

**Minutes of the Meeting of the
Board of University and School Lands
August 20, 2025**

The August 20, 2025, meeting of the Board of University and School Lands was called to order at 9:04 AM by Chairman Governor Armstrong, roll call was taken and the Pledge of Allegiance was recited.

Members Present:

Michael Howe	Secretary of State
Kirsten Baesler	Superintendent of Public Instruction (via Teams)
Thomas Beadle	Treasurer
Kelly Armstrong	Governor

Members Absent:

Drew Wrigley	Attorney General
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Department of Trust Lands Personnel Present:

Joseph Heringer	Commissioner
Catelin Newell	Director of Admin Svcs & IT
Kate Schirado	Executive Assistant
Rick Owings	Administrative Staff Officer
Frank Mihail	Chief Investment Officer
Elvedina Papalichev	Paralegal
Adam Otteson	Revenue Compliance Division Director
Susan Sommerfeld	Unclaimed Property Director
Peggy Gudvangen	Finance Director
Shaun Campbell	Investments Officer
Scott Giere	Revenue Compliance
Emily Bosch	Unclaimed Property
Amanda Parent	Minerals Management Officer
Ryan Kobilansky	Surface Range Soils Management Specialist
Chris Suelzle	Minerals Division Director
Akshay Patel	Investment Officer
Kris Snow	Revenue Compliance
Joseph Stegmiller	Surface Division Director
Maria Garcia	Finance
Lynn Spencer	Minerals Title Specialist
Jessica Fretty	Unclaimed Property
Matthew Reile	IT
Pam Reile	Revenue Compliance
Vicki Siegel	Finance
Laurie Crosby	Administrative Support
James Wald	Legal Council

Guests in Attendance:

Jacy Schafer	Office of the Governor
Chris Joseph	Office of the Governor
Zachary Pelham	Office of the Attorney General
Josh Kevan	RVK
Justin Slaughter	NP News

(08/20/25)

Joseph Panther
Taylor Stricklin

APPROVAL OF MINUTES

A motion to approve minutes of the July 17, 2025 meeting was made by Treasurer Beadle and the motion was seconded by Secretary Howe and the motion carried unanimously on a voice vote.

OPERATIONS

Commissioner's Report

Special Mention Events

- National Association of State Trust lands Annual Conference – attended July 20-23, 2025, along with Minerals Director, Chris Suelzle; great collaboration and networking opportunities with educational agendas covering topics such as geologic carbon sequestration, agricultural carbon markets, multi-use lease opportunities, wind & solar, oil & gas, conservation, and fiduciary management practices; also had the opportunity to promote North Dakota hosting the 2026 conference July 12-15, 2026, in Medora!
- State Investment Board - attended July 25, 2025, regular meeting and August 14, 2025, special meeting as a voting member
- Surface Auctions Outreach Campaign – recorded a radio ad that will be part of a new outreach campaign to increase awareness and competition for Fall agricultural leasing auctions; campaign kicks off early September and will feature radio, social media, and online advertising
- Legislative Audit & Fiscal Review Committee – attended August 14, 2025, hearing where the Department's 2024 financial audit was presented for review

Human Resources

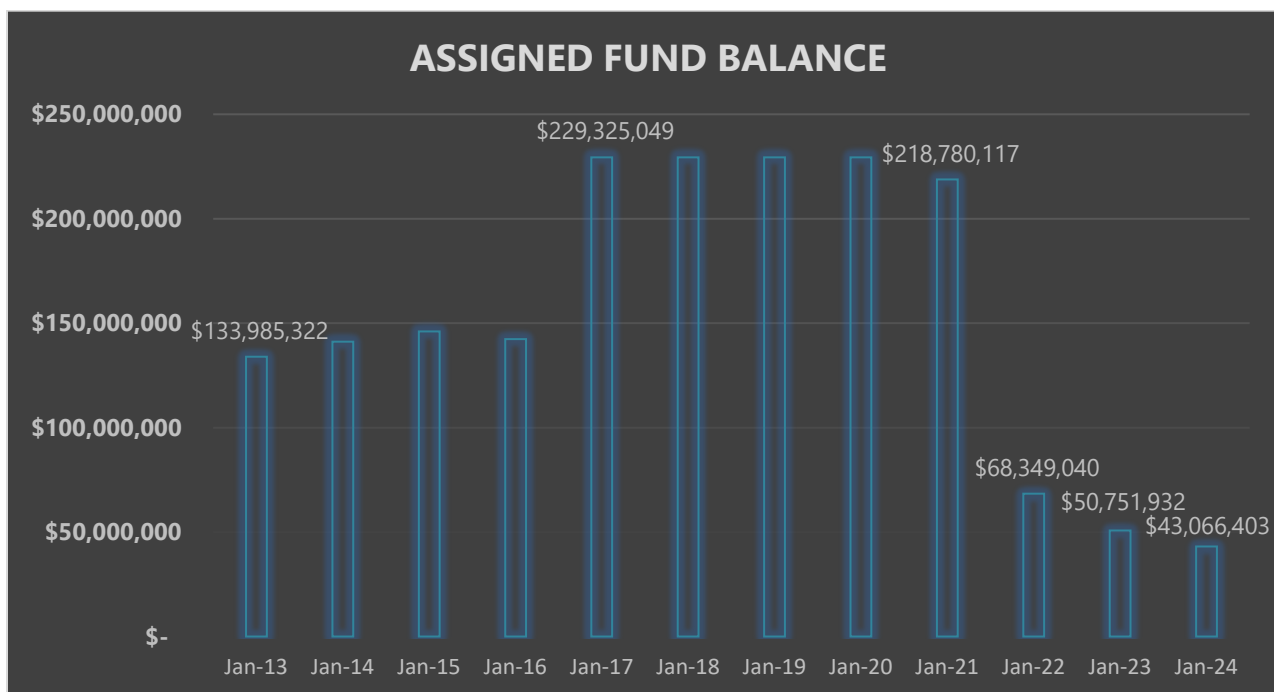
- Unclaimed Property Compliance Officer – hired internal candidate Emily Bosch with September 1, 2025, start date; we are excited to start building this new program; will post internally and reassign duties to backfill Emily's claims, outreach, and securities roles

Strategic Investment and Improvements Fund (SIIF) – Assigned Fund Balance

On August 22, 2024, the Board approved the existing Assigned Fund Balance of \$43,066,403. Since then, the Department of Trust Lands (Department) has been in active litigation resulting in no changes to the lease bonus portion of the assigned balance. The recommended increase is based upon the royalties received during the past year. The table below details the recommended Assigned Fund Balance which is \$59,000 more than the prior year.

