

Minutes of a Meeting of the Industrial Commission of North Dakota
Held on August 24, 2021 beginning at 1:00 p.m.
Governor's Conference Room - State Capitol

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

Also Present: This meeting was open through Microsoft Teams 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 Department of Mineral Resources business.

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 28891, Order 31437 – variance for gas volumes flared
Case 28892, Order 31438 – variance for gas volumes flared

These cases involve a rough topographic area that is close to federal land. OneOK is in the process of upgrading the gathering line. There are a large number of wells on the well pad and the operator is anxious to begin completing the wells. The applicant met the requirements of the policy, and the recommendation is to approve a temporary variance for June – October, after which time the operator would need to comply with the 91% capture rate.

It was clarified that the right-of-way is in place and the project is under construction providing confidence that the gathering line will be tied in by November.

It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that effective August 24, 2021, the Industrial Commission approve Order No. 31437 issued in Case No. 28891, granting PetroShale (US), Inc. a variance for gas volumes flared from certain current wells completed in the Bear Den-Bakken Pool, located in Sections 30 and 31, T.149N., R.95W., McKenzie County, ND, for June-October 2021 production. 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 August 24, 2021, the Industrial Commission approve Order No. 31438 issued in Case No. 28892, granting PetroShale (US), Inc. a variance for gas volumes flared from certain current wells completed in the Croff-Bakken Pool, located in Sections 13 and 14, T.149N., R.96W., McKenzie County, ND, for June-October 2021 production. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.

Case 28832, Order 31382 – amendments for fields rules for Big Bend-Bakken Pool

This case involves drilling under the widest part of Lake Sakakawea. Section 17 is 50% State Trust Land ownership and 50% federal, both of which are undivided. Section 18 is 100% federal. Both Sections 17 and 18 have been nominated for leasing since 2017. All of the required work has been completed, but there

is no answer on when the sections may be available for lease. Slawson is losing \$600,000+ per month which is related to the hold up on auctions and leasing from BLM. They will not be available in September.

Attorney General Stenhjem noted that a motion for a writ of mandamus has been filed in hopes that BLM will be compelled to meet statute demands regarding leases. There is an injunction in Louisiana that is being appealed. It was noted that Slawson is not the only one losing money. Royalty owners and the State is also losing money.

There are four proposed wells for the second bench of the Three Forks formation that are marginal. The order prohibits those four well slots at this time to preserve the opportunity to drill across Section 17 and allow Section 18 to be drilled at a later date. If the federal government does not move forward, the slots can be drilled at a later date. This is a solution that allows Slawson to utilize what is invested while still preserving the opportunity to prevent waste.

In response to a question, Mr. Helms indicated that Slawson is comfortable with the approach as they are anxious to get the middle wells in place.

It was moved by Commissioner Goehring and seconded by Attorney General Stenhjem that Order No. 31382 issued in Case No. 28832, amending the field rules for Big Bend-Bakken Pool, Mountrail County, ND, as follows: (i) create and establish an overlapping 640-acre spacing unit comprised of the N/2 of Sections 13 and 14, T.151N., R.92W., authorizing the drilling of a total not to exceed four wells, but prohibiting Three Forks second bench wells, on said overlapping 640-acre spacing unit; (ii) create and establish an overlapping 960-acre spacing unit comprised of the S/2 of Sections 13 and 14, T.151N., R.92W. and the S/2 of Section 18, T.151N., R.91W., authorizing the drilling of a total not to exceed three wells, but prohibiting Three Forks second bench wells, on said overlapping 960-acre spacing unit, with the lateral of one well to be allowed no closer than 300 feet from the north boundary of said overlapping 960-acre spacing unit as an exception to field rules; and, (iii) authorize the drilling of a total not to exceed two wells on or near the center line on an existing overlapping 1920-acre spacing unit comprised of Sections 13 and 14, T.151N., R.92W. and Section 18, T.151N., R.91W. be approved this 24th day of August, 2021. On a roll call vote, Governor Burgum, Attorney General Stenhjem, and Commissioner Goehring voted aye. The motion carried unanimously.

Mr. Helms presented a motion authorizing the Department of Mineral Resources to proceed with the administrative hearing process for Case 28940 and publish for hearing and comment the draft new rules and amendments to the “General Rules and Regulations for the Conservation of Crude Oil and Natural Gas” codified as Title 43 North Dakota Administrative Code for consideration.

