City of Minot

Special City Council Meeting
Wednesday, April 22, 2026, at 4:00 PM
City Council Chambers, City Hall (10 3rd Ave SW)
Any person needing special accommodation for the meeting is requested to notify the City Clerk's office at 857-4752.

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. DISCUSSION ITEM

   3.1. 3RD ST NW WATERMAIN BREAK

   RECOMMENDED ACTION
   It is recommended City Council deny the claim as our insurer, North Dakota Insurance Reserve Fund (NDIRF), did.

4. POTENTIAL EXECUTIVE SESSION: 3RD ST NW WATERMAIN BREAK
   The topic and purpose of the executive session is to allow the City Council to discuss negotiating strategy and provide negotiating instructions to its attorneys and other negotiators regarding a contract. An open meeting on this topic would have an adverse fiscal effect on the bargaining position of the City. See N.D.C.C. 44-04-17.1, 44-04-19.1(9), and 44-04-19.2.

5. POTENTIAL ACTION FOLLOWING EXECUTIVE SESSION

6. ADJOURNMENT

TO: Mayor and Members of the City Council

FROM: Jason Sorenson, Public Works Utilities Director

DATE: April 22, 2026

SUBJECT: **3RD ST NW WATERMAIN BREAK**

I. RECOMMENDED ACTION

It is recommended City Council deny the claim as our insurer, North Dakota Insurance Reserve Fund (NDIRF), did.

II. DEPARTMENT CONTACT PERSONS

Jason Sorenson, Public Works Utilities Director, 701-857-4768

III. DESCRIPTION

A. Background

On March 17, 2026, Water Department staff was notified of a potential watermain break in front of 917 3rd St NW at about 3:15 am. Staff responded and found water surfacing from the ground in front of the house at this address. A service line break was suspected, so the service line was shut down, but water continued to flow. Staff then isolated the watermain in the street and water stopped flowing, confirming the watermain in the street had failed. Utility locators were then called in and the process of repairing the break started at about 7:00 am and service was restored around 1:00 pm.

During the repair, staff had contact with the owner of the residence, Ms. Judy Nelson, and were made aware that water had entered the home. The break appears to have been caused by ground shifting due to warmer temps lifting the frost underground. Additionally, it appeared to staff that frost prevented the leaking water from surfacing in the street, so it followed the old trench where the water and sewer services were installed and surfaced closer to the house where the frost was thinner.

Staff was alerted again on the morning of March 18th about another watermain break in the same area. The same pipe failed a few feet away from the previous break. This is not uncommon when repressurizing older cast iron watermains. Staff responded and made repairs. Staff was unaware if additional water had entered the residence.

Ms. Nelson contacted the city regarding compensation for cleanup costs and was advised she could submit a claim to the City's insurer, ND Insurance Reserve Fund (NDIRF). NDIRF contacted the city on March 19th to investigate the claim. After their investigation, NDIRF formally denied the claim, noting the city has no control over the frost line and the side effects of seasonal freeze/thaw cycles.

B. Proposed Project

Ms. Nelson has reached out requesting the denial be appealed and is asking for compensation for damages. NDIRF has since reaffirmed their denial.

C. Recommendation Detail

Staff does not recommend making compensation for the claim as this would be counter to the denial made by the city's insurance provider. This appeal is being forwarded to council for its consideration at the request of Ms. Judy Nelson.

IV. IMPACT

A. Service/Delivery Impact:

N/A

B. Fiscal Impact

Project Costs

The home owner has mentioned a figure of $10,000, but City staff has not seen receipts for what is being claimed for damages.

Project Funding

There is no funding source identified for this type of compensation.

VI. ALTERNATIVES

N/A

From:	Stefanie Stalheim
To:	Mikayla McWilliams
Cc:	Jason Sorenson; City of Minot - Attorney
Subject:	FW: FW: Financial remediation for my mother
Date:	Tuesday, April 21, 2026 4:12:58 PM
Attachments:	20260414082033.pdf 26062273 Nelson Determination.pdf

Mikayla – see below for the Council agenda.

Stefanie Stalheim
City of Minot, City Attorney
Office Phone: 701-857-4755

From: Dave & Michelle Stroud [redacted]
Sent: Monday, April 20, 2026 10:19 AM
To: Stefanie Stalheim <stefanie.stalheim@minotnd.gov>
Cc: City of Minot - Attorney <attorney@minotnd.gov>; Tom Joyce <tom.joyce@minotnd.gov>; City of Minot - Mayor <Mayor@minotnd.gov>; David Lakefield <david.lakefield@minotnd.gov>; Nick Schmitz <nick.schmitz@minotnd.gov>; Jason Sorenson <jason.sorenson@minotnd.gov>; Scott.louser@ndlegis.gov; Kyara Brown <Kbrown@kxnet.com>; cody.arendt@ndirf.com; Jason.sorenson@minotnd.com; mikelucyagency@amfam.com; Jennifer Kleen <jennifer.kleen@minotnd.gov>
Subject: Re: FW: Financial remediation for my mother

Thank you for the information. Have a nice day.
M

On Mon, Apr 20, 2026 at 8:30 AM Stefanie Stalheim <stefanie.stalheim@minotnd.gov> wrote:

> Ms. Stroud,
>
> I want to clarify that I represent the City of Minot, not the North Dakota Insurance Reserve Fund (NDIRF). The City's relationship with NDIRF is similar to the relationship any individual has with their own insurer—we purchase coverage, submit claims, and the insurance carrier independently evaluates those claims under the terms of its policy. Because NDIRF is the entity responsible for administering and deciding claims, they would be the appropriate source for information regarding their oversight, safeguards, and appeal processes. Here is a link to their website (https://www.ndirf.com/) and Mr. Arendt is cc'd in on this response.
>
> If you believe the law is not being applied correctly, you may also contact the North Dakota Insurance Department. The Department can determine if NDIRF—and your own insurer—are complying with state insurance laws and following the coverage provided by

their policies.

As mentioned in my previous emails, I will be meeting with the City Council this week to discuss your correspondence, and I will ensure they are aware of your concerns.

Stefanie Stalheim
City of Minot, City Attorney
Office Phone: 701-857-4755

From: Dave & Michelle Stroud [redacted]
Sent: Thursday, April 16, 2026 8:58 PM
To: Stefanie Stalheim <stefanie.stalheim@minotnd.gov>
Cc: City of Minot - Attorney <attorney@minotnd.gov>; Tom Joyce <tom.joyce@minotnd.gov>; City of Minot - Mayor <Mayor@minotnd.gov>; David Lakefield <david.lakefield@minotnd.gov>; Nick Schmitz <nick.schmitz@minotnd.gov>; Jason Sorenson <jason.sorenson@minotnd.gov>; Scott.louser@ndlegis.gov; Kyara Brown <Kbrown@kxnet.com>; cody.arendt@ndirf.com; Jason.sorenson@minotnd.com; mikelucyagency@amfam.com; Jennifer Kleen <jennifer.kleen@minotnd.gov>
Subject: Re: FW: Financial remediation for my mother

Dear, Ms. Stalheim,

Thank you for your recent correspondence. I would like to seek clarification regarding the claims determination process, as the current structure raises serious concerns.

So, to ensure I understand correctly: the same entity that is financially responsible for paying out insurance settlements is also the entity that decides whether a claim will be approved or denied. That arrangement appears to present an inherent conflict of interest, or at minimum the appearance of one. In most contexts, such a structure would be subject to heightened scrutiny to ensure fairness, transparency, and public confidence in the process.

This concern is not merely theoretical. Public reporting has already highlighted troubling performance metrics. In the article *"Lawmakers Slam North Dakota Insurance Reserve Fund Over Audit Findings,"* written by Mr. Jeff Beach of the North Dakota Monitor, it was reported that the payout rate for claims was only 28 percent, a figure attributed to then-Deputy Insurance Commissioner John Arnold. Statistics of that nature understandably raise questions about whether claims are being evaluated in a manner that is impartial and consistent with the purpose of an insurance program—to provide coverage when loss occurs.

Insurance exists precisely because accidents and infrastructure failures do happen. When a public entity requires citizens to rely on a specific insurance mechanism, it is reasonable to expect that the process will be administered in a way that is independent, objective, and accountable.

Accordingly, I respectfully request clarification on the following points:

1. What independent oversight, if any, exists to review claim denials issued by the fund?
2. What safeguards are in place to ensure that financial exposure does not influence claim determinations?
3. Whether an external review or appeal mechanism is available to claimants who believe their claim has been improperly denied.

Given the financial impact this matter has had on our family, transparency regarding these issues is essential before we determine our next steps.

I appreciate your attention to these questions and look forward to your response.

Sincerely,
Michelle Nelson-Stroud

On Thu, Apr 16, 2026 at 7:21 AM Stefanie Stalheim <stefanie.stalheim@minotnd.gov> wrote:

> Ms. Stroud,
>
> As noted previously, I will be discussing this matter with the City's elected officials next week to confirm their position, and I will ensure they receive your correspondence. After that consultation, the City will provide a further response.
>
> To address your central question directly: The City is not refusing to use its insurance. NDIRF—the City's insurer—has determined that there is no legal liability on the part of the City for these water main breaks, and therefore there is no coverage available to invoke. Municipal insurance does not pay claims simply because damage occurred. It pays only when the City is legally liable under North Dakota law. In this case, NDIRF concluded that the City is not liable, and therefore no insurance coverage is triggered.
>
> I understand that American Family Insurance denied your mother's claim, but a private insurer's decision does not determine municipal liability under state law. Their denial does not create legal responsibility for the City, nor does it override the findings of NDIRF or the legal standards that govern municipal infrastructure claims.
> I recognize that this outcome is frustrating, and I do not minimize the impact on your mother.
>
> Again, I will be meeting with the City Council next week to confirm their position, and I will follow up after that discussion. If you retain legal counsel, please feel free to have them contact me directly.
>
> **Stefanie Stalheim**
> *City of Minot, City Attorney*
> **Office Phone:** 701-857-4755

From: Dave & Michelle Stroud [redacted]
Sent: Wednesday, April 15, 2026 8:26 PM
To: Stefanie Stalheim <stefanie.stalheim@minotnd.gov>
Cc: City of Minot - Attorney <attorney@minotnd.gov>; Tom Joyce <tom.joyce@minotnd.gov>; City of Minot - Mayor <Mayor@minotnd.gov>; David Lakefield <david.lakefield@minotnd.gov>; Nick Schmitz <nick.schmitz@minotnd.gov>; Jason Sorenson <jason.sorenson@minotnd.gov>; Scott.louser@ndlegis.gov; Kyara Brown <Kbrown@kxnet.com>; cody.arendt@ndirf.com; Jason.sorenson@minotnd.com; mikelucyagency@amfam.com
Subject: Re: FW: Financial remediation for my mother

Dear Ms. Stalheim,

I am writing to seek clarification regarding the City of Minot's continued reluctance to utilize its insurance coverage to address the damages caused to my mother's home and property following the water main break within city infrastructure.

Accidents happen. Infrastructure fails. That is an unfortunate reality for any municipality. It is also precisely why individuals, businesses, and governments alike carry insurance—to provide protection and financial recourse when unforeseen failures occur. From a practical standpoint, this situation appears straightforward: the city water main failed, and that failure resulted in significant damage to private property.

My mother's insurance provider, American Family Insurance, (representative Mike Lucy) denied her claim specifically because the break occurred on city property and involved city-owned infrastructure. Their determination was clear—the responsibility lies with the city. When even a private insurer reaches that conclusion, it raises serious questions about why the city continues to resist acknowledging financial responsibility or engaging its own coverage.

In your prior correspondence, you stated that two supervising employees reviewed NDIRF employee Mr. Arendt's findings and agreed with his conclusions. Respectfully, it is difficult to view that process as an independent or impartial review when those individuals are employed by the same entity whose financial interests are directly impacted by the outcome. Agreement among internal staff does not necessarily equate to fairness or objectivity.

To be clear, we acknowledge that the city responded quickly to the incident, and that responsiveness is appreciated. However, prompt response is an expected duty of the municipal government and one of the fundamental reasons residents pay property taxes. Responsiveness does not negate responsibility when infrastructure under the City's control fails.