(08/20/25)

	6/30/2024 Recommended Assigned Fund Balance
Fort Berthold Reservation Riverbed Dispute Bonus	\$ 34,379,816
Fort Berthold Reservation Riverbed Royalties	1,837,344
Wenk Line Litigation Bonus	6,908,243
	\$
Recommended Assigned Fund Balance	43,125,403



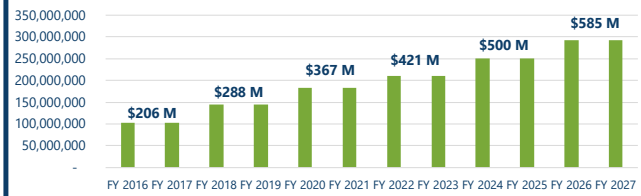
Motion: For purposes of its financial reporting, the Board affirms the “Assigned Fund Balance” of the Strategic Investment and Improvements Fund be set at \$43,125,403 as of June 30, 2025.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe		X	X		
Superintendent Baesler			X		
Treasurer Beadle	X		X		
Attorney General Wrigley					X
Governor Armstrong			X		

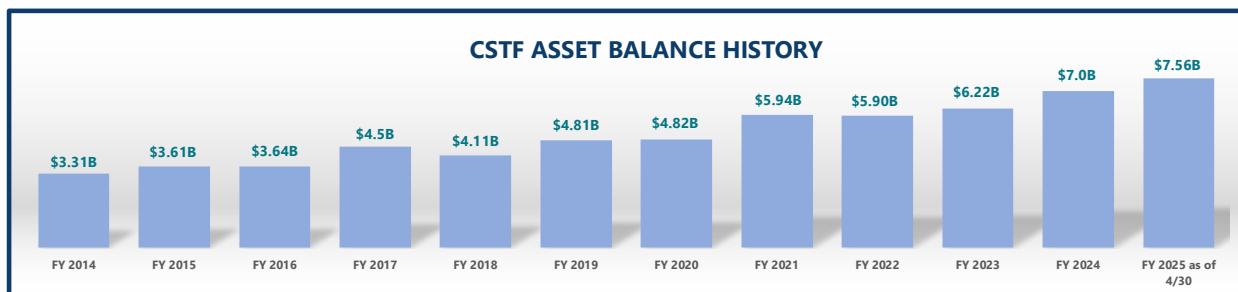
Financial Dashboard

COMMON SCHOOLS TRUST FUND
(CSTF) OVERVIEWNORTH
Dakota | Trust Lands
Be Legendary.™CSTF ASSET BALANCE as of 04/30/2025
(unaudited)**\$7,562,401,536**+\$817 million year-over-year from 04/30/2024
balance of \$6.75 billion

CSTF DISTRIBUTION HISTORY PER BIENNIUM

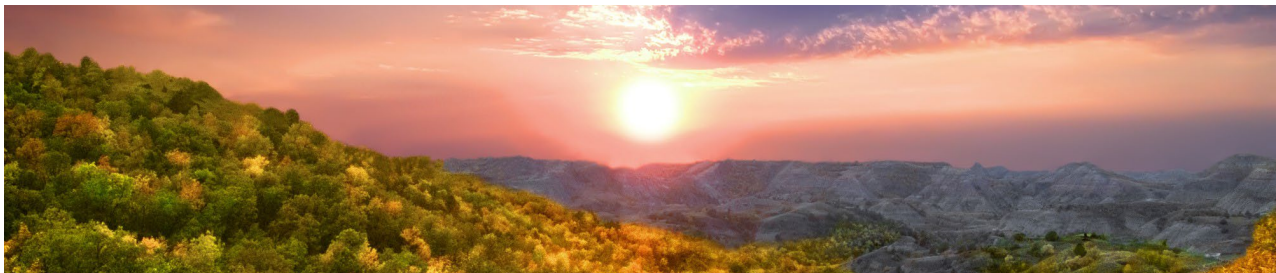


CSTF ASSET BALANCE HISTORY

COMMON SCHOOLS TRUST FUND
2025 -27 (CSTF) DISTRIBUTIONSNORTH
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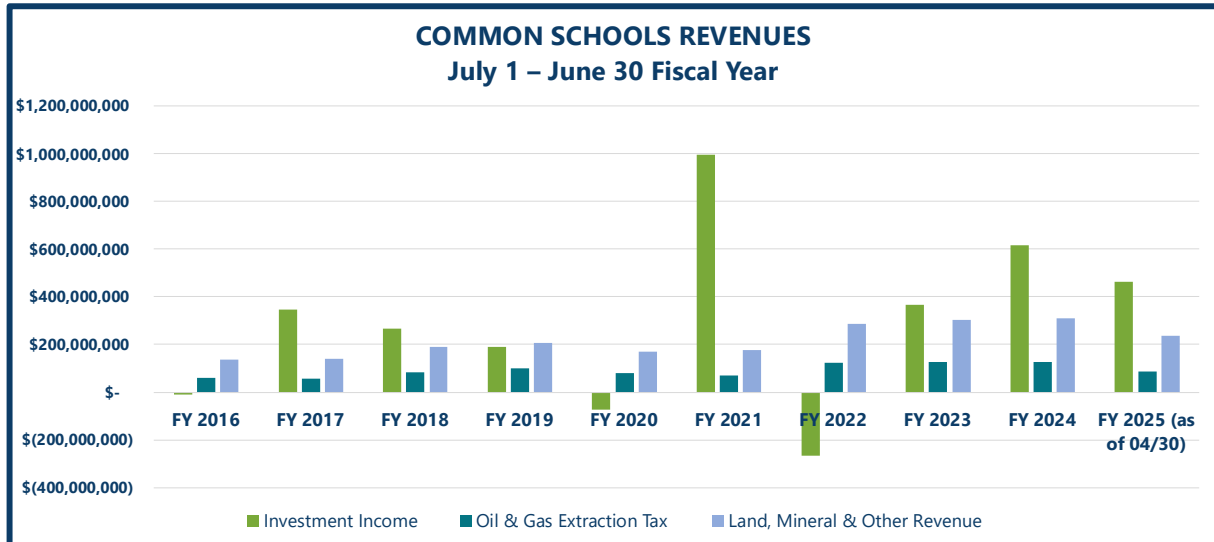
Monthly Distribution to the State Tuition Fund for the 2025-27 Biennium \$32,500,000
 Multiplied by 9 months per year = \$292,500,000
 Divided by 116,598 students = \$2,508/student per year