There are 17 sections of rules that have proposed amendments and geological storage of gas including hydrogen that is being added for consideration. Of note:

- Federal forms would no longer be allowed since the new NorthSTAR system will require electronic submission.
- A bond requirement would piggyback with geologic storage of oil and gas. A bond would be allowed for the oil and gas storage facility. It is also a new requirement under geological storage.
- 48 hours notice on fracking a well is being requested.
- Samples and cores from injection wells and storage operations are required to be filed.
- Storage of oil, gas, and hydrogen has been addressed. Some things not pertinent were removed. Both the statute and rules will provide the flexibility to amend rules after a hearing which is important since it is such a new area.
- Geologic storage of carbon dioxide storage operator fees have been adjusted pursuant to SB 2014.

- HB 1055 has been addressed regarding serving orders.

Mr. Hicks noted that DMR will notify sponsors of these bills, including SB 2065 which relates to oil and gas storage.

It was clarified that this will come back to the Commission in November for final consideration after public hearings have been held and any appropriate adjustments have been made.

It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that the Department of Mineral Resources is authorized to proceed with the administrative hearing process for Case No. 28940 and publish for hearing and comment the draft new rules and amendments to the “General Rules and Regulations for the Conservation of Crude Oil and Natural Gas” codified as Title 43 North Dakota Administrative Code. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.

Mr. Ed Murphy provided the Geological Survey Division Quarterly Report. One oil company and two independent consultants studied 5,484 feet of core during the second quarter of 2021. This was the first time industry scientists had studied core in the core library since March of 2020. Additionally, 4,742 feet of core was photographed, generating 7,463 standard photographs for the subscription site.

Progress continues to be made on outstanding core. By the end of the second quarter, 57 of the 114 cores were either received or issued extensions. This accounts for 12,291 feet of the 22,506 feet of core that was outstanding at the beginning of the year. Eight cores (928 feet) have been written off the books because they either have Sundry Reports documenting that the core could not be located or it was discovered that the companies no longer exist. Currently, only one post-April 2014 core is still outstanding.

CORE SUMMARY	January 1, 2021	April 1, 2021	July 1, 2021	<i>August 17, 2021</i>
Pre-2014 "outstanding" core total (ft)	18,538	15,498	9,331	<i>7,989</i>
Post-April 2014 outstanding core total (ft)	3,968	2,666	884	<i>162</i>
Core written off the books (ft)	0	0	0	<i>-928</i>
Total outstanding core footage (ft)	22,506	18,164	10,215	<i>7,223</i>
Pre-2014 wells with “outstanding” core	97	85	53	<i>38</i>
Post-April 2014 wells with outstanding core	17	12	4	<i>1</i>
Total number of wells with outstanding core	114	97	57	<i>39</i>

The Geological Survey recently published a report on petroleum source rocks in the Bluell Subinterval within the Madison Group in western McKenzie County. A total of 222 Madison core samples were collected from five well cores in western McKenzie County and analyzed for TOC-RockEval data (total organic carbon, hydrogen index, oxygen index, and Tmax). The lower Bluell was found to contain the highest TOC values in the study area and organic-rich zones were up to 30 feet thick. This work is valuable in obtaining industry awareness regarding other formations.

Landslide mapping was completed on all 1,464 quadrangles maps in North Dakota at the end of the second quarter, making North Dakota one of the few states in the nation to complete a statewide 24k landslide mapping program. The Geological Survey is now in the process of updating the 130 Phase 1 landslide maps utilizing LiDAR and Google Earth.

The Grand Opening of the new Dakota (mummified hadrosaur) exhibit is scheduled for Saturday, October 16, 2021. The grand opening will include the unveiling of the new exhibit, scholarly presentations, children's activities, and tours of the paleontology labs to view the ongoing work on Dakota's body block.

Regulatory Programs (April 1, 2021 to June 30, 2021) – Permits issued this quarter:

- Coal Exploration Program: None
- Subsurface Mineral Program: 1
- UIC Class III Well Program: None
- Geothermal Program: 4 (2 residential, 2 commercial)
- Paleontological Resource Program: 3

Mr. Murphy also reported on the publications and presentations produced for the quarter.

Governor Burgum thanked the team for their great work on obtaining the core.

