

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on August 21<sup>st</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 9:00 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.

**RESEARCH TECHNOLOGY PARK GRANT PROGRAM**

Ms. Brenda Wyland and Mr. Josh Gelinski presented for consideration of approval the Program Plan Pursuant to SB 2256.

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

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

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Research Technology Park (RTP) Grant Program Plan as presented by the RTP CEO, with such approval required pursuant to Section 1 of Senate Bill**

**2256 enacted by the 69<sup>th</sup> Legislative Assembly, and further direct the NDIC Executive Director to execute a contract setting forth the terms of the program in compliance with the provisions of the legislation.**

**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 a Series Resolution for up to \$50,000,000 of North Dakota Public Finance Authority Capital Financing Program Bonds Series 2025A. The resolution can be found on the website.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve a Series Resolution for the issuance of up to \$50,000,000 North Dakota Public Finance Authority Capital Finance Program Bonds Series 2025A.**

**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 Grafton – Drinking Water - \$2,569,000.** The purpose of this loan is to complete phase 1 replacement of the cast iron water mains near the south water tower which will reduce the number of breaks and improve water quality issues. The requested loan term is 30 years, and the City will issue revenue bonds payable with water fee revenue. The average annual payment will be \$100,261.

**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 \$2,569,000 for the City of Grafton.**

**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 Grafton (the “Political Subdivision”) has requested a loan in the amount of \$2,569,000 from the Program for phase 1 replacement of the cast iron water mains near the south water tower which will reduce the number of breaks and improve water quality issues; 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: August 21, 2025

- ii. **City of Jamestown – Drinking Water - \$5,760,000.** The purpose of this loan is to replace the 229 known lead service lines in the City. The requested loan term is 20 years, and the City will issue improvement bonds payable with special assessments. The average annual payment will be \$92,293.

**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 \$5,760,000 for the City of Jamestown.**

**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 Jamestown (the "Political Subdivision") has requested a loan in the amount of \$5,760,000 from the Program to begin replacement of over 229 known lead service 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: August 21, 2025

- iii. **City of Minot – Drinking Water - \$3,246,000.** The purpose of this loan is to replace the cast iron water mains at Dacotah Homes/2<sup>nd</sup> Ave SW and 11<sup>th</sup> Ave NW which will reduce the number of breaks and improve water quality issues. The requested loan term is 20 years, and the City will issue revenue bonds payable with water/sewer/storm sewer user fees. The average annual payment will be \$181,000.

**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 \$3,246,000 for the City of Minot.**

**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 Minot (the "Political Subdivision") has requested a loan in the amount of \$3,246,000 from the Program to replace the cast iron water mains at Dacotah Homes/2<sup>nd</sup> Ave SW and 11<sup>th</sup> Ave NW; 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: August 12, 2025

- iv. **City of West Fargo – Drinking Water - \$2,700,000.** The purpose of this loan is to remodel and add on to the existing public works facility which serves the water, sewer,

street and sanitation departments. The requested loan term is 30 years, and the City will issue revenue bonds payable with water and sewer user fees. The average annual payment will be \$105,563.

**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 \$2,700,000 for the City of West 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 West Fargo (the "Political Subdivision") has requested a loan in the amount of \$2,700,000 from the Program to expand the existing public works facility and sanitation building to enhance operational efficiency and accommodate growing staff and equipment needs; 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: August 21, 2025

- v. **City of West Fargo – Clean Water - \$8,500,000.** The purpose of this loan is to remodel and add on to the existing public works facility which serves the water, sewer, street and sanitation departments. The requested loan term is 30 years, and the City will issue revenue bonds payable with water and sewer user fees. The average annual payment will be \$358,250.

**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 \$8,500,000 for the City of West 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 West Fargo (the "Political Subdivision") has requested a loan in the amount of \$8,500,000 from the Program to expand the existing public works facility and sanitation building to enhance operational efficiency and accommodate growing staff and equipment needs; 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: August 21, 2025

Ms. Ament presented a Memo from the NDPFA Advisory Committee regarding SRF Loans Approved under Policy P-3B:

- i. City of Kenmare – Drinking Water - \$638,000. The purpose of this loan is to replace water mains that have experienced leaks and are beyond their useful life. The requested loan term is 30 years, and the City will issue revenue bonds payable with water user fees.