North Dakota Cost to Educate Per Student \$13,778/year
 75.7% State Funding Share = \$10,430
 \$2,508 CSTF per Student Annual Distribution **=24% of state funding share**



COMMON SCHOOLS TRUST FUND (CSTF) OVERVIEW

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STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) OVERVIEW

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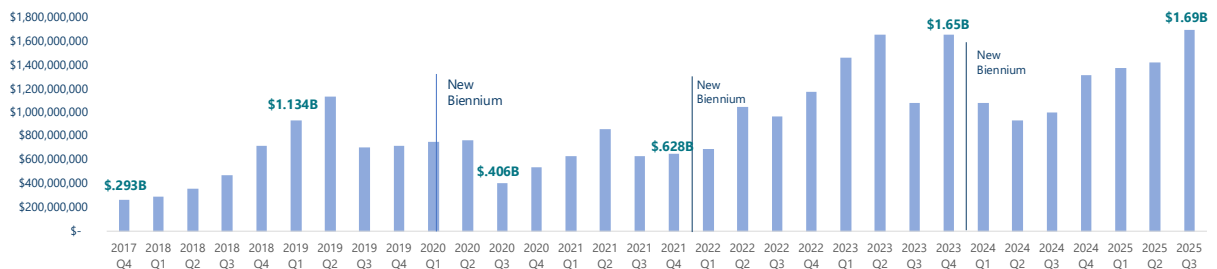
SIIF BALANCE as of 03/31/2025 (unaudited)

- Total Balance - \$1,692,697,150
- Uncommitted Balance - \$1,415,825,323

SIIF BALANCE as of 04/30/2025 (unaudited)

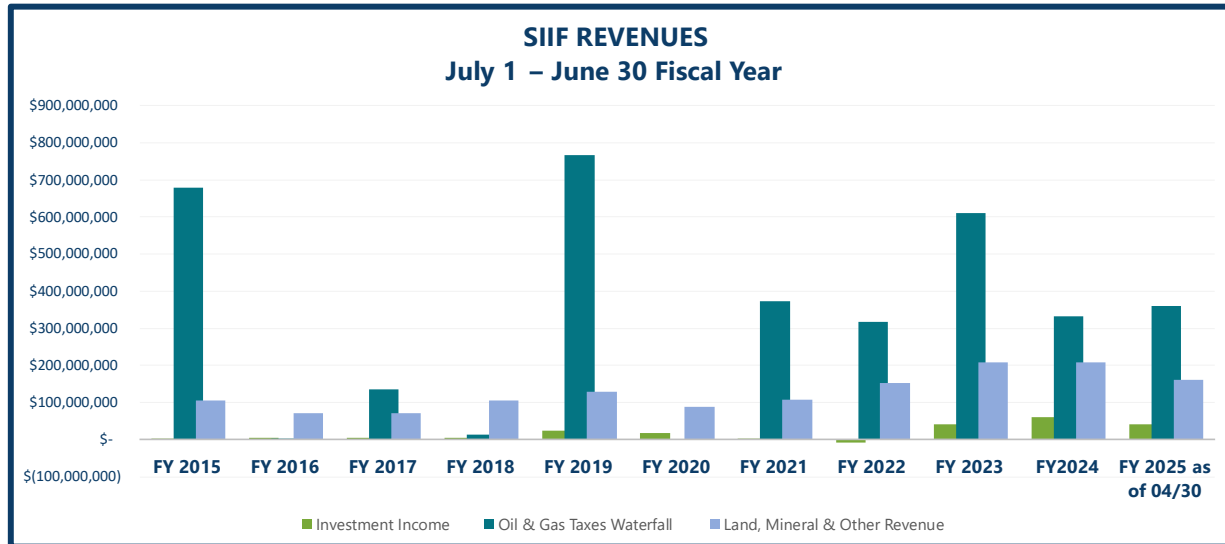
- Total Balance - \$1,776,330,093
- Uncommitted Balance - **\$1,499,458,266**

SIIF QUARTERLY BALANCE HISTORY (UNAUDITED)



STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) HIGHLIGHTS

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ALLOCATION OF STATE SHARE OF OIL & GAS TAXES Based on Allocations through June 30, 2025



State General Fund

\$230M

Social Services Fund

\$250M

Budget Stabilization Fund

\$75M

Currently at cap,
receives no oil allocations

State General Fund

\$230M

Lignite Research Fund

\$10M

■ AMOUNT ALLOCATED

■ AMOUNT REMAINING

State Disaster Relief Fund

\$8.5M

Strategic Investment & Improvements Fund (SIIF)

\$400M

Public Employees Retirement Fund

\$65M

Non-oil Producing Political Subdivision Infrastructure Funds

Municipal

\$115M

Cty Township

\$115M

Airport Infrastructure Fund

\$20M

Strategic Investment & Improvements Fund (SIIF)

\$353.5M

ESTIMATED TOTAL NET ASSETS as of 04/30/2025

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**Mineral Tracker Valuation
as of October 31, 2024, on
2.6 million Mineral Acres
\$2,461,271,622**