STATE ENERGY RESEARCH CENTER (SERC)

Mr. Tom Erickson, EERC, presented the State Energy Research Center Annual Report. The program receives \$5 million/biennium with a current sunset clause in six years. The funds are used for the following areas:

- Exploratory energy research: Fundamental, transformational ideas to shape the future energy portfolio of North Dakota.
- Rapid response to critical North Dakota issues: Conduct research to address emerging issues at the request of the Commission.
- Education and outreach: Provide opportunities for all ages and demographics to learn about North Dakota energy.

To date, the program has resulted in 25 innovative projects and 8 invention disclosures. Fourteen students from a variety of disciplines (eleven UND, one NDSU, one NDS, and one MSC) participated in the Energy Hawks Program in 2021. This program immerses participants in all things related to North Dakota energy, including a full week "out west." Students develop a series of collaborative research white papers on topics of their choice. Proposals based on SERC work have received \$3.9 million of external funds. Some examples of approved projects were summarized: graphene dots produced from lignite, a concept to increase ethanol production, and electrochemical extraction of rare earth elements from ash.

Mr. Erickson reported on a model that has been developed and continues to be updated to help assess North Dakota's energy future, and the potential of impact market conditions, such as enhanced oil recovery (EOR.) A question was raised regarding whether additional carbon would be needed to take full advantage of EOR. Mr. Erickson stated that North Dakota would need additional carbon, but that analysis is based off of other studies and does not come from the model.

A question was raised regarding whether \$5 million is sufficient funding. Mr. Erickson noted that projects not funded can apply to future rounds and EERC is grateful for the funding.

CLEAN SUSTAINABLE ENERGY AUTHORITY (CSEA)

Ms. Karlene Fine, Industrial Commission Executive Director, provided an update on CSEA activities. The first meeting was held on August 19, 2021. An aggressive potential schedule has been proposed as follows: policy/guidelines coming to the September Commission meeting for consideration; an application deadline

of November 1, 2021; and recommendations for funding presented to the Commission for final consideration in December. The CSEA members stated their willingness to get to work and understood the importance of getting this program implemented.

Staffing will be needed for this program. The logistics for meeting this need is in progress and a special Commission meeting may be required.

ADMINISTRATION

Ms. Fine presented the July 27, 2021 non-confidential meeting minutes for consideration.

It was moved by Attorney General Stenehjem and seconded by Governor Burgum that the July 27, 2021 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.

Attorney General Stenehjem presented a welcome letter to be signed by the Commission. He is hosting Attorney Generals from across the country at Medora to see North Dakota's activities regarding oil and gas development, biofuels, wind, etc. It is a bipartisan group and will provide good awareness for North Dakota.

PUBLIC FINANCE AUTHORITY (PFA)

Ms. DeAnn Ament, PFA Executive Director, presented the following State Revolving loan applications.

City of Jamestown Drinking Water - \$1,991,000

Funds will be used to replace portions of the existing distribution system where accelerated maintenance has been experienced. Three blocks will be upsized in pipe and ten blocks will be replaced with the same size pipe.

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 20 years. Accordingly, the average annual payment on the net loan will be approximately \$116,975. The City will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The City has 4,832 residential and 319 commercial users which pay a monthly water base rate of \$27.20. With \$32,439,697 of outstanding improvement bonds (including this funding request) and an estimated population of 15,226, the improvement bond debt is \$2,131 per person. Currently, there are approximately 68 parcels to be assessed for the distribution system replacement project. The average annual assessment per parcel will be approximately \$1,720.

It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring to adopt the following resolution.

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 \$1,991,000 from the Program to replace portions of the existing distribution system where accelerated maintenance has been experienced; 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.**

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

City of Wahpeton Drinking Water - \$1,103,000
City of Wahpeton Clean Water - \$1,964,000

This project will complete reconstruction of Loy Avenue from 11th Street to 14th Avenue, Concorde Court, and 12th Street North from the Middle School to 14 ½ Avenue North. Approximately 1,900 lineal feet of sanitary sewer will be replaced and 2,300 lineal feet of watermain will be replaced as well as new sewer and water services to the right of way and storm sewer.

The requested term is 25 years. The average annual payment for the Drinking Water improvement bonds will be \$54,419. The average annual payment for the Clean Water improvement bonds will be \$96,807. The City will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

Wahpeton has 1,869 residential connections and 564 commercial connections related to the drinking water loan which all pay a base rate of \$28.08 per connection per month. The City has 559 commercial connections related to the clean water loan which all pay a base rate of \$17.76 per connection per month.

With \$12,456,446 of outstanding improvement bonds (including these two requests) and an estimated population of 7,899, the improvement bond debt is \$1,577 per person. There are 247 parcels being assessed for this project and the combined average annual payment per parcel for this project will be \$612.