The central facts remain unchanged:

- The water main was owned, operated, and maintained by the city.
- The water main failed.
- The failure released water that entered and damaged my mother's home and property.
- The damages would not have occurred absent the failure of city infrastructure.

Given these facts, I respectfully ask a simple and direct question:
If the City maintains insurance coverage for infrastructure-related incidents, why is that coverage not being utilized in this case?

This situation should not be as complicated as it has become. Residents across North Dakota carry insurance to cover accidents, mishaps, and unexpected damage. It is reasonable to expect the same standard of accountability from a municipality when its own systems fail.

We remain hopeful that the city will reconsider its position and work toward a fair and responsible resolution.

Thank you for your time and attention to this matter. I look forward to your response.

Respectfully,

Michelle Nelson-Stroud and Brian Nelson

on Behalf of Mrs. Judy Nelson

On Wed, Apr 15, 2026 at 3:47 PM Stefanie Stalheim <stefanie.stalheim@minotnd.gov> wrote:

> Ms. Nelson-Stroud,
>
> I am in receipt of your email to Director Sorenson and will be discussing this matter with the City's elected officials next week to confirm their position. I will ensure they are aware of your concerns and receive your correspondence; after that consultation, the City will respond further.
>
> We did ask NDIRF to re-evaluate its determination, and we were advised that Mr. Arendt's decision was reviewed by his supervisor, Assistant Director of Claims Kristin Ziegler, as well as her supervisor, Director of Claims Tony Burbach. Both agreed with the conclusion that there is no liability on the part of the City of Minot—including with respect to the second main break that occurred the following day. While they empathize with the damage to Mrs. Nelson's property, they found no evidence that the City or its employees were negligent or contributed to either break, noting that the City's response was timely and that the second failure was a tertiary

issue related to the pressurization of water mains. Both breaks occurred outside of the City's control.

As mentioned, we are coordinating a meeting with the City Council on this matter next week and will reach out after that meeting.

Thank you,

Stefanie Stalheim
City of Minot, City Attorney
Office Phone: 701-857-4755

From: Dave & Michelle Stroud [redacted]
Sent: Tuesday, April 14, 2026 8:18 PM
To: Jason Sorenson <jason.sorenson@minotnd.gov>
Cc: Mark Jantzer <mark.jantzer@minotnd.gov>; Tom Joyce <tom.joyce@minotnd.gov>
Subject: Re: Financial remediation for my mother

Dear Mr. Sorenson,

Thank you for your previous correspondence regarding the water main break that occurred on March 17, 2026. However, your response did not address the fact that the same water main failed again on March 18, 2026. City crews responded to both incidents, and the proximity in time and repeated infrastructure failure clearly indicate that the damages sustained to my mother's property were the direct result of municipal system failure.

But for the failure of the city's water main, there would have been no flooding, no property damage, and no financial burden placed on my 83-year-old mother. She is now facing more than $10,000 in repair costs for water intrusion into her home and damage to her yard and surrounding property. This was not a sewage back-up, it was water literally running down the walls of her home! My mother's insurance company (American Family) denied her coverage as they stated it was the city's responsibility as it happened on city property. Even American Family feels the city is culpable.

While city crews subsequently repaired the sidewalk and performed limited remediation to the yard, these actions addressed only surface-level conditions. The measures taken—such as raking mud and spreading grass seed—did not restore the property to its pre-loss condition and did not address displaced landscaping materials, soil erosion, or the accumulation of mud and silt around the home's foundation. These remaining conditions continue to present both structural and safety concerns.

Further, a city employee present at the scene acknowledged to my mother that the incident was the responsibility of the city and that she should not be required to bear the resulting costs. Despite this acknowledgment, the city has declined to accept responsibility for the full scope of damages. Addressing certain visible impacts while denying responsibility for the underlying property damage creates the appearance of partial remediation without full accountability.

Municipal governments have a well-established duty to maintain public infrastructure in a manner that does not cause harm to private property. When infrastructure failures occur and result in foreseeable damage, the responsibility to remedy those damages rests with the municipality and its insurers. The denial of this claim leaves an elderly resident financially responsible for damages caused solely by the failure of city-owned infrastructure—an outcome that is inconsistent with the principles of public responsibility and risk management.