**Surface Fair Market Value
as of April 2025, on
706,000 Surface Acres
\$736,474,769**



**Estimated Total Net Assets*
as of April 30, 2025**



\$11,307,378,656

* Total excluding SIIF

DIVISION REPORTS

SURFACE

SURFACE DIVISION ENCUMBRANCES ISSUED

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Encumbrances issued by the Commissioner: 22 Right of Way Agreements in July generated a total of \$349,295 in income for the Trusts

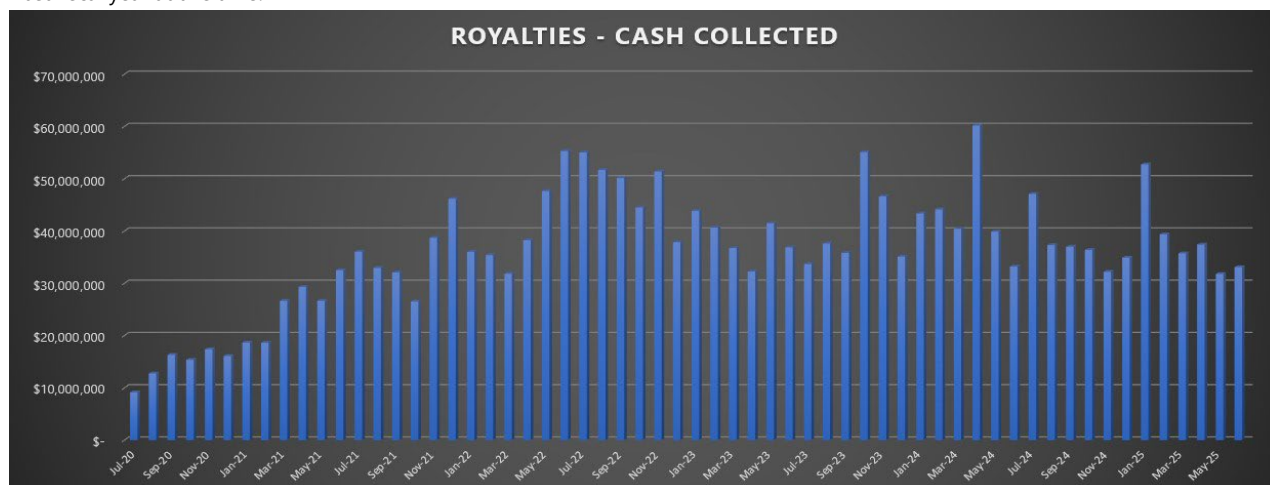


Purple Cone Flower on Adams Co. Trust Lands 129-94-16
Photo Credit: Garret Hecker

MINERALS

MINERALS DIVISION
FISCAL YTD O/G ROYALTIESNORTH
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As of June 30, 2025*, for fiscal year 2024-25 the Department has received **\$454,874,291** in royalties as compared to **\$504,984,740** last fiscal year at this time.

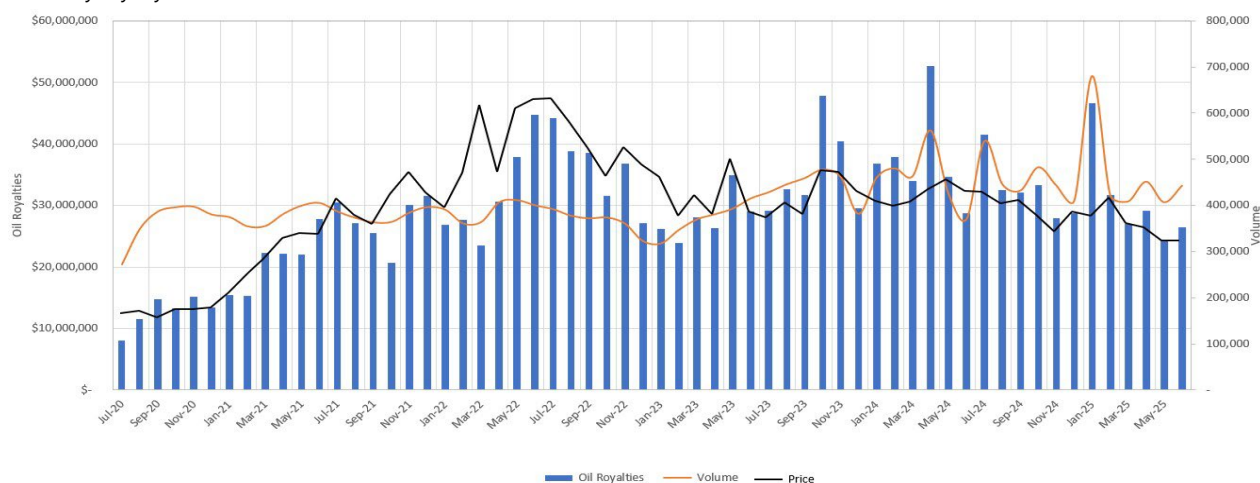


*June royalty revenue is from April gas production and May oil production.

PRICE MAIN DRIVER OF O/G ROYALTIES

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In the early years production growth was the driver of the Department's royalty increases. Now that our net monthly production has been more stable, averaging 463,586 barrels per month over the past twelve months, the price of oil & gas is the main driver of monthly royalty variations.



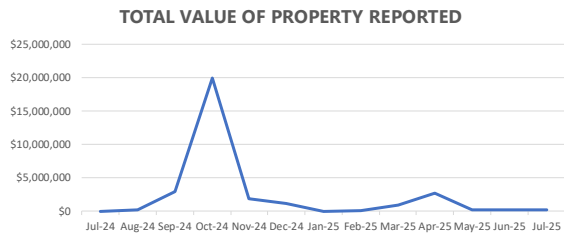
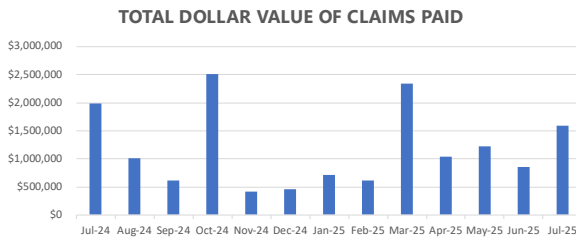
UNCLAIMED PROPERTY

UNCLAIMED PROPERTY DIVISION

<https://unclaimedproperty.nd.gov>



For the month of June 2025, the Division paid 1196 claims with \$1,591,684 returned to rightful owners. The Division also received 68 holder reports with a dollar value of \$239,296.