It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem to adopt the following two resolutions for the City of Wahpeton.

**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 Wahpeton (the "Political Subdivision") has requested a loan in the amount of \$1,103,000 from the Program to complete reconstruction of portions of Loy Avenue, Concorde Court, and 12th Street, replacing 1,900 lineal feet of sanitary sewer and 2,300 lineal feet of watermain as well as new sewer and water services to the right of way and storm sewer; and

WHEREAS, NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

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

- 1. The Loan is hereby approved, as recommended by the Advisory Committee.**
- 2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.**
- 3. The Executive Director is authorized to fund the Loan from funds on hand in the Drinking Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.**
- 4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.**

**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 Wahpeton (the "Political Subdivision") has requested a loan in the amount of \$1,964,000 from the Program to complete reconstruction of portions of Loy Avenue, Concorde Court, and 12th Street, replacing 1,900 lineal feet of sanitary sewer and 2,300 lineal feet of water main as well as new sewer and water services to the right of way and storm sewer; and

WHEREAS, the NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

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

- 1. The Loan is hereby approved, as recommended by the Advisory Committee.**
- 2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.**
- 3. The Executive Director is authorized to fund the Loan from funds on hand in the Clean Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.**
- 4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.**

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

Attorney General Stenehjem presented his recommendation regarding the bond counsel for the State of North Dakota Legacy Fund bonds for consideration. Four requests were received and reviewed by the Review Team. Ms. Ament has worked with all of the firms in the past, and they are all fine firms. However, one firm stood out due to their extensive tax background.

It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that the Industrial Commission accept the Attorney General's recommendation and appoint Stephen Rosholt and Joel VanderVeen of Kutak Rock LLP as bond counsel through June 30, 2023 for the Public Finance Authority's issuance of bonds pursuant to House Bill No. 1431 as passed by the Sixty-seventh Legislative Assembly (Legacy Fund Bonds). On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.

TRANSMISSION AUTHORITY

Mr. John Weeda, Transmission Authority Director, presented the North Dakota Transmission Authority FY2021 Annual Report. The 2019 Power Forecast will be updated. Barr will be contracted to update the study by December 2021. Basin Electric Power Cooperative and their members are also reviewing their forecasts. Bitcoin and other opportunities will be included in these updated forecasts.

MISO has four groups of projects working their way through the generation interconnection process. The first group is entering the phase for negotiating agreements. SPP is evaluating projects that were submitted in 2017. Those projects will reach the Level 1 decision point in September 2021. A MISO-SPP joint study

is expected to be complete by the end of 2021. A project from Jamestown to Ellendale has been ranked as high priority in the study.

BEPC is constructing a new 230Kv line from Tioga and then west to Ross. That will complement a 115Kv line that Mountrail Williams Electric is building from that location to New Town. All transmission owners are participating in studies but actual construction in many cases is not ready to progress because the cost allocation questions have not been resolved.

Renewable generation exceeds 4,000 MW with an average of 39.1% capacity factor. Newer wind projects are at 44.6% capacity factor thanks to newer technologies. Coal fired thermal generation is at 4,048 MW. MDU plans to retire 100 MW Heskett station in spring 2022. Rainbow Energy plans to close on purchase of Coal Creek Station this year. Natural gas generation is at 586.3 MW. Hydro generation is at 614 MW. In discussion regarding the Heskett retirement it was noted that there is infrastructure that has value and it is hoped the infrastructure could be utilized in some capacity.

A status update regarding the Coal Creek Station sale was provided. The sale was announced June 30, 2021, pending final approval. All GRE approvals are in place. MISO and FERC approvals are progressing with approval expected in August. Permit transfers are going well. The Minnesota line construction permit requires a transfer approval to a new owner. Currently they are waiting for a Minnesota Public Utilities Commission decision in September. The close of the sale is expected by the end of the year. Rainbow Energy is progressing with a CO2 capture evaluation, and they are pursuing business partnerships/agreements for local load and purchases for the transmission line, which will likely provide opportunities for renewable energy.

A market update was provided. Total generation was up 3.6% in 2020 from 2019. North Dakota's exported generation increased approximately 2.5% from 2019. The industrial load increased in 2020 while neighboring states saw slight decreases. In 2020, market prices were very low, but 2021 prices are increasing to levels that are healthy for generation resources. Coal generation was down 3% from 2020 affected by market prices. Wind generation was up 17% after three years at steady amounts.