Accordingly, I respectfully request that the City of Minot formally re-evaluate this claim, taking into full consideration both infrastructure failures that occurred on March 17 and March 18, 2026, as well as the complete extent of property damage resulting from those events.

Please consider this correspondence a formal request for reconsideration of the claim determination. I also request written confirmation of the basis for the denial decision, including any policies, investigative findings, or engineering assessments relied upon in reaching that determination.

While I do not believe that you understand how difficult and frustrating this situation has been for my mother, I do believe that you take these matters very lightly as you know, full well, that you will NEVER have to admit any responsibility as long as you can hide behind your insurers (ND Insurance Reserve Fund) decisions. How nice not to have any culpability for anything that you do at your job. Typical government irresponsibility. Another question I have, how many other city residents have been victimized by the city of Minot and their lack of accountability?

I appreciate your prompt attention to this matter and want you to explain to me WHY EXACTLY you think that the city is not liable, regardless of what your insurance company says. How on earth can you deny culpability that two water main breaks happened two consecutive times in a row that caused flooding in my mother's home?

Sincerely,
Michelle Nelson-Stroud
[redacted]

On behalf of Mrs. Judy Nelson
[redacted] 3rd Street NW

On Tue, Apr 14, 2026 at 9:45 AM Jason Sorenson
<jason.sorenson@minotnd.gov> wrote:
Ms. Nelson-Stroud,

At the request of the mayor, I am responding to your appeal for an explanation behind the denial of claim for damages. Please see the attached letter. Please let me know if you have any questions.

Thanks,

Jason Sorenson, EIT
City of Minot, Utilities Director
Office 701-857-4768

From: Mark Jantzer <mark.jantzer@minotnd.gov>
Sent: Tuesday, April 7, 2026 12:26 PM
To: Tom Joyce <tom.joyce@minotnd.gov>; Jason Sorenson <jason.sorenson@minotnd.gov>; David Lakefield <david.lakefield@minotnd.gov>
Subject: Fw: Financial remediation for my mother

Gentlemen, I would like to add this to our agenda for 1:30 today. Thanks,
Mayor Mark

Get Outlook for iOS

From: Dave & Michelle Stroud [redacted]
Sent: Thursday, April 2, 2026 9:32 PM
To: Mark Jantzer <mark.jantzer@minotnd.gov>
Subject: Financial remediation for my mother

Caution: This message has originated from an **External Source**. Please use proper judgement and caution when opening attachments, clicking links, or responding to this email.

Dear Mr, Jantzer,

I am writing to express my deep concern and disappointment regarding the City's recent decision to deny my mother's claim for damages resulting from two concurrent water main breaks that occurred on City property and caused more than $10,000 in damage to her home and yard.

It is the City's responsibility to properly maintain its infrastructure and to ensure that its systems remain contained within municipal boundaries without causing harm to nearby homes or businesses. In this situation, that responsibility was not met. The damage to my mother's property was the direct result of failures within the City's own water system—failures that were entirely outside of her control.

During a previous conversation, you advised us to wait for the City's decision before determining how to move forward. On Thursday morning, my mother received notice that her claim had been denied. This outcome is deeply troubling and feels profoundly unfair.

My mother is 83 years old and has been a loyal, tax-paying resident of this community for 62 years. She has fulfilled her obligations to the City faithfully. To now be left to bear the financial burden of damage caused by municipal infrastructure is not only unjust, but it undermines public trust in local government.

We respectfully request that the City review this decision immediately and reconsider its position. At a minimum, we ask for a clear explanation of the rationale behind the denial and the steps available for appeal or further review but furthermore expect that she be reimbursed for the financial costs that you seem to feel belong to her.

This situation is causing significant financial and emotional strain on an elderly resident who has contributed to this community for decades. We urge the City to act responsibly and fairly in resolving this matter.

We look forward to your prompt response.