INVESTMENTS

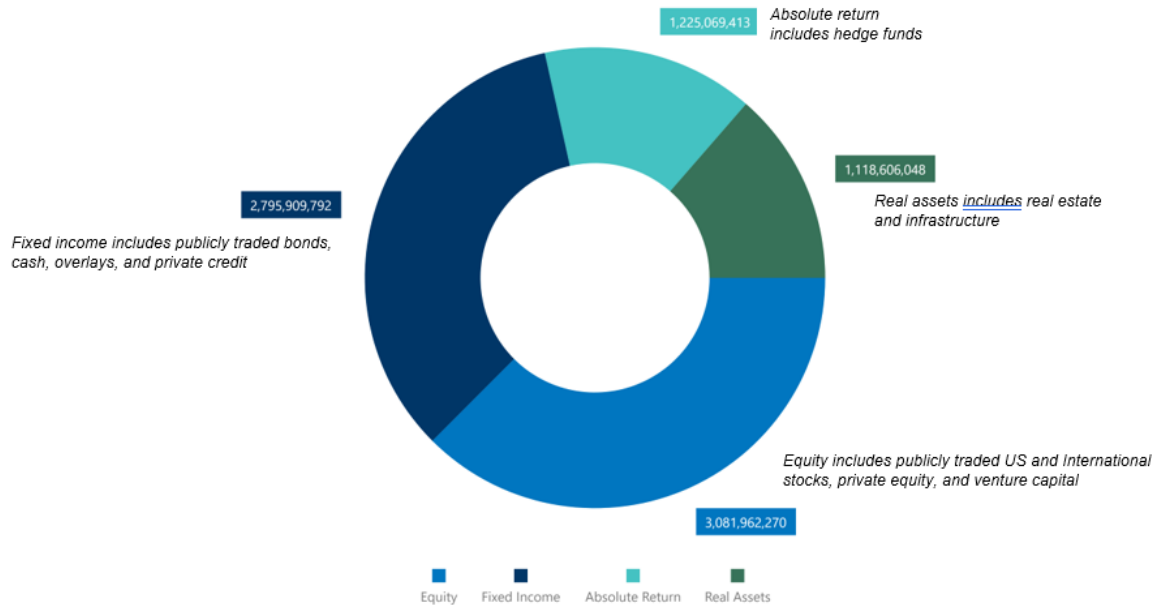
Investments Updates

BOARD OF UNIVERSITY AND SCHOOL LANDS
AUGUST 20, 2025

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Report as of 07/31/2025

Asset Allocation



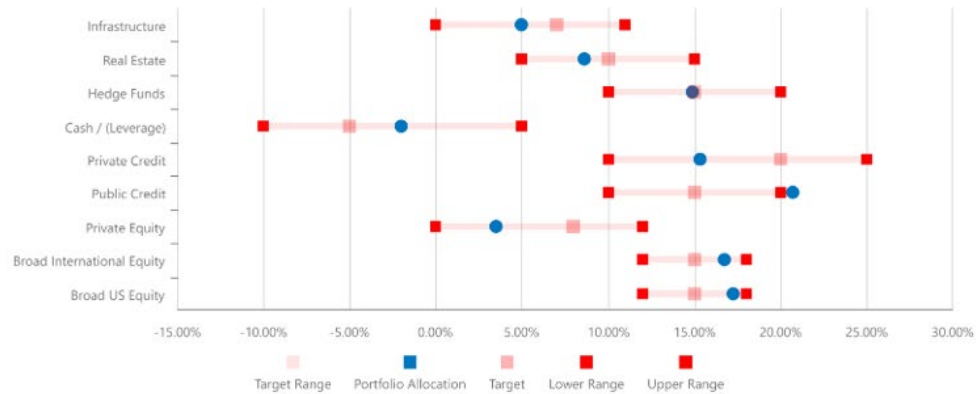
Asset ↕	Total Value ↕	% Of All Value ↕
All ▼	8,221,547,522	100%
Equity ▶	3,081,962,270	37%
Fixed Income ▶	2,795,909,792	34%
Absolute Return ▶	1,225,069,413	15%
Real Assets ▶	1,118,606,048	14%

BOARD OF UNIVERSITY AND SCHOOL LANDS
AUGUST 20, 2025

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Report as of 07/31/2025

Actual vs. Target Weight



Asset	Total Value	% Of All Value	Target Weight	Over/Under %	Over/Under \$
All (MTD)	8,221,547,522	100%	100%	0%	--
Equity	3,081,962,270	37.49%	38%	-0.51%	-42,225,788
Private Equity	287,061,464	3.49%	8%	-4.51%	-370,662,338
Broad International Equity	1,378,068,816	16.76%	15%	1.76%	144,836,688
Broad US Equity	1,416,831,989	17.23%	15%	2.23%	183,599,861
Fixed Income	2,795,909,792	34.01%	30%	4.01%	329,445,535
Cash / (Leverage)	-162,729,767	-1.98%	-5%	3.02%	248,347,609
Private Credit	1,258,387,425	15.31%	20%	-4.69%	-385,922,079
Public Credit	1,700,252,134	20.68%	15%	5.68%	467,020,005
Absolute Return	1,225,069,413	14.9%	15%	-0.1%	-8,162,716
Real Assets	1,118,606,048	13.61%	17%	-3.39%	-279,057,031
Infrastructure	409,614,962	4.98%	7%	-2.02%	-165,893,364
Real Estate	708,991,085	8.62%	10%	-1.38%	-113,163,667

