million per biennium to \$7.5 million per biennium.

Accordingly, an amendment to the contract was then executed to address the increased funding amount.

In 2025, the legislature passed two bills related to SERC.

- SB 2143, which further extended the sunset to June 30, 2033.
- SB 2159, which removed the restriction on conducting research on high-level radioactive waste for above ground projects.”

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the execution of a new contract with the State Energy Research Center (SERC) to reflect changes adopted by the 69<sup>th</sup> Legislative Assembly as set forth in SB 2143, which extends the SERC sunset to June 30, 2033 and SB 2159 which removes the restriction on conducting research on high-level radioactive waste for above ground projects.**

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

Mr. Kannianen presented for consideration of approval the following proposed project: Feasibility of Geothermal Energy in North Dakota – Evaluation of the Potential for Synergistic Opportunities to Couple Geothermal Resource Development with Oil Production and/or Geologic Storage of CO<sub>2</sub> - \$250,000.

The memo reads as follows:

“The Energy & Environmental Research Center (EERC) at the University of North Dakota proposes to conduct a scope of work to evaluate the potential for synergistic opportunities to couple geothermal resource development with oil production and/or geologic storage of CO<sub>2</sub>. The study would examine the feasibility of generating up to 600 megawatts of power from geothermal resources in North Dakota and connecting that power to the Midcontinent Independent System Operator and Southwest Power Pool electric grids.

This effort will also support the geothermal study requested by the North Dakota legislature through the enactment of Senate Bill 2360. The act states: “During the 2025–26 interim, the legislative management shall consider studying the feasibility of developing geothermal energy in the state. The study must include an evaluation of: a) the state’s geology and the feasibility of resource exploration and production of geothermal energy in the state. b) Support opportunities for startup [sic] geothermal companies, including fostering innovation and promoting economic growth within the state’s energy sector. c) The application of geothermal energy to nonproductive oil and gas wells to extend the life of the well through the use of a complementary energy extraction method. d) Other opportunities to advance geothermal energy opportunities in the state.”

This study would seek to explore the feasibility of geothermal as a new energy resource for North Dakota and the region, particularly its potential contributions to oil and gas production, as well as address the four items enumerated in Senate Bill 2360 to achieve the goals of the legislative management study. The proposed scope of work will require a budget of \$250,000, which, if approved, will come from the North Dakota Industrial Commission-directed portion of state energy research center funding. The proposed work will be conducted over 9 months, and the principal investigator will be James Sorensen, EERC Director of Subsurface Research and Development.”

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the request by EERC for \$250,000 in funding under SERC contract 2025-01 Task 2: Providing Prompt Expertise for North Dakota, to assist in the study set forth under SB 2360 of the 69<sup>th</sup> Legislative Assembly directing the study of the feasibility of geothermal energy in North Dakota, and evaluate the potential for synergistic opportunities to couple geothermal resource development with oil production and/or geologic storage of CO<sub>2</sub>.**

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

Mr. Kannianen presented for consideration of approval to execute a contract pursuant to Section 27 of SB 2014 of the 69<sup>th</sup> Legislative Assembly relating to a Business Case Analysis for the Development of Caverns in North Dakota Salt Formations - \$2,000,000.

The memo reads as follows:

“In 2025, North Dakota’s 69th Legislative Assembly passed Senate Bill No. 2014. This bill contained an amendment (SECTION 27) to Section 15 of chapter 14 of the 2023 Session Laws, which previously allocated funding to the State Energy Research Center for a salt cavern underground energy storage research project. The amendment allocates \$2 million for the Energy & Environmental Research Center (EERC) to conduct a business case analysis for the development of caverns in North Dakota’s underground salt formation for subsurface storage of energy resources, including natural gas, liquified natural gas, natural gas liquids (NGLs), and hydrogen. The following is the proposed scope of work and budget for the salt cavern energy storage project.