The current grid interconnection queue status was distributed.

Challenges and opportunities to transmission were discussed. Long term scenario models predict grid stability issues are more prevalent in North Dakota than most other locations in the grid for both MISO and SPP. Depending on intermittent resources for either a capacity or financial hedge on energy is risky. Historically, major transmission construction takes around ten years from conception to in service. Dispatchable resources are being retired and demolished. Additional wind generation is one of North Dakota's easiest opportunities. Dispersed generation involves more transmission per MW than large stations built in the past. Transmission Authority will work with MISO and SPP to adjust modeling to a carbon neutral future and will continue to engage potential transmission owners and encourage MISO and SPP to identify lines needed to serve additional generation.

Ms. Fine provided the expenditures for the Transmission Authority. There are no assets or liabilities. Costs for services are included as part of a Lignite Research Program project at a cost of approximately \$137,000.

It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that the Industrial Commission enter into executive session for the purpose of reviewing a confidentiality request under the authority of North Dakota Century Code 17-05-14 and 44-04-19.2(1). On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.

Governor Burgum noted that any formal action by the Commission would occur after reconvening in open session. Results of the vote will be available by contacting the Industrial Commission Executive Director/Secretary following adjournment of the meeting. Only Commission members, their staff, Transmission Authority Authorized Officers, and counsel with the Attorney General staff will participate in that executive session.

Following the Transmission Authority executive session, the Industrial Commission will enter into executive session regarding Bank of North Dakota business pursuant to N.D.C.C. 6-09-35. Only Commission members, their staff, and BND staff will participate in that executive session.

Governor Burgum reminded the Commission members and those present in the executive sessions that the discussion must be limited to the announced purpose for entering into executive sessions which is anticipated to last between 15-30 minutes for Transmission Authority and 40-50 minutes for BND.

The executive session for Transmission Authority began at 3:00 p.m.

TRANSMISSION AUTHORITY EXECUTIVE SESSION

Members Present:

Governor Doug Burgum
Attorney General Wayne Stenehjem
Commissioner Doug Goehring

Others in Attendance:

Leslie Bakken Oliver	Governor's Office
Dutch Bialke	Department of Agriculture
David Phillips	Attorney General's Office (remote)
John Weeda	Transmission Authority
DeAnn Ament	ND Transmission Authority Authorized Officer
Karlene Fine	Industrial Commission Office
Andrea Pfennig	Industrial Commission Office

The Transmission Authority executive session ended at 3:15 p.m.

The BND executive session began at 3:16 p.m. to discuss the following items:

- Consideration of loan applications
- Non-Accrual Loans Quarterly Recap/Detail
- Problem Loans – Adversely Classified Quarterly Recap
- Loan Charge-Offs and Recoveries Y.T.D. 06/30/2021
- Off-Balance Sheet Risk Quarterly Recap/Detail
- Concentrations of Credit as of 6/30/2021
- Presentation of Bank of North Dakota Advisory Board May 20 and June 24, 2021 confidential meeting minutes
- Other Bank of North Dakota confidential business (as defined under N.D.C.C. 6-09-35)

BND EXECUTIVE SESSION

Members Present:

Governor Doug Burgum

Attorney General Wayne Stenehjem
Agriculture Commissioner Doug Goehring

Bank of North Dakota Personnel:

Todd Steinwand (remote)
Kirby Evanger
Craig Hanson

Others in Attendance:

Leslie Bakken Oliver	Governor's Office
Dutch Bialke	Department of Agriculture
Karlene Fine	Industrial Commission Office
Andrea Pfennig	Industrial Commission Office

The BND executive session ended at 4:14 p.m. and the public was invited to return to the room. Governor Burgum noted that during Executive Session the Commission made a motion regarding three loan requests.

Attachment 14

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

Attachment 15

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

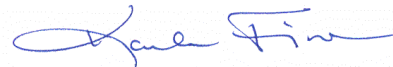
Attachment 16

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

It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that the Industrial Commission accepts the recommendation of Karlene Fine, Industrial Commission Executive Director, and pursuant to section 17-05-14, section 44-04-17.1, 44-04-18.4 and 47-25.1-01 grant the confidentiality request and the procedures outlined therein and determine that the request is confidential and the information described in the request is a trade secret or proprietary information and is confidential. 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 4:15 p.m.

North Dakota Industrial Commission



Karlene Fine, Executive Director and Secretary