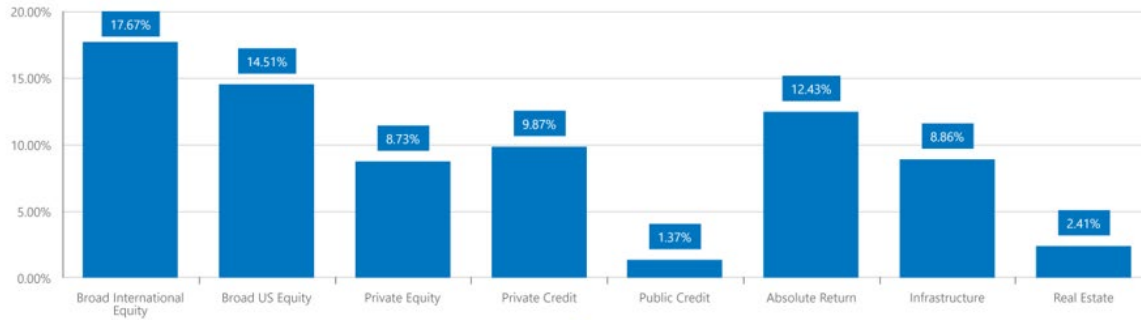
BOARD OF UNIVERSITY AND SCHOOL LANDS
AUGUST 20, 2025

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Report as of 07/31/2025

Flash Performance Report

Unaudited preliminary estimates

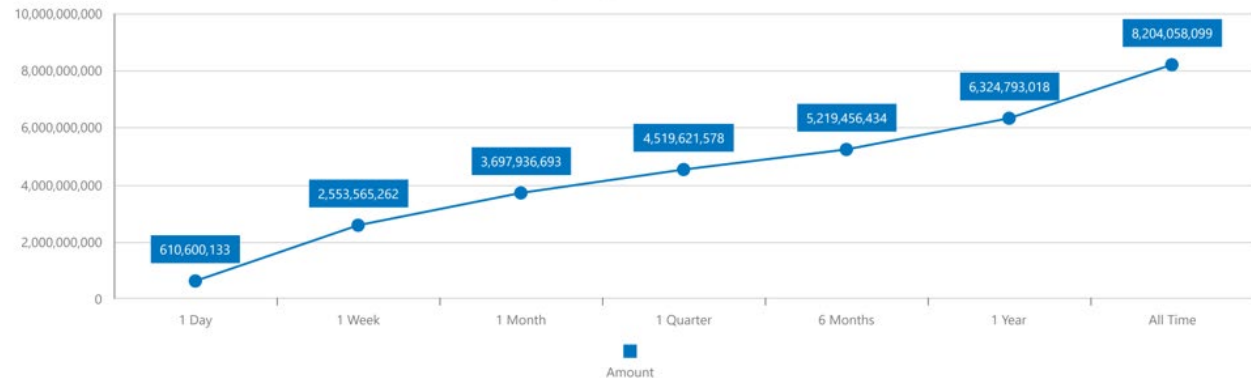


1Y : Net Of Fee Txs : Cumulative Return

	MTD	QTD	YTD	FYTD	1Y
	Net of Fees Txs				
Asset ↕	Cumulative Return ↕	Cumulative Return ↕	Cumulative Return ↕	Cumulative Return ↕	Cumulative Return ↕
Total Portfolio ▼	0.32%	0.32%	7.1%	0.32%	10.42%
Equity ▼	0.66%	0.66%	12.49%	0.66%	16%
Broad International Equity ▶	-0.39%	-0.39%	20.9%	-0.39%	17.67%
Broad US Equity ▶	1.85%	1.85%	6.13%	1.85%	14.51%
Private Equity ▶	0%	0%	1.9%	0%	8.73%
Fixed Income ▼	0.16%	0.16%	3.91%	0.16%	5.79%
Private Credit ▶	0.47%	0.47%	3.89%	0.47%	9.87%
Public Credit ▶	-0.1%	-0.1%	4.08%	-0.1%	1.37%
Absolute Return ▶	0.15%	0.15%	5.21%	0.15%	12.43%
Real Assets ▼	-0.05%	-0.05%	2.08%	-0.05%	4.62%
Infrastructure ▶	-0.14%	-0.14%	3.57%	-0.14%	8.86%
Real Estate ▶	0%	0%	1.25%	0%	2.41%

Report as of 07/31/2025

Liquidity Waterfall



Entity	1 Day (\$M)	1 Week (\$M)	1 Month (\$M)	1 Quarter (\$M)	6 Months (\$M)	1 Year (\$1M)	All Time (\$M)
All	611	2,554	3,698	4,520	5,219	6,325	8,204
Equity	--	1,020	2,164	2,795	2,795	2,795	3,082
Fixed Income	611	1,534	1,534	1,534	1,787	1,832	2,795
Absolute Return	--	--	--	191	505	698	1,216
Real Assets	--	--	--	--	132	999	1,111

Measures how long it would take to liquidate the entire portfolio

Investment Policy Statement (IPS) – First Reading

Strategic Asset Allocation (SAA) and Investment Policy Statement (IPS) updates
First Reading

At the request of Staff, RVK conducted an allocation study using 2025 capital market assumptions. Based on the study, Staff and RVK recommend the following SAA and IPS changes:

Update Strategic Asset Allocation Targets.

Each asset class was adjusted based on the following overall themes:

- (1) Shift from credit-oriented to equity-oriented strategies to enhance long-term return potential consistent with the risk tolerance level of a perpetual endowment.
- (2) Shift from real estate to infrastructure as the AI revolution takes shape, driving increased power demand over the next decade.
- (3) Simplify the allocation by removing leverage from long-term targets, while maintaining the ability to use overlays opportunistically.

Core Fixed Income	Current	Proposed
Broad US Equity	15%	19%
Broad International Equity	15%	17%
Private Equity	8%	12%
Public Credit	15%	7%
Private Credit	20%	15%
Cash / Implied Leverage	-5%	0%
Absolute Return (Hedge Funds)	15%	12%
Real Estate	10%	8%
Private Infrastructure	7%	10%

Change Infrastructure Benchmark. FT Wilshire Private Markets Infrastructure Index is the first and only investable private markets infrastructure index, comprised of global diversified open-end infrastructure funds. This change will solve the current volatility mismatch problem of using a public market benchmark measured against a private market portfolio.