The EERC has been in discussion with several commercial entities about partnering on this effort; however, these commercial entities have expressed a need to build upon prior work to better understand specific business case scenarios for underground product storage to derisk the development of salt caverns in North Dakota. The EERC proposes to work closely with two commercial partners, ONEOK, Inc., and Basin Electric Power Cooperative, to evaluate the techno-economic feasibility of various hydrocarbon product storage scenarios in engineered salt caverns such that these findings sufficiently inform commercial investment in salt cavern development. The EERC is also the project manager for the Heartland Hydrogen Hub, under the U.S. Department of Energy’s Regional Clean Hydrogen Hubs program, tasked with developing hydrogen production and end-use deployment, which could lead to additional opportunities for salt cavern storage. The EERC and its partners believe this evaluation will provide key information needed to derisk investment in developing commercial salt caverns and related infrastructure in North Dakota.

The EERC proposes to perform the following activities as the first step toward commercial development of engineered salt caverns in North Dakota’s bedded salts: 1) partner discussions to guide the EERC’s understanding of storage product types and volumes, desired storage locations, and operational considerations; 2) in-depth petrophysical analysis of existing well logs to better estimate the quality and extent of the salt zones at particular sites of interest to our partners; 3) engineering assessment, modeling, and simulation to estimate potential cavern dimensions,

product storage volumes, and operational lifespans at potential storage sites; 4) business case scenario development and assessment informed by our partners' product storage and deliverability needs; and 5) development of guidance documents outlining the success criteria and associated risks for cavern development and hydrocarbon storage in North Dakota. Better understanding the techno-economic feasibility of salt cavern development in North Dakota's bedded salts will help to inform and derisk potential commercial ventures focused on using salt cavern storage to manage anticipated future NGL export capacity constraints and hydrocarbon product storage needs. The results will also provide critical information for commercial entities interested in petrochemical development and novel energy storage, including hydrogen or compressed air storage."

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission direct the Deputy Executive Director to execute a contract with the EERC pursuant to the \$2 million appropriation and directive set forth in Section 27 of SB 2014 of the 69<sup>th</sup> Legislative Assembly related to a business case analysis for the development of caverns in North Dakota salt formations.**

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

#### **NORTH DAKOTA OUTDOOR HERITAGE FUND**

Ms. Brenna Jessen presented the Outdoor Heritage Fund Project Management and Financial Report. The Outdoor Heritage Fund currently has 243 cumulative projects with 67 projects currently active. There has been a total of \$83.9 million granted with a \$214.3 million project value. Currently, the fund cash balance is \$41,418,036.01, with \$27,377,823.83 in committed funds and \$14,040,212.18 available. There is adequate funding available if all 17 projects, with a total request of \$12,549,185, were approved by the Commission.

Ms. Jessen presented for consideration of approval the following 17 Grant Applications for Grant Round 26:

- i. 26-1 (B) North Dakota Conservation District Employees Association: ND Statewide Tree Planting Initiative, **\$2,500,000**
- ii. 26-2 (B) North Dakota Forest Service: North Dakota Statewide Windbreak Renovation Initiative 5.0, **\$900,000**
- iii. 26-3 (D) Grand Forks Park District: Ryan Lake Prairie Trail & Outdoor Classroom, **\$251,250**
- iv. 26-4 (D) City of Grand Forks: Rivers Edge Fishing Enhancement, **\$155,450**
- v. 26-6 (C) McLean County Water Resource District: Lost Lake Dam Fish Passage, **\$51,599**