#### **DEPARTMENT OF MINERAL RESOURCES**

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

- i. **Order 34409 in Case 31677** – Regarding application of Continental Resources to amend field rules to create and establish two overlapping 1920 spacing units, authorize drilling on or near section line between existing spacing units and/or such further relief as appropriate.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34409 issued in Case No. 31677, denying the application of Continental Resources, Inc. to amend the field rules for the Brooklyn-Bakken Pool and/or Dollar Joe-Bakken Pool, Willaims County, ND, to create and establish the following: (i) two overlapping 1920-acre spacing units comprised of Sections 6, 7, and 18; and Sections 19, 30, and 31, T.155N., R.97W., authorizing the drilling of a horizontal well on each proposed overlapping 1920-acre spacing unit; and (ii) four overlapping 3840-acre spacing units comprised of Sections 1, 12, and 13, T.155N., R.98W. and Sections 6, 7, and 18, T.155N., R.97W.; Sections 24, 25, and 36, T.155N., R.98W. and Sections 19, 30, and 31, T.155N., R.97W.; Sections 5, 6, 7, 8, 17, and 18, T.155N., R.97W.; and Sections 19, 20, 29, 30, 31, and 32, T.155N., R.97W., authorizing the drilling of a horizontal well on or near the section line between existing spacing units on each proposed overlapping 3840-acre spacing unit; and/or such further relief.**



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

- ii. **Order 34679 in Case 31937** – Regarding application of Phoenix Operating LLC to amend applicable orders for Zahl or Little Muddy-Bakken Pool to establish a standup 1920 spacing unit and authorize five horizontal wells or other such relief as appropriate.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34679 issued in Case No. 31937, denying the application of Phoenix Operating LLC to amend the applicable orders for the Zahl or Little Muddy-Bakken Pool to establish a standup 1920-acre spacing unit described as Section 32 T.159N., R.101W. and Sections 5 and 8 T.158N., R.101W., Williams County, ND, and authorize five horizontal wells to be drilled on such unit, or granting such other relief as may be appropriate.**

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

- iii. **Order 34680 in Case 31938** – Regarding application of Phoenix Operating to amend applicable orders for Zahl-Bakken Pool to establish a standup 1920 spacing unit and authorize five horizontal wells or other such relief as may be appropriate.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34680 issued in Case No. 31938, denying the application of Phoenix Operating LLC to amend the applicable orders for the Zahl-Bakken Pool to establish a standup 1920-acre spacing unit described as Sections 17, 20, and 29 T.159N., R.101W., Williams County, ND, and authorize five horizontal wells to be drilled on such unit, or granting such other relief as may be appropriate.**

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

- iv. **Order 34286 in Case 31554** - NDIC Complainant v. Missouri Basin Well Services Administrative Complaint.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34286 issued in Case No. 31554, to approve the default order imposing civil penalties of \$1,259,878.13 and costs of investigation of \$328.88 on Missouri Basin Well Services, Inc. for violations of N.D. Admin. Code §§ 43020355(1), 43-02-03-34, and 43-02-03-34.1.**

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

- v. **Order 34287 in Case 31555** – NDIC Complainant v. LeLand Oil & Gas, LLC Administrative Complaint.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34287 issued in Case No. 31555, to approve the**

**default order imposing civil penalties of \$306,487.50 on Leland Oil & Gas, LLC for violations of N.D. Admin. Code §§ 43-02-03-55(1), 43-02-03-34, and 43-02-03-34.1.**

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

- vi. **Order 34288 in Case 31556** – NDIC Complainant v. James M. Peterson LLC, Administrative Complaint.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34288 issued in Case No. 31556, to approve the default order imposing civil penalties of \$173,456.25 and costs of investigation of \$255.00 on James M. Peterson, LLC for violations of N.D. Admin. Code §§ 43-02-03-55(1), 43-02-03-34, and 43-02-03-34.1 and NDCC § 38-08-04(1)(a)(12).**

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

- vii. **Order 34290 in Case 31558** – NDIC Complainant v. TD Services LLC Individually and TD Services LLC dba TD Environmental Administrative Complaint.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 34290 issued in Case No. 31558, to approve the default order imposing civil penalties of \$56,718.75 and costs of investigation of \$643.37 on TD Services LLC, individually and TD Services LLC dba TD Environmental for violations of N.D. Admin. Code §§ 43-02-03-55(1), 43-02-03-34, and 43-02-03-34.1.**

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

#### **NORTH DAKOTA PIPELINE AUTHORITY**

Mr. Justin Kringstad led discussions on the West to East Pipeline RFI Responses and Presentations. The following is a summary of the Pipeline Company Requests:

- **Intensity Infrastructure Partners**
  - Intensity is seeking a \$50 million per year capacity commitment from the NDIC/NDPA for Phase 1 of the project. This level of commitment would be sufficient to support construction of a 36-inch pipeline to Underwood (up from 24-inch), while positioning the system for a Phase 2 expansion to eastern North Dakota once additional commercial interest is secured. If \$50 million per year is deemed unavailable for Phase 1, a \$30 million per year capacity commitment would be sufficient to support the construction of a 30-inch pipeline to Underwood.
- **WBI Energy – Bakken East**
  - WBI Energy is seeking a \$50 million per year capacity commitment from the NDIC/NDPA for the Bakken East project, which will span from Watford City, ND, to Mapleton, ND (Cass County). Proposed pipeline diameters range from 36-inches in the west to 30-inch in the east, including a 20-inch lateral to Ellendale, ND.