Sincerely,
Michelle Nelson-Stroud
On behalf of Mrs.Judy Nelson
[redacted]

jason.sorenson@minotnd.gov
www.minotnd.org

City of Minot

April 13, 2025

Michelle Nelson-Stroud
On behalf of Judy Nelson
917 3rd St NW
Minot, ND 58703

RE: Watermain break on 3/17/2026

Dear Ms. Nelson-Stroud:

Mayor Mark Jantzer forwarded me your April 2, 2026 correspondence and requested that I respond regarding the watermain break on March 17. The break was reported at approximately 3:15 a.m., and the City's Water Department personnel immediately mobilized to isolate the line, complete utility locates, excavate the site, and install a repair sleeve. Water service was restored around 1:00 p.m. that same day. During this time City staff were in contact with the occupant of the home, Mrs. Judy Nelson, and were aware of water entering the basement.

We recognize the disruption and hardship that incidents of this nature can cause. Property damage claims are submitted to and reviewed by the City's insurer, the North Dakota Insurance Reserve Fund (NDIRF). After conducting its investigation, NDIRF denied Mrs. Nelson's claim, concluding that the City was not negligent. The City maintains an extensive water and sewer system, performs routine maintenance and repairs, and operates an ongoing infrastructure replacement program. These are the factors NDIRF evaluates when determining liability, and in this case, the break and resulting damage were attributed to conditions outside of the City's control.

We understand how difficult and frustrating situations like this can be for homeowners, and we do not take these matters lightly. However, based on the findings of our insurer and the legal standards that apply, City staff can not recommend that the City provide compensation in this case.

If you need any additional information or have further questions, please feel free to contact me at 701-857-4768.

Respectfully,

Jason Sorenson, EIT
Utilities Director
City of Minot

NORTH DAKOTA
NDIRF
INSURANCE
RESERVE FUND

April 2, 2026

JUDY NELSON
1917 3RD ST NW
MINOT, ND 58703

RE:	**POOL MEMBER:**	**Minot, City Of**
	CLAIMANT:	**Nelson, Judy**
	DATE OF LOSS:	**3/17/2026**
	NDIRF CLAIM NO:	**26062273**

Dear Judy Nelson:

The above mentioned is a pool member of the North Dakota Insurance Reserve Fund. This letter follows our previous discussion related to the 3/17/2026 water main break incident which caused damage to your property.

Under North Dakota law, in order for the NDIRF pool member to be legally liable for damages arising from a water main break, all of the following elements must be established:

1) The claimant suffered actual and compensable damage; and
2) The damage was proximately caused by a defect, failure, or other condition in the members water main; and
3) The member had actual or constructive notice of said defect or condition prior to the occurrence of the damage; and
4) The member failed to exercise reasonable care to correct, repair, or otherwise remedy said defect or condition within a reasonable time after receiving such notice.

Based on our investigation into this matter, we have not identified negligence on behalf of the NDIRF pool member or their employees as the member had no actual or constructive notice the line was going to fail. In reviewing the facts of the loss, we investigated the age and type of water main involved and discovered that it is a PVC (polyvinyl chloride) pipe which was installed in 1977 making it approximately 49 years old and at its expected half useful life (expected lifespan of a PVC pipe is 100 years). We also investigated the second reported break which occurred when the water main was brought back online following the initial repair and re-pressurization, and we verified that secondary breaks unfortunately are prone to occur during the re-pressurization process of a water main just due to the nature of pressurizing a water main.

Additionally, it was reported that the pool member may have utilized "better" materials to repair the second break which occurred and it has been confirmed that the City of Minot utilizes only one brand of repair sleeves (Romac Brand) and there is not any "better" or "worse" repair materials or methods. Both repairs were materially the same.

It is believed that the cause of the failure was the frost line lifting from the ground and causing an underground shift which impacted the water main. As the City of Minot has no control over the frost line and water main breaks are an unfortunate side effect of seasonal thaw cycles, we have determined that the NDIRF pool member is not liable for the property damage which occurred and we are unfortunately not able to provide you with settlement compensation.

Sincerely,

Cody Arendt
Claims Adjuster
Cody.Arendt@NDIRF.com
701-751-9113
NORTH DAKOTA INSURANCE RESERVE FUND

Cc: MINOT, CITY OF
BRAVERA INSURANCE INC