Add Dynamic Total Fund Benchmark. Private markets allocations are outside the control of staff as they rely on investment manager capacity and timing of capital calls. Dynamic total fund benchmarking uses current rather than target allocations. This removes the policy allocation impact on excess returns. Adding a second total fund benchmark with a dynamic calculation methodology offers another perspective for relative performance.

RVK Asset Allocation Overview Report, FT Wilshire Private Markets Infrastructure Index and the Investment Policy Statement redline were presented to the Board by RVK and those are available at the Department upon request.

SPECIAL PROJECTS

Leonardite Lease

LEONARDITE LEASE APPLICATIONS

Applicant: American Colloid Company



The Department received applications from American Colloid Company to lease the following three (3) tracts for Leonardite mining:

Mineral Tracts	Min Int	Gross Ac	Net Ac	App Ton Est (Net Ac)
130-98-7 E2SE (Adams County)	.50	80	40	2,899.5
130-98-8 SW (Adams County)	.50	160	80	315,204
130-99-1 SW (Bowman County)	.50	160	80	53,128

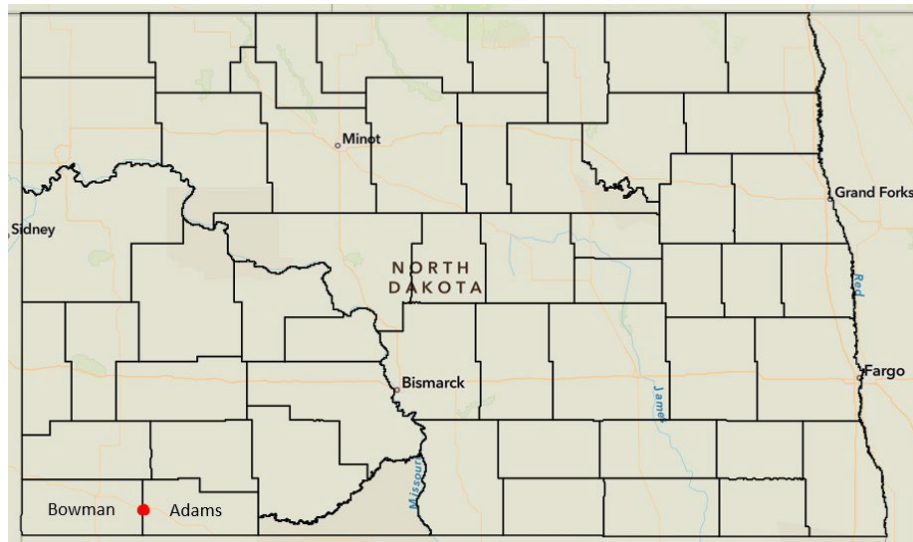
At its February 2025 meeting, the Board determined under NDAC § 85-06-02-04 that it is willing to lease the tracts and directed the Commissioner to begin lease negotiations on its behalf.

As required by NDAC § 85-06-02-04, the Department posted notice of the applications on its website on June 9, 2025, with instructions for public comments to be submitted by 5:00p.m. CT fourteen (14) days after the posting of the notice. No comments were received by the Department.

The Department has evaluated the terms offered by the applicant against other recent private and state Leonardite / coal leases and determined that the offered terms are reasonable and within market. The applicant has indicated its acceptance of all terms and conditions. Upon receipt of the required initial lease payments, the Department will present the leases to American Colloid Company for execution. See NDAC § 85-06-02-05.

LEONARDITE LEASE APPLICATIONS

Location of Mineral Acres: Bowman and Adams Counties



LEONARDITE LEASE APPLICATIONS

American Colloid Company Proposed Terms

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Proposed Term of Lease

10 years

Proposed Bonus:

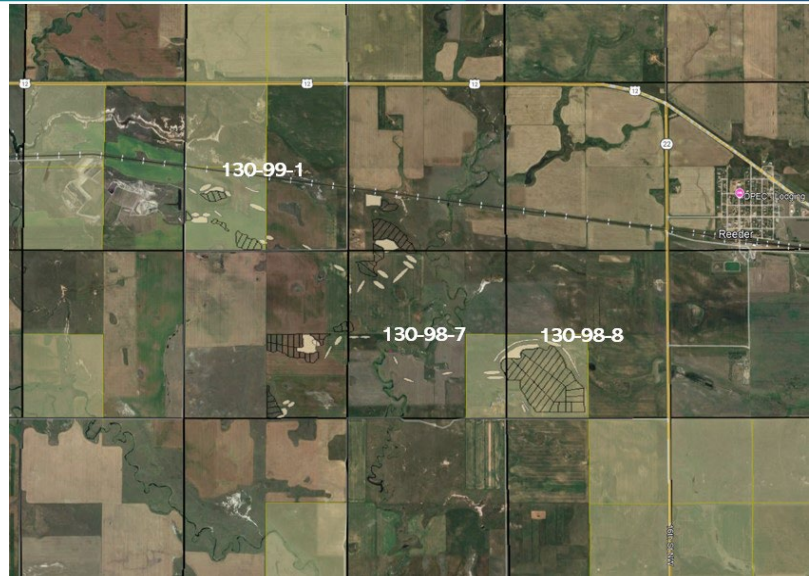
\$100 per net coal acre

Proposed Royalty:

\$1.10 per ton

Proposed Annual Rental:

\$5 per net coal acre



Motion: The Board accepts the proposed terms and authorizes the Commissioner to execute the three identified Leonardite leases.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe		X	X		
Superintendent Baesler			X		
Treasurer Beadle	X		X		
Attorney General Wrigley					X
Governor Armstrong			X		

LITIGATION

Litigation Update

- **Mandan, Hidatsa, and Arikara Nation v. United States Department of the Interior**

Case Summary: Missouri riverbed ownership – Quiet title action brought by the federal government is proceeding, with discovery now completed; the U.S. and MHA filed separate summary judgment motions; our opposition brief was filed by the March 18, 2025 deadline; the U.S. filed its reply brief on April 18th; we now await the Court to either schedule a hearing on the motion or decide on the briefs; additionally, on February 28, 2025, the Department of Interior Acting Solicitor suspended the Biden administration's M-Opinion that was contrary to the state's position.