- vi. 26-7 (A) Pheasants Forever: Pheasants Forever Public Access to Habitat (PATH) Program, **\$1,089,375**
- vii. 26-8 (D) Fargo Park District: Fargo Southwest Pond Regional Recreation Area, **\$521,250**
- viii. 26-9 (C) North Dakota Parks and Recreation Dept: Enhancing State Parks Through Strategic Tree and Shrub Plantings, **\$1,000,000**
- ix. 26-10 (B) Ducks Unlimited, Inc: Cover Crop and Livestock Integration Project 4, **\$936,000**
- x. 26-11 (C) North Dakota 4-H Foundation: North Dakota 4-H Camp, **\$70,978**
- xi. 26-12 (B) The Nature Conservancy: Grazing Management and Habitat Enhancement, **\$68,522**
- xii. 26-13 (B) Ducks Unlimited, Inc: Smart Livestock Advancing Terrestrial Ecosystems, **\$483,924**
- xiii. 26-14 (B) United Prairie Foundation: Grazed Wildlife Habitat – Meadowlark Initiative, **\$580,000**
- xiv. 26-15 (C) North Dakota Natural Resources Trust: Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement III, **\$445,000**
- xv. 26-16 (B) North Dakota Natural Resources Trust: Grazing Resiliency in North Dakota (GRND), **\$1,950,000**
- xvi. 26-17 (A) North Dakota Game and Fish: Western North Dakota Private Land Open to Sportsmen (PLOTS), **\$1,500,000**
- xvii. 26-18 (D) City of Flasher: Flasher Historical Recreation Trail, **\$45,837**

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accepts the recommendations of the Outdoor Heritage Fund Advisory Board, approves the following projects, and authorizes the Office of the Industrial Commission to enter into contracts for the following projects:**

**26-1 (B) North Dakota Conservation District Employees Association: ND Statewide Tree Planting Initiative, \$2,500,000**

**26-2 (B) North Dakota Forest Service: North Dakota Statewide Windbreak Renovation Initiative 5.0, \$900,000**

**26-3 (D) Grand Forks Park District: Ryan Lake Prairie Trail & Outdoor Classroom, \$251,250**

**26-4 (D) City of Grand Forks: Rivers Edge Fishing Enhancement, \$155,450**

**26-6 (C) McLean County Water Resource District: Lost Lake Dam Fish Passage, \$51,599**

**26-7 (A) Pheasants Forever: Pheasants Forever Public Access to Habitat (PATH) Program, \$1,089,375**

**26-8 (D) Fargo Park District: Fargo Southwest Pond Regional Recreation Area, \$521,250**

**26-9 (C) North Dakota Parks and Recreation Dept: Enhancing State Parks Through Strategic Tree and Shrub Plantings, \$1,000,000**

**26-10 (B) Ducks Unlimited, Inc: Cover Crop and Livestock Integration Project 4, \$936,000**

**26-11 (C) North Dakota 4-H Foundation: North Dakota 4-H Camp, \$70,978**

**26-12 (B) The Nature Conservancy: Grazing Management and Habitat Enhancement, \$68,522**

**26-13 (B) Ducks Unlimited, Inc: Smart Livestock Advancing Terrestrial Ecosystems, \$483,924**

**26-14 (B) United Prairie Foundation: Grazed Wildlife Habitat – Meadowlark Initiative, \$580,000**

**26-15 (C) North Dakota Natural Resources Trust: Wildlife and Livestock Dams – Wetlands Creation, Restoration, and Enhancement III, \$445,000**

**26-16 (B) North Dakota Natural Resources Trust: Grazing Resiliency in North Dakota (GRND), \$1,950,000**

**26-17 (A) North Dakota Game and Fish: Western North Dakota Private Land Open to Sportsmen (PLOTS), \$1,500,000**

**26-18 (D) City of Flasher: Flasher Historical Recreation Trail, \$45,837**

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

Ms. Jessen presented for consideration of approval Outdoor Heritage Fund Policies and Grant Round Deadlines. The policy includes general provisions, eligibility, grant amount and matching fund requirements, application requirements, and the contract process. The next OHF grant round deadline is November 1, 2025.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the updated Outdoor Heritage Fund grant program policies and grant round deadlines.**

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

## LEGAL UPDATE

- A. Challenges to Federal Actions:
  - i. EPA - Methane OOOO Rule
  - ii. EPA - ND Regional Haze Disapproval
  - iii. EPA - WOTUS Rule
  - iv. EPA - Legacy CCR
  - v. EPA - PM2.5 Rule
  - vi. EPA/DOT – Vehicle Emission Rules
  - vii. BLM - Conservation Rule
  - viii. BLM - Venting & Flaring Rule
  - ix. OSMRE -10-Day Notice Rule
- B. Defenses of State Law
  - i. Pore Space Amalgamation
- C. Challenges to Other States' Laws
  - i. Minnesota Carbon-Free Power Law

## DEPARTMENT OF MINERAL RESOURCES

Mr. Nathan Anderson presented for consideration of approval the following case and corresponding order:

- i. **Order 34323 in Case 31591:** Application of Neptune Operating LLC for an order amending the applicable orders for the Arnegard-Bakken Pool to allow a well to be drilled and completed in such a manner so as to allow the horizontal wellbore to be located not less than 300 feet from the eastern boundary of the spacing unit as and exception to applicable setback requirements and such further relief as indicated.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34323 issued in Case No. 31591, approving the application of Neptune Operating LLC to amend the applicable orders for the Arnegard-Bakken Pool to allow a well to be drilled and completed in such a manner so as to allow the horizontal wellbore to be located not less than 300 feet from the eastern boundary of the spacing unit comprised of Sections 25 and 36, T.150N., R.101W., McKenzie County, ND, as an exception to the applicable setback requirements, and such further relief.**

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

Mr. Anderson presented for consideration of approval a Resolution regarding Demonstration Incentive Well Policies.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the resolution as written regarding Demonstration Incentive Well Policies.**

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

A RESOLUTION WAS MADE

**RESOLUTION DIRECTING DEVELOPMENT OF POLICIES RELATED TO  
CERTIFICATION OF QUALIFIED DEVELOPMENT INCENTIVE WELLS**

**WHEREAS**, The Sixty-ninth Legislative Assembly of North Dakota passed Senate Bill No. 2397 that amended North Dakota Century Code (NDCC) 57-51.1-01 and under SECTION 3 of the bill sets forth in part as follows:

57-51.1-01- Definitions for oil extraction tax.

2. "Development incentive well" means, as determined and certified by the industrial commission, a well spud after June 30, 2025, which:

a. Utilizes a new or innovative drilling or completion technique that constitutes a technical advancement that has not been previously utilized with demonstrated success by the operator within the specific formation targeted for development by that operator;

b. Demonstrates the capability to develop reserves within the target formation that would otherwise remain underdeveloped or undeveloped under existing drilling or completion techniques; and

c. Is designed and anticipated to, more likely than not, increase the number of new wells, additional production, or the ultimate recovery of oil or gas within the target formation: and

**WHEREAS**, SECTION 4 of SB 2397 sets forth as follows:

A new subsection to section 57-51.1-03 of the North Dakota Century Code is created and enacted as follows:

a. The first two hundred fifty thousand barrels of oil produced during the first thirty-six months after completion from a development incentive well drilled and completed before July 1, 2028, and certified as a qualified well by the industrial commission, are exempt from the tax under section 57-51.1-02.

b. For purposes of the exemption under this subsection:

(1) An operator seeking certification of a well as a development incentive well shall meet the burden of demonstrating to the industrial commission that the well meets the criteria under subsection 2 of section 57-51.1-01.

(2) An operator seeking certification of a well as a development incentive well must be classified as one of the following:

(a) An operator with between forty and ninety-nine wells within the Bakken or Three Forks formations which have been:

[1] Drilled by the operator during the period beginning July 1, 2023, and ending June 30, 2025; or

[2] Drilled during the period beginning July 1, 2023, and ending June 30, 2025, and acquired by the operator.

(b) An operator with between one hundred and one hundred forty-nine wells within the Bakken or Three Forks formations which have been:

[1] Drilled by the operator during the period beginning July 1, 2023, and ending June 30, 2025; or

[2] Drilled during the period beginning July 1, 2023, and ending June 30, 2025, and acquired by the operator.