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 54-17.7-12 the Industrial Commission enter executive session for the purpose of Pipeline Authority confidential business, contract negotiation discussions, and 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 44-04-18.4, 44-04-19.1, 44-04-19.2 and 54-17.7-12 to discuss information provided to the Pipeline Authority previously determined to be confidential, and for discussion related to contract negotiations. Only Commission members, their staff, Commission staff, the Pipeline Authority Executive Director, the Department of Mineral Resources Executive Director, and Bank of North Dakota staff will participate in this executive session.

Following the Pipeline Authority and contract negotiation executive session, the Commission is meeting in executive session pursuant to N.D.C.C. 6-09-35, 44-04-18.4, 44-04-19.1 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 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 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 10:35 a.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 54-17.7-12.

---

#### **NORTH DAKOTA PIPELINE AUTHORITY EXECUTIVE SESSION**

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

Governor Kelly Armstrong

Attorney General Drew H. Wrigley

Agriculture Commissioner Doug Goehring

##### **Pipeline Authority Members Present**

Justin Kringstad

##### **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
Don Morgan	BND

Kelvin Hullet                      BND  
Kirby Evanger                      BND

## **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  
Kirby Evanger  
Kelvin Hullet

### **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 11:40 a.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 and a motion was made to approve two loans.**

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

**During the Pipeline Authority and contract negotiation executive session, information from two pipeline companies that was previously determined to be confidential, as well as potential contract terms were discussed.**

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission direct the North Dakota Pipeline Authority Executive Director to enter into negotiations for a Precedent Agreement with WBI Energy Transmission, pursuant to the authority set forth under N.D.C.C. 54-17.7-04, for the purpose of purchasing pipeline capacity.**

**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 the CEO monthly update. BND continues their Traction EOS journey by actively developing four of the five Foundational Tools: Accountability Chart, Rocks, Meeting Pulse,

and Scorecard/Dashboard. They are entering the Vision Building phase in August and September where they will develop the fifth Foundational Tool. The Bank is focusing on new initiatives, talent management, and governance.

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

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

The full non-confidential CEO report can be found on the website.

#### **OFFICE OF THE INDUSTRIAL COMMISSION**

Ms. Karen Tyler presented for consideration of approval the Agency and Program Budget Assessments as Directed in SB 2014.

The memo reads as follows:

“Section 8 of SB 2014 HB 1014 passed by the 69<sup>th</sup> Legislative Assembly states the following:

The sum of \$2,260,660, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from the entities and funds within the control of the industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers must be made during the biennium beginning July 1, 2025, and ending June 30, 2027, upon order of the commission.

**For the 2025-2027 biennium, I recommend a transfer up to the following amounts from the listed Industrial Commission agencies and programs, as authorized by SB 2014:**

Bank of North Dakota	\$339,099	15.0%
North Dakota Mill	\$305,189	13.5%
Outdoor Heritage Fund	\$293,885	13.0%
Clean Sustainable Energy Authority	\$248,672	11.0%
Housing Finance Agency	\$248,672	11.0%
Lignite Research Fund	\$248,672	11.0%
Oil & Gas Research Program	\$259,975	11.5%

Renewable Energy Fund	\$158,246	7.0%
Public Finance Authority	<u>\$158,246</u>	<u>7.0%</u>
	\$2,260,656	

The percentage of the total authorized transfer assigned to each agency or program is largely in keeping with historical transfer recommendations. There is a small increase to the OGRP transfer to support additional administrative work related to the enhanced oil recovery aspect of the program approved by the legislature. Agencies and Programs will also receive a credit from unexpended funds from the 2023-2025 biennium pursuant to section 8 of SB 2014.”

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the agency and program budget assessments as recommended by the Executive Director pursuant to Section 8 of SB 2014 HB 1014 passed 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.**

Mr. Jordan Kannianen presented for consideration of approval the Clean Sustainable Energy Authority Policy Changes. Those changes included changing the total number of members to eighteen from sixteen – with nine of those being voting and nine being non-voting technical advisors, changes to project eligibilities, application requirements, and deadlines.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the Clean Sustainable Energy Authority policy changes as recommended by the Deputy Executive Director and approved by the Authority at the August 4, 2024, CSEA meeting.**

**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 12:05 p.m.

North Dakota Industrial Commission



Brenna Jessen, Recording Secretary



Karen Tyler, Interim Executive Director



Jordan Kannianen, Deputy Executive Director