Commencement: July 2020

ND Assigned Attorneys: James Auslander, Kathryn Tipple, Peter Schaumberg, and Nessa Coppinger (Beveridge & Diamond, Washington, D.C.)
Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs

Counsel for MHA: Steven D. Gordon (Holland & Knight's Washington, D.C.)
Philip Merle Baker-Shenk (Holland & Knight's Washington, D.C.)
Timothy Purdon (Robins Kaplan, Bismarck, ND)
Timothy Billion (Robins Kaplan, Minneapolis, MN)

Counsel for United States Department of Interior: Reuben S. Schiffman (Washington, D.C.)

Court: United States District Court for the District of Columbia

Judge: Honorable Amy Berman Jackson

Win = North Dakota owns historical Missouri Riverbed (mineral rights) through Fort Berthold Indian Reservation resulting in release to state of tens of millions of dollars in withheld oil & gas royalties.

Lose = U.S. owns the riverbed in trust for MHA Nation so royalties are released to the tribe

- **State of North Dakota, ex. rel. v Virginia Leland, et.al.**

Case Summary: OHWM river island ownership; trial was held September 12-16, 2022; Judge Schmidt issued a Phase I Memorandum Decision on April 30, 2024, finding 1) the at issue Yellowstone River segment was navigable at statehood; 2) the at issue west bank of the river is owned by the state; 3) the at issue north island is not owned by the state; 4) the at issue south island is owned by the state; and 5) the state's claim is not barred by laches. The remaining issues of conveyances, mineral acreage calculations, etc. are now being determined in Phase II proceedings. On December 19, 2024, the Court granted opposing parties' summary judgment motion on certain issues. A trial to determine the remaining issues was held January 29, 2025, in Watford City. On May 8, 2025, the Court issued its trial decision ruling that: 1) the State does not own the North Island; 2) the 1950 deed from the State conveyed the at issue lots to the Montana state line; and 3) the State only reserved a 5% mineral interest in the 1950 deed. Notice of final judgment was entered July 17, 2025, so parties have until September 15, 2025, to appeal to the ND Supreme Court.

Commencement: January 2016

ND Assigned Attorneys: Zachary Pelham (Pearce Durick, Bismarck)

Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs
James Wald, DTL General Counsel

Counsel for Whiting Oil Paul Forster (Crowley Fleck, PLLP, Bismarck, ND)

and Gas Corp: Shane Hanson (Crowley Fleck, PLLP, Bismarck, ND)

Counsel for Defendant(s): Kevin Chapman (Chapman Law Firm, P.C., Williston, ND)
Ariston Johnson (Johnson & Sundeen, Watford City, ND)
and Others

Court: State District Court, McKenzie County

Judge: Honorable Robin Schmidt

Win = State owns at issue Yellowstone River islands and related mineral interests

Lose = Plaintiffs owns at issue Yellowstone River islands and related mineral interests

- **Continental Resources, Inc., v. North Dakota Board of University and School Lands and the United States of America (Interpleader)**

Case Summary: OHWM fed/state dispute – ND Federal District Court issued opinion March 21, 2023, granting Board’s motion for partial summary judgment on “Acquired Federal Lands” issue; this means the Wenck survey controls for establishing the historical ordinary high-water mark of the Missouri River in areas where the uplands were acquired by the federal government, and not original “public domain lands”; the federal government appealed; 8th Circuit oral argument was held October 22, 2024; the 8th Circuit issued its decision on May 2, 2025, affirming the District Court’s ruling; neither party appealed the 8th Circuit’s decision so the District Court’s ruling stands; we will work with Continental and the federal government to implement the ruling through lease and payment adjustments; **this case is now complete and will be removed from the litigation update going forward**

Commencement: December 2016

ND Assigned Attorneys: Philip Axt, ND Solicitor General

Counsel for Continental: Lawrence Bender (Fredrikson & Byron P.A., Bismarck, ND)
Spencer Ptacek (Fredrikson & Byron P.A., Bismarck, ND)

Counsel for USA: Shaun Pettigrew (Environment and Natural Resources
Division (ENRD)) of the U.S. Department of Justice

Court: North Dakota U.S. District Court, Judge Daniel L. Hovland

EXECUTIVE SESSION

Under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Board close the meeting to the public and go into executive session for purposes of attorney consultation regarding:

- **Royalty Settlements**

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe		X	X		
Superintendent Baesler			X		
Treasurer Beadle	X		X		
Attorney General Wrigley					X
Governor Armstrong			X		

The Board entered into executive session at 9:56 AM.

EXECUTIVE SESSION

Members Present:

Kelly Armstrong	Governor
Kirsten Baelser	Superintendent of Public Instruction (via Teams)
Thomas Beadle	Treasurer
Michael Howe	Secretary of State

Members Absent:

Drew Wrigley	Attorney General
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Department of Trust Lands Personnel present:

Joseph Heringer	Commissioner
Catelin Newell	Administrative Staff Officer
Kate Schirado	Executive Assistant
Adam Otteson	Revenue Compliance Division Director
James Wald	Legal Council
Elvedina Papalichev	Paralegal
Chris Suelzle	Minerals Division Director

Guests in Attendance:

Jacy Schafer	Office of the Governor
Chris Joseph	Office of the Governor
Zachary Pelham	Office of the Attorney General
Dave Garner	Office of the Attorney General
Matt Sagsveen	Office of the Attorney General

The executive session adjourned at 10:57 AM and the Board returned to the open session meeting to rejoin the public. During executive session the Board discussed Royalty Deduction Settlements with its attorneys. No formal action was taken when the open meeting reconvened.

A D J O U R N

There being no further business, the meeting was adjourned at 10:57 AM.

Governor Armstrong, Chairman
Board of University and School Lands

Joseph Heringer, Secretary
Board of University and School Lands