

Minutes of a Meeting of the Industrial Commission of North Dakota
Held on July 18, 2017 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: Lt. Governor Brent Sanford
Leslie Oliver, Governor's Office
Cassandra Torstenson, Governor's Office
Jessie Pfaff, Agriculture Department
Craig Hanson, Bank of North Dakota
Garland Erbele, State Water Commission
Craig Odenbach, State Water Commission
Other attendees are listed on the attendance sheet available in the Commission files
Members of the Press

Governor Burgum called the Industrial Commission meeting to order at 1:00 p.m. and the Commission took up Western Area Water Supply Authority (WAWS) business.

Governor Burgum noted that Jaret Wirtz, WAWS Executive Director, is in the intensive care unit at the hospital and the Commission's thoughts are with him and his family.

Ms. Karlene Fine, Industrial Commission Executive Director/Secretary, presented the Western Area Water Supply Authority June Financial Report and Debt Reduction Report as follows: (A complete report with attachments is available in the Commission files.)

RE: Western Area Water Supply Authority - Industrial Sales - June, 2017 & Debt Repayment Report

Attached is the Western Area Water Supply Authority (WAWS) financial information for the month of June, 2017. The loan restructuring approved by the Industrial Commission is effective on July 1 so next month this memorandum will be presented reflecting that restructuring.

Page 1 prepared by the Bank of North Dakota, reflects debt service payments through the month of June, 2017. In June interest was paid on the two BND loans and two Water Commission loans and principal was paid on the \$40 million BND loan.

The next 3 pages (pages 2, 3 & 4) I prepared based on the information provided by WAWS staff reflecting June revenues and expenses and net income. There was one principal payment made in June that is highlighted in yellow. Net income for the month of June was \$358,483.72 before making the principal payment. No baseline sales payments were paid because there was insufficient cash to make that payment. WAWS's auditors were in conducting the audit for 2016 and have now indicated that we should no longer treat these payments as a deferred asset. When you include the baseline payment expense the net income for the month of June is **-\$41,498.37**. (As you will recall from the overall Debt Service spread sheet the breakeven sales monthly number is \$871,750 without the baseline sales payments. With WAWS sales for the month of June being \$1,240,290.93 they were over that number by \$368,540.93.)

Page 5 is the balance sheet prepared by WAWS staff as of June 30, 2017. As noted on the Balance Sheet the Accounts Receivables are \$2,116,657.03 which is included in the assets of \$7,048,933.42. The Balance Sheet still includes a Deferred Expense line item as an asset for the 2016 baseline sales payments but the 2017 baseline sales payments are not included in that line item. The liabilities include, within the accounts payable line item, the 2016 baseline sales payments amount plus the 2017 baseline sales payments. This is the third balance sheet you have seen in 2017 with negative total equity because in previous months we had been including the baseline payments as a deferred expense asset as per the instructions of the auditor.

If you have questions I will be available to review the numbers. Jaret Wirtz will be joining the meeting by phone to respond to questions regarding the sales during the month of June and comment on the activity level during July.

There was discussion about the baseline sales and the auditor's determination that the baseline sales should no longer be considered as deferred assets. Ms. Fine indicated that she did not know if the audit for 2016 would be restated. For the year 2017 the baseline sales are being carried as a current expense and because there have not been sufficient revenues to make the baseline payments it is accruing as an accounts payable. In response to a question, Ms. Fine stated that she did not know if the member entities were carrying the baseline sales as an accounts receivable. Ms. Fine was asked to get clarification on how the cities were reflecting the baseline sales on their balance sheets. Ms. Fine was also asked to get clarification as to whether the agreements between WAWS and the member entities "required" the baseline sales to be paid or if the language is that the baseline sales "may" be made. It was pointed out that the purpose of the baseline sales was to compensate the member entities for water sales that they were giving up by becoming a part of WAWS. During the downturn the member entities would not have been making any water sales so it is not unreasonable to determine that no baseline sales should have to be paid to the member entities during a time when water sales are not being made. Governor Burgum indicated that this should be resolved in the near future because it is such a significant piece of the financial statements and would probably weigh into the potential sale or lease of the industrial sales portion of WAWS. Without this issue being resolved, it could have an impact on the valuation of the WAWS industrial operations.

In response to a question, Ms. Fine said in the future in addition to providing the balance sheet for the WAWS industrial sales, she will also provide the consolidated WAWS balance sheet.

