

Minutes of a Meeting of the Industrial Commission of North Dakota  
Held on July 7, 2020 beginning at 1:00 p.m.  
Pioneer Room - State Capitol

Present: Governor Doug Burgum, Chairman  
Attorney General Wayne Stenehjem  
Agriculture Commissioner Doug Goehring

Also Present: Some attendees are listed on the attendance sheet available in the Commission files  
This meeting was open through a call-in number so not all attendees are known  
Members of the Press

Governor Burgum called the Industrial Commission meeting to order at approximately 1:00 p.m. and the Commission took up Fire and Tornado Reinsurance Business.

### **FIRE AND TORNDADO REINSURANCE**

Mr. Brennan Quintus, North Dakota Insurance Reserve Fund (NDIRF), presented a recommendation from Insurance Commissioner Jon Godfread regarding bids for the Excess Loss Reinsurance and Equipment Breakdown Coverage – State Fire and Tornado Fund (NDFT or Fund). N.D.C.C. 26.1-22-21 requires the Insurance Commissioner to procure excess loss reinsurance to pay for claims in excess of the Fund's retention, currently \$2 million, with the approval of the Industrial Commission. The Fund's current excess loss reinsurance treaty expires midnight, July 31, 2020. The new reinsurance treaty would commence on August 1, 2020.

The NDIRF is a government self-insurance pool that has provided risk services to North Dakota political subdivisions since 1986. NDIRF began administration of the NDFT on June 28, 2019. The Legislature moved administration over to NDIRF, however it is still controlled by Insurance Department.

The State Fire and Tornado Fund provides property insurance coverage to approximately 1,160 policyholders with over \$15.8 billion in total insured value for the State of North Dakota and its political subdivisions. Currently, the Fund has excess loss reinsurance for claims over \$2 million up to \$250 million. The current premium paid on this reinsurance is approximately \$3.8 million per year, based on \$15.8 billion dollars of property value.

NDIRF approached over 60 markets. All quotes were based on over \$15.8 billion of total insured value. The reinsurance market for government, municipalities and universities is limited and, within that market, the pricing and terms are much less favorable for reinsurance buyers than they have been in the past.

Of the proposals received, Travelers is the best option for the Fund. Travelers quoted a \$250 million limit excess a \$2 million retention at a rate of .024464 per \$100 of total insured value. The deposit premium is \$3,880,000.

The terms and conditions are the same as the current program and follow the Fund's forms. Travelers' options include coverage for terrorism, domestic and foreign, and loss control inspections on high value properties we choose. This helps the Fund address risk concerns on buildings like the Capitol.

In response to a question regarding the rate increase, Mr. Quintus indicated that the rate went up less than 1%, which is good in current market conditions.

A question was raised regarding whether any issues have arisen due to the pandemic. Mr. Quintus indicated that while historically there was a virus/bacteria exclusion, the industry has shifted to stronger language in their policies.

**It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that the Industrial Commission accept the recommendation of the North Dakota Insurance Commissioner regarding the Excess Loss Reinsurance Coverage for the Property coverage provided by the State Fire and Tornado Fund (public property with total insured values of approximately \$15.8 billion) and approve the proposal from The Travelers Indemnity Company which will provide a \$250 million limit excess a \$2 million retention at a rate of .024464 per \$100 of total insured value with a deposit premium of \$3,880,000. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

#### **DEPARTMENT OF MINERAL RESOURCES (DMR)**

Mr. Lynn Helms, DMR Director, and Mr. Bruce Hicks, Oil and Gas Division Assistant Director, presented the following orders for consideration.

##### *Case 28471, Order 30931– Determination of waste*

The hearing was held on May 20, in which 45 parties provided testimony. Of the 45, three were in support, two were neutral, and 40 opposed a determination of waste. The narrative that stood out from the testimony is that the industry has changed since 1965, which was when this statute was last employed. Today there are federal, tribal, state, and a variety of private leases. Additionally, futures, hedging, gas gathering contracts did not exist. It is now a complex market. Proration would be negative and discourage development. The three parties that were in support did not want a standard proration. Rather, they wanted it to be based on infrastructure or contracts, etc.

The order being proposed today dismisses the case without prejudice on the basis that there was no clear evidence that waste was occurring.

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that effective July 7, 2020, the Industrial Commission approve Order No. 30931 dismissing Case No. 28471 without prejudice and finding that the information presented does not show clear evidence that waste is occurring.**

It was noted by the Commission that it would be extremely difficult to determine a method of proration based on the complexities of the current market.

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

##### *Case 28368, Order 31068 – Creation of spacing unit*

This involves a request to create a 680-acre spacing unit. The proposed unit would strand multiple sections from development. It does not protect correlative rights or prevent waste.

Mr. Helms clarified that the company can come back with a revised plan. It was noted that new operators are welcomed and hopefully they will come back with a more comprehensive plan.

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that effective July 7, 2020, the Industrial Commission approve Order No. 31068 in Case No. 28368 denying**

**Peregrine Petroleum Partners' application to amend the field rules for the Flat Top Butte and/or Rough Rider-Bakken Pool to create and establish an overlapping 1600-acre spacing unit comprised of the S/2 of Section 2 and all of Sections 11 and 14, T.145.N, R.101W., McKenzie County, North Dakota, and finding that the application does not prevent waste and protect correlative rights. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

*Case 28446, Order 30905 – Well for EOR testing*

*Case 28448, Order 30907 – Well for EOR testing*

These cases involve utilizing technology that has been successfully employed in the Eagle Ford formation. Instead of flaring, the gas would be recoverable. The geology on the east side will prevent gas migrating to the east. It will be well contained. The recommendation is to approve the proposal for 5 wells to be converted for enhanced oil recovery to test temporary gas storage.

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that effective July 7, 2020, the Industrial Commission approve Order No. 30905 in Case No. 28446 granting EOG Resources, Inc.'s application for temporary authority to rework and use the Burke 18-27H well (File No. 17486), located in Section 27, T.55N., R.90W., Mountrail County, North Dakota as a combined production/injection well for an operation in the Parshall-Bakken Pool to test the feasibility of enhanced oil recovery in the reservoir and finding that the application will prevent waste and protect correlative rights. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that effective July 7, 2020, the Industrial Commission approve Order No. 30907 in Case No. 28448 granting EOG Resources, Inc.'s application for temporary authority to rework and use the Burke 16-22H well (File No. 17487), located in Section 22; Burke 13-15H well (File No. 17862), located in Section 15; Burke 17-23H well (File No. 17949), located in Section 23; and Burke 9-10H well (File No. 17996), located in Section 10, all in T.155N, R.90W., Mountrail County, North Dakota, as combined production/injection wells for an operation in the Stanley-Bakken Pool to test the feasibility of enhanced oil recovery in the reservoir and finding that the application prevents waste and protects correlative rights. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

*Case 28447, Order 30906 – Well for EOR testing*

The issue with this proposed well is that there is no well bore to monitor oil and gas migration. To the north, a different company has two 1280s that are very productive. Without a well bore to monitor the movement of the oil and gas, there is concern that there could be waste and have a negative impact on correlative rights.

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that effective July 7, 2020, the Industrial Commission approve Order No. 30906 in Case No. 28447, denying EOG Resources, Inc.'s application for temporary authority to rework and use the Burke 7-03H well (File No. 17490), located in Section 3, T.155., R.90W., Mountrail County, North Dakota, as a combined production/injection well for an operation in the Ross-Bakken Pool to test the feasibility of enhanced oil recovery in the reservoir and finding that the application does not protect correlative rights. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

Mr. Helms presented a request from the State Land Board for additional work to be conducted by Wenck. Previously, the Commission hired Wenck in 2018 to determine the Ordinary High Water Mark line of the Missouri River. The Land Board hired KLJ to determine ownership along the river utilizing the work that Wenck did. In order to complete KLJ's work, additional information is needed in two areas: approximately a mile at the west end and the boundary of Ft. Berthold reservation on the east end.

Wenck's Ordinary High Water Mark line that was approved by the Industrial Commission is not being changed on the west end. The request is to extend the work that was done another mile upstream. In order to properly apportion ownership, the Wenck information needs to be defined to the point of zero accretion.

On the east end of the Wenck study, Wenck utilized the boundary that was on the GIS hub. That boundary does not line up with the 1905 and 1910 Government Land Office (GLO) surveys. It's about 475 feet off and KLJ has to use the data from 1905 and 1910 surveys.

It was noted that the individual that originally did the work is no longer with Wenck but is willing to be a subcontractor. Mr. Helms is recommending a new order that deals just with the new request so that nothing changes the other order.

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that, in response to the request of the Board of University and School Lands, the Industrial Commission authorizes Mr. Lynn Helms, Department of Mineral Resources Director, to further amend the contract with Wenck Associates Inc. as necessary to provide expert legal testimony required to perpetuate the Ordinary High Water Mark line and to amend the Ordinary High Water Mark Study in the following areas:**

- 1. T152N, R93W Section 11 Lot 2 and Section 10 Lot 6; and**
- 2. T153N, R102W Sections 33 and 34 until a zero-accretion point can be determined**

**noting that the review of these areas is necessary, will require an order of the Commission, and that the additional review may result in litigation and requires expert testimony under N.D.C.C. § 61-33.1-05. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

Mr. Helms provided an update on the Bakken Restart Task Force. Several agencies are involved, including: DMR, Department of Environmental Quality, Trust Lands, Pipeline Authority, Office of Management and Budget, Western Area Water Supply Authority, Governor's Office, Public Service Commission, Tax Department, Department of Commerce, Bank of North Dakota, and Water Commission.

An overview of activity in the Bakken was provided. As of June 26, there were: 5,000 shut-in wells, 405,000 bbls/day of shut-in production, 791 abandoned wells, 9,700 cumulative unemployment claims filed, and gas plants are close to maximum turn down capacity (66%.) Things were starting to improve, but with recent DAPL developments, it will likely go backwards again. Because of this, DMR will not be charging a fee for drilling permit renewal from July 1, 2020 through December 31, 2020 as a form of regulatory relief.

Bids are out for the well plugging operation and will be opened on July 9<sup>th</sup>. DMR is almost ready to release bids for reclamation work. The work is expected to begin around August 1<sup>st</sup>.

Since the June 19<sup>th</sup> Commission meeting, DMR has received 14 petitions for reconsideration of the 50 orders signed by the Commission. Recommendations regarding the petitions will come before the

Commission for consideration at the July 29<sup>th</sup> meeting. Many of the petitions focus on civil action. Mr. Helms indicated that he would like to prioritize spending CARES Act money first as it needs to be spent by December 31, 2020. Then DMR will spend appropriated funds. Only if necessary, would DMR go after single well bonds, then blanket bonds, then civil action if needed. The consensus of the Commission was that this approach is acceptable.

It was noted that regarding reclamation, there are clear guidelines in place that will go out with bids and plans will be developed on a site by site basis. Examples were provided of prior reclamation activity in which not a trace exists today of oil and gas activity. This is the goal. It is anticipated that there will be cases of contamination that can't be removed. In those cases, activity will be suspended and resumed in the next year. Over 2,000 acres will be returned to agriculture production because of this project.

Commissioner Goehring expressed appreciation for the case by case approach. Soil composition, topography, etc. can all make a difference in determining the most effective methodology.

Mr. Helms reported that 3,000 wells have been identified that will be slow to return to production that would generate a significant amount of sales tax, jobs. The task force will look at a potential incentive to bring them back earlier than would occur naturally.

It was noted that this is being modeled by other states. DMR has been busy doing work for the project. However, communications may need to be improved as some individuals do not understand that these are legacy wells. There are many good things occurring, and it is important to be clear about it.

#### **PIPELINE AUTHORITY**

Mr. Justin Kringstad, Pipeline Authority Director, provided an update on oil transportation. He noted that the ruling issued the previous day requires that the Dakota Access Pipeline (DAPL) evacuate the crude oil in the pipeline by August 5<sup>th</sup>. When reviewing anticipated production with available capacity, it was noted that until DAPL comes back online, there will be a deficit of pipeline capacity. Currently, the best-case scenario is that DAPL would be able to come back online in 13 months.

North Dakota has been averaging shipment of 300,000 barrels of crude by rail over the last two years. Capacity of an additional 200,000 bbs/day would be needed to meet transportation needs. However, due to discounts, the economics of crude by rail are diminished for the foreseeable future. It costs \$6-7 for committed barrels to utilize the pipeline. It can cost \$9-10 per barrel to use rail to access the west coast and \$12-15 per barrel to use rail to access the east coast. The rates from North Dakota to the Gulf Coast are more attractive on a pipeline system than rail. There is not a comparison for pipeline vs. rail to the east and west coast as there is no pipeline in place to those markets.

Historically, when the Brent-WTI spread is \$5-6, flexible barrels shift from utilizing pipelines to rail. But that spread is not anticipated in the current market. Currently, most oil is shipped to the east coast and west coast. As of May there was open capacity on the pipelines due to the decreased production. As production increases, open capacity will fill, especially that going east, south, or north.

Discussion was held regarding the current status of the DAPL case. It was noted that this afternoon the stay that was requested by the company was denied. North Dakota weighed in on the enormous impact this would have on the state. Mr. Helms provided an excellent affidavit. These efforts will continue. While the Judge acknowledged the impact, it seemed he didn't fully appreciate it. Attorney General Stenehjem indicated that North Dakota will be weighing in within the next week.

Mr. Kringstad indicated that a \$5 price discount on top of other discounts is expected without DAPL regardless of transportation method. This will depress the market. North Dakota has always been at a disadvantage pricewise based on location. This will compound the problem. A question was raised regarding whether the loss in pipeline capacity can be replaced with rail coverage. Mr. Kringstad responded that it will take some time to build up the capacity and further noted that the only reason this can be done is because significant production has recently decreased. Mr. Kringstad described the process of closing down a pipeline, stating that it travels at a brisk walk – just to physically move the barrels. He estimated that it could take multiple months to do it safely.

It was noted that with a system built for 1.4 million barrels per day limited to 1.1 million barrels, it is easy to calculate the impacts to the State. The affects are not just immediate and severe, but also long lasting. The costs at the current market are significant. There is less profit margin to start with considering the depressed market.

During the discussion it was also noted that rail is not as safe as a pipeline. This sets a dangerous precedent in that permanent infrastructure, that has been safely operating for years, can be shut down. It will severely limit interest in investing in infrastructure and could potentially push production back to foreign countries. North Dakota cares about the quality of our air and water. We would not be supporting the project moving forward if we thought there was a risk to that. It is not an either/or proposition. Our children and grandchildren will be here farming and raising a family. We focus on the environment. The objective is to have the pipeline continue to operate.

#### **WESTERN AREA WATER SUPPLY AUTHORITY (WAWS)**

Mr. Karlene Fine, Industrial Commission Executive Director, provided the financial and debt reduction report. During February – May, there were no capital improvement expenditures. Principal payments of \$538,726.26 were made to BND. During this time period the net income on a monthly basis was as high as \$625,315.53 and then in May it was (\$38,633.02). The 2020 overall Debt Service spread sheet shows a breakeven sales monthly number of \$1,131,811. WAWS sales did not reach that level during the month of May. When you include contracted minimum take or pay they achieved that number during the months of February, March and April. BND deferred principal and interest payments beginning in April.

Mr. Cory Chorne, AE2S, provided an update on sales and current activity through May 2020. Originally, the projected revenue was \$18.5 million. Current revenues are well below the breakeven point of \$14.1 million. COVID along with the price wars between Russia and Saudi Arabia contributed to the problem with industrial sales. Low revenues are expected to continue until fracking activity increases.

In response to a question about prior activity, Mr. Chorne indicated that the top revenues occurred in 2013-2014, at the height of the Bakken. Ms. Tami Madsen, WAWS Executive Director, stated that it is misleading to look at revenue vs. barrels because of the pricing of the contracts.

Mr. Chorne reported that the average sale price per barrel is currently \$.56, down from \$.59 in 2018-2019. The months of April and May were well below the budgeted industrial revenue reflecting the effect of the downturn in oil activity.

A question was raised regarding whether rig counts and the price of oil are included in the demand forecast. Mr. Chorne replied that it is a difficult thing to project. However, WAWS has good contacts within the energy sector and they provide valuable information. That information is included in developing projections.

A question was raised about financing. Ms. Madsen reported that the principal payments on the Bank of North Dakota (BND) loans will be deferred for the next three months. While the outlook on the domestic side is positive, the industrial side may take longer to recover with companies bidding for 2021. Regarding maintenance water, some wells haven't used any water and some companies have tried to negotiate out of take or pay contracts.

In response to a question, Ms. Madsen indicated that there is not much to be done in terms of cost reductions. The staff has been cut in half. The industrial costs, including principal and interest are fixed costs. BND is willing to defer payments. The investment can be recovered; it will just take time.

Ms. Madsen stated that there has been much effort to build relationships during these difficult economic conditions. Ms. Madsen indicated that WAWS is working with one independent water producer right now to become a wholesaler. Plans will be available for the Department of Environmental Quality to review in a few months. It would be no cost to WAWS and increase profits.

#### **NORTH DAKOTA MILL**

Ms. Fine presented a request for authorization to make the year-end transfers of North Dakota Mill Profits.

**It was moved by Attorney General Stenehjem and seconded by Governor Burgum that the North Dakota Mill is authorized to transfer 5% of the net income earned by the Mill for fiscal year 2020 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 as 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. Further that Mill management reports the amount of the transfers to the Commission at their August meeting. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

#### **LIGNITE RESEARCH PROGRAM**

Ms. Fine presented requests for a special grant round for the Commission's consideration. Ms. Fine stated that she had consulted with Mr. Mike Holmes and he was supportive of the Commission granting the requests for a special grant round. Ms. Fine recommended an application submission deadline of July 17, 2020.

**It was moved by Attorney General Stenehjem and seconded by Governor Burgum that the Industrial Commission accept the recommendation of the Industrial Commission Executive Director/Secretary and establish an additional Lignite Research Program grant round with an application deadline submission date of July 17, 2020. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

#### **ADMINISTRATION**

Ms. Fine presented the April 30, 2020 non-confidential Industrial Commission meeting minutes.

**It was moved by Attorney General Stenehjem and seconded by Governor Burgum that the April 30, 2020 non-confidential meeting minutes be approved. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

### **BANK OF NORTH DAKOTA (BND or Bank)**

Mr. Eric Hardmeyer, BND President, introduced Mr. Darrell Lingle, Eide Bailly. Mr. Lingle presented the Bank of North Dakota 12/31/19 Independent Auditor's Report and Financial Statement (FASB.) (A copy of the audit is available in the Commission files.) He noted that the financial statements were prepared in accordance with FASB guidance and opinions are issued for both FASB and GASB. GASB is the standard the Bank is expected to follow. However, regulations do not allow for unmodified opinions to be issued on both standards. They are required to issue an adverse opinion on FASB because GASB is the primary standard. The auditors can give an opinion on the financial statements. That opinion states that the documents are prepared in accordance with the FASB guidelines. It was clarified that the sole reason for the adverse opinion is because GASB is involved.

Mr. Lingle discussed the allowance for loan losses noting that, as of December 31, 2019, the reserve was 2.11% compared to 2.02% in 2018. The reason for the increase was the impact of stress in the agriculture and energy industries. Because of this the increase is reasonable and materially correct.

It was also noted that the date of the opinion is February 13, 2020. Because of this, there is no reference to the pandemic.

An unmodified clean opinion was issued on the GASB financial statements.

Mr. Hardmeyer presented the 2019 BND Annual Report. (A copy is available in Commission files.) This report looks back on the 100<sup>th</sup> year of the Bank. Areas of note included: the Ag Disaster Relief program, reaching 3,000 529 account holders, and the 16<sup>th</sup> year of record profits with profits of \$169 million in 2019.

Mr. Tim Porter, BND, provided the 12/31/19 College SAVE Audit Report. Landmark, an accounting firm from Little Rock completed the audit. Mr. Porter presented on their behalf. An unmodified clean opinion was issued.

Mr. Porter also noted that:

- Balance of the fund was \$535.8 million, up 17.6% from the prior year;
- Contributions exceeded withdrawals by \$6.3 million in 2019.
- Active accounts increased from 34,109 to 36,792.
- North Dakota contributions were up \$1.5 million, and the number of accounts increased approximately 2,600. North Dakota net assets were up ~\$44 million, indicating solid growth.

Mr. Hardmeyer presented a recommendation regarding Bank of North Dakota officer appointments. Mr. Joe Herslip will step down as SVP of Technology and Operation but will work remotely as Director of Payment Solutions and Digital Banking until his retirement, which is estimated to be in 6-9 months. Mr. Jeff Weiler will move from his position as Chief Risk Officer to a new role that will encompass most of Mr. Herslip's previous duties with added responsibilities of innovation and process improvement. His title will be Chief Innovation Officer. Mr. Hardmeyer also recommended that Ms. Christy Steffenhagen move from internal auditor to the Chief Risk Officer position.

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the Industrial Commission accept the recommendation of the Bank of North Dakota Advisory Board and appoint Jeff Weiler as the Bank of North Dakota Chief Innovation Officer effective July 1, 2020 with a compensation level of \$157,183; and appoint Christy Steffenhagen as Bank of North Dakota Chief Risk Officer effective July 1, 2020 at a compensation level of \$138,000. On a roll call vote, Governor**



**Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.**

Mr. Hardmeyer presented the Bank of North Dakota Advisory Board April 16, 2020 nonconfidential meeting minutes.

**It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2 the Industrial Commission remain in executive session following the Bank of North Dakota executive session for the purpose of attorney consultation on Department of Mineral Resources business. The purpose of the executive session will be to consult with the Commission's attorney(s) regarding current adversarial proceedings in:**

**Case No. 05-2019-cv-00085/Northwest Landowners Association vs. State of North Dakota, et al. Consultation on Order Nos. 30988 and 31026**

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

Pursuant to N.D.C.C. 6-09-35 the Industrial Commission entered into executive session. Governor Burgum reminded the Commission members and those present in the executive session that the discussion must be limited to those items listed on the agenda which was anticipated to last between 30 and 45 minutes. It was noted that any formal action by the Commission on the loan applications would occur after it reconvened in open session.

Governor Burgum reminded the Commission members and those present in the DMR executive session that the discussion during the DMR executive session must be limited to consultation with the Commission's attorney(s) regarding those items listed on the agenda. The DMR executive session is anticipated to last between 30 and 45 minutes. Only the Commission members, their staff, DMR staff, Pipeline Authority Director and counsel with the Attorney General staff were in the DMR executive session.

Commission members, their staff, and BND staff were asked to join the executive session at this time utilizing the Teams meeting invitation and the public was asked to leave the room.

Governor Burgum closed the meeting at 3:43 p.m. for the BND executive session to discuss the following items:

- Presentation of 2019 Department of Financial Institutions (DFI) Exam
- Consideration of loan applications
- Problem Loans
- Presentation of Approved Covid PACE Recovery Program (CPR) Loans Report
- Presentation of Bank of North Dakota Advisory Board April 16, 2020 confidential meeting minutes.
- Other Bank of North Dakota confidential business (as defined under N.D.C.C. 6-09-35)

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#### BND EXECUTIVE SESSION

**Members Present:**

Governor Doug Burgum  
Attorney General Wayne Stenehjem  
Agriculture Commissioner Doug Goehring

**Bank of North Dakota Personnel Present:**

Eric Hardmeyer      Bank of North Dakota  
Todd Steinwand      Bank of North Dakota (Phone)  
Kirby Evanger      Bank of North Dakota (Phone)

**Others in Attendance:**

Leslie Bakken Oliver      Governor's Office  
Reice Haase      Governor's Office (Phone)  
John Schneider      Department of Agriculture  
Lise Kruse      Department of Financial Institutions  
Ryan Spah      Department of Financial Institutions  
Cory Krebs      Department of Financial Institutions  
Karlene Fine      Industrial Commission Office  
Andrea Pfennig      Industrial Commission Office

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The BND executive session ended at 4:45 p.m. The DMR executive session began at 4:48 p.m.

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**DMR EXECUTIVE SESSION**

**Members Present:**

Governor Doug Burgum  
Attorney General Wayne Stenehjem  
Commissioner Doug Goehring

**Others in Attendance:**

Leslie Bakken Oliver      Governor's Office  
Reice Haase      Governor's Office (phone)  
John Schneider      Department of Agriculture  
Matthew Sagsveen      Attorney General's Office (phone)  
David Phillips      Attorney General's Office (phone)  
Lynn Helms      DMR  
Bruce Hicks      DMR (phone)  
Karlene Fine      Industrial Commission Office  
Andrea Pfennig      Industrial Commission Office

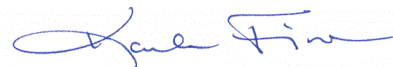
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The DMR executive session ended at 5:30 p.m. The Commission reconvened in open session. Governor Burgum noted that during the DMR executive session, guidance was provided to the Commission's counsel regarding the case listed on the agenda. During the BND executive session, the Commission made a motion regarding two loan requests.

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

With no further Industrial Commission business, Governor Burgum adjourned the meeting at 5:31 p.m.

North Dakota Industrial Commission



Karlene Fine, Executive Director and Secretary