(c) An operator with one hundred fifty or more wells within the Bakken or Three Forks formations which have been:

[1] Drilled by the operator during the period beginning July 1, 2023, and ending June 30, 2025; or

[2] Drilled during the period beginning July 1, 2023, and ending June 30, 2025, and acquired by the operator.

(3) The industrial commission may not certify more than:

(a) Four development incentive wells for an operator classified under subparagraph a of paragraph 2 of subdivision b;

(b) Eight development incentive wells for an operator classified under subparagraph b of paragraph 2 of subdivision b; and

(c) Twelve development incentive wells for an operator classified under subparagraph c of paragraph 2 of subdivision b: and

c. The tax exemption under this subsection does not apply to a well located within the exterior boundaries of a reservation, a well located on trust properties outside reservation boundaries as defined in section 57-51.2-02, or a straddle well as defined in section 57-51.1-07.10 located on reservation trust land, unless a tribe makes an irrevocable election to opt-in to the tax exemption by providing written notice to the tax commissioner. If a tribe provides notice of its election to opt-in to the tax exemption, the tax commissioner shall apply the tax exemption beginning in the month of production after the notice is received by the tax commissioner.

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

The Commission does hereby direct the Department Of Mineral Resources to adopt a policy for operators to apply for wells to be certified as a qualified development incentive well by the Industrial Commission and does hereby grant to the Director of the Department of Mineral Resources the authority to certify such wells on behalf of the Commission.

Adopted: June 26, 2025

## **INDUSTRIAL COMMISSION ADMINISTRATIVE OFFICE**

Ms. Karen Tyler presented for consideration of approval the May 22, 2025, and June 2, 2025, Industrial Commission meeting minutes.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the May 22, 2025, and June 2, 2025, Industrial Commission meeting minutes.**

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

Ms. Tyler presented for consideration of approval compensation changes for Agency Directors.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve agency leader compensation increases as appropriated by the 69<sup>th</sup> Legislative Assembly and recommended by the Industrial Commission Executive Director.**

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

Ms. Tyler presented for consideration of approval Grant Program Professional Services Contracts.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the renewal of the professional services contracts for the Oil and Gas Research Program Director for the term July 1, 2025, through June 30, 2027, and directs the Industrial Commission Executive Director to execute the renewed contract.**

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

Mr. Kannianen presented for consideration of approval an Appointment of the Transmission Authority Executive Director to the Nuclear Energy Study Committee.

The memo reads in part as follows:

**“HB 1025 enacted by the 69<sup>th</sup> Legislative Assembly mandates a legislative management study relating to advanced nuclear energy. The bill requires a study committee to be formed and sets forth in part:**

The committee must consist of:

a. Two members representing the energy industry, appointed by the legislative management;

- b. One member appointed by the public service commission;
- c. One member appointed by the industrial commission;**
- d. One member appointed by the director of the department of water resources;
- e. Three members of the house of representatives selected by the majority leader of the house of representatives, two of whom must represent the majority faction of the house of representatives and one of whom must represent the minority faction of the house of representatives; and
- f. Three members of the senate selected by the majority leader of the senate, two of whom must represent the majority faction of the senate and one of whom must represent the minority faction of the senate

NDIC Staff recommend that Claire Vigesaa, Executive Director of the North Dakota Transmission Authority, be appointed as the Industrial Commission representative. Mr. Vigesaa has extensive knowledge and expertise in matters related to grid reliability and the critical need for dispatchable generation for North Dakota and the nation.

We feel Mr. Vigesaa's industry experience and NDTA executive director role position him well to provide valuable input and participation as a member of the study committee."

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission appoint North Dakota Transmission Authority Executive Director Claire Vigesaa to serve on the Legislative Management Study Committee on Advanced Nuclear Energy pursuant to the appointment requirements set forth in HB 1025 enacted by the 69<sup>th</sup> Legislative Assembly.**

**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 11:40 a.m.

North Dakota Industrial Commission



Brenna Jessen, Recording Secretary



Karen Tyler, Interim Executive Director



Jordan Kannianen, Deputy Executive Director