Mr. Craig Hanson, Bank of North Dakota, indicated that the restructuring of the debt was effective as of July 1, 2017 and the Commission will be receiving a new debt service schedule at a future meeting.

In response to a question, Ms. Fine stated that the industrial sales should continue being up in July as the water has been sold out for July and August.

Governor Burgum thanked Mr. Garland Erbele, State Water Commission State Engineer, for the work he and his staff is doing to provide some relief during the drought through the Water Commission program and thanked him for authorizing the additional \$75,000. He indicated that Commissioner Goehring and he, at their meetings with ranchers and farmers, have been encouraging people to continue to apply even though funds may not be there. He stated that they have indicated that they keep looking for funds beyond the \$75,000 because there is plenty of demand.

Mr. Erbele, Chairman of the WAWS Study Advisory Committee, indicated the Commission at their June meeting approved the creation of the WAWS Study Advisory Committee to assist with the completion of a study that looks at the industrial component of the WAWS water sales. That committee met earlier this month and has been working on a Request for Proposal (RFP) to hire a consultant to complete the study. Today he is presenting the draft Request for Proposal for the Commission's consideration. (A copy of the RFP is available in the Commission files.) Mr. Erbele indicated that a lot of the RFP is really boiler plate language that the Office of Procurement requires to be a part of all RFPs. Mr. Erbele highlighted the key points in the RFP and noted that proposals are to be submitted by August 18 and then in September the Committee is planning to present their evaluations of the proposals to the Commission. He reviewed the timeline for the completion of the study.

In response to a question Mr. Erbele stated that he believes the proposed RFP reflects the language and intent of Section 11 in House Bill 1020.

It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the Industrial Commission approves the WAWS Study Request for Proposals (RFP) and authorizes the WAWS Study Advisory Committee and staff to advertise and distribute the RFP and present a recommendation to the Industrial Commission at a future meeting for a contractor to conduct the WAWS Study. On a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.

Being no further Western Area Water Supply Authority business, Governor Burgum adjourned the meeting at 1:14 p.m. and took up Renewable Energy Program business.

INDUSTRIAL COMMISSION OF NORTH DAKOTA



Karlene Fine, Executive Director and Secretary

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Present: Governor Doug Burgum, Chairman
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Agriculture Commissioner Doug Goehring

Also

Present: Leslie Oliver, Governor's Office
Cassandra Torstenson, Governor's Office
Jessie Pfaff, Agriculture Department
Andrea, Pfennig, Department of Commerce
Other attendees are listed on the attendance sheet available in the Commission files
Members of the Press

Governor Burgum called the Renewable Energy Program portion of the Industrial Commission meeting to order at 1:15 p.m. following completion of Western Area Water Supply Authority business.

Ms. Andrea Pfennig, Department of Commerce, stated that at the Commission had directed that staff go back and rewrite the proposed Renewable Energy Program policies based on the discussion that the Commission had at their last meeting. The staff has done that and what has been presented in your meeting materials are the revised amendments to the policies. She noted the following key points:

- If an entity other than the EERC or state university or college receives more than \$1,000,000 within five years any amount over that \$1,000,000 would be paid back at 0% and the recipient would have two choices of when that payback trigger would take place -- either when sales exceed \$5 million or when they have been profitable for two consecutive years.
- If the entity sells to an out-of-state company or they move out of state then at the time of the sale or relocation they would be paying back the grant with 4% interest.

Attorney General Stenehjem indicated that this was fine to have in the policies but when this language is put into a contract he asked that his staff be involved in the writing of that contract because there may be a need to provide some further definitions - such as what does it mean to be an out-of-state entity, etc.

It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the Industrial Commission amends the Renewable Energy Program policies as follows:

Proposed Policy Revisions regarding financing options under the Renewable Energy Program.

REC – 1.02 Definitions. As used in these policies:

1. "Applicant" means any person or entity applying to the Commission for a grant from the Renewable Energy Development Fund.
2. "Application" means the written document that is submitted to the Commission by an applicant seeking a grant from the Fund.
3. "Commission" means the North Dakota Industrial Commission or its representative.
4. "Contract" means the signed agreement between the Commission and Grantee which describes the rights and duties of the Commission and Grantee with regard to the program.
5. "Council" means the Renewable Energy Council as appointed by the Governor.
6. "Fund" means the Renewable Energy Development Fund available to the Commission to provide funding for the Program and as authorized in NDCC 54-63.
7. "Grant" means the monetary award made by the Commission under the Program.
8. "Grantee" means a successful applicant for a grant from the Fund.
9. "Loan" means the monetary award made by the Commission under the Program.

10. "Program" means the Program administered by the Commission to foster the development of renewable energy and related industrial use technologies including, but not limited to, wind, biofuels, advanced biofuels, biomass, biomaterials, solar, hydroelectric, geothermal, and renewable hydrogen through research, development, demonstration and commercialization, demonstrate to the general public the importance of the state renewable energy industry, to encourage and promote the wise and efficient use of renewable energy and materials or products, to develop the state's renewable energy resources, and to support research and educational activities concerning the renewable energy and materials or products industries.
11. "Technical Advisor" means the Department of Commerce with whom the Commission will enter into a contract to provide technical assistance.
12. "Technical Reviewers" mean independent technical reviewers selected by the Commission to review the merits of applications.

REC – 3 MAXIMUM GRANT AMOUNT AND MATCHING FUND REQUIREMENT

REC – 3.01 Maximum Grant or Loan Amount

REC – 3.02 Matching Funds

REC – 3.01 Maximum grant or loan amount. Grants or loans may be of any amount up to a maximum of \$500,000. The Council may award multiple grants or loans for different phases of a project, provided appropriate benchmarks are in place and earlier phases have been deemed successful by the Council and Commission.

REC – 3.02 Matching funds. A grant or loan may not exceed fifty percent of the total project cost. Commission funding must be matched with industry or other sources (e.g., various federal government agencies, non-profit organizations) of cash or in-kind services (contributed equipment, materials, or services). In-kind services may not exceed fifty percent of the total Commission funding amount. The value of in-kind match funding must be verified with appropriate documentation. Documentation demonstrating the matching funds, including letters of commitment from other funding sources, must be submitted to the Commission within sixty days of the approval of an application by the Commission, or within any additional time granted by the Commission. The Commission's approval is contingent upon receiving this documentation. If it is not received, the approval lapses and no funding may be made. Any grants, loans, or other financial assistance must be matched on a dollar-for-dollar basis. A higher priority will be given to those applications having private industry investment equal to at least 50% or more of total cost.

REC – 5.06 Disbursements of funds. Funds will be disbursed only after a contract has been executed. All disbursements will be made according to the schedule in the contract. Disbursements may be withheld if the Commission deems the grantee has not complied with these policies or the contract.

If an entity (other than the Energy and Environmental Research Center or a North Dakota University or College) receives more than \$1,000,000 in funding within a five year period through the Renewable Energy Program all future funding requests will be in the form of a loan. If the company moves out of state or sells the technology developed with Renewable Energy Program funding to an out-of-state entity, the entire amount of the funding must be repaid with 4% interest at the time of the awardee's relocation or the sale of the technology.

A successful awardee has the following options for loan terms:

Option 1.

Loan to be made with a 0% interest rate with repayment to begin based on a ten-year amortization when the entity has sales that exceed \$5 million in any one year.

Option 2

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Loan to be made with a 0% interest rate with repayment to begin based on a ten-year amortization when the entity is profitable for 2 consecutive years.

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

Being no further Renewable Energy Program business, Governor Burgum adjourned the meeting at 1:19 p.m. and took up Department of Mineral Resources business.

INDUSTRIAL COMMISSION OF NORTH DAKOTA



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

Also

Present: Cassandra Torstenson, Governor's Office
Jessie Pfaff, Agriculture Department
Lynn Helms, DMR
Bruce Hicks, DMR – Oil and Gas Division
Hope Hogan, Attorney General's Office
Other attendees are listed on the attendance sheet available in the Commission files
Members of the Press

Governor Burgum called the Department of Mineral Resources portion of the Industrial Commission meeting to order at 1:19 p.m. following completion of Renewable Energy Program business.

Mr. Lynn Helms, Department of Mineral Resources Director, presented orders for the following cases: (Copies of the proposed orders are available in the Commission files.)

Case 25506, Order 28427 - Mr. Helms stated the Commission has received a petition for reconsideration of an order issued by the Commission in June. This case involves the revocation of a treating plant permit held by Apollo Resources (Apollo). In their petition for reconsideration Apollo listed eight points that were grounds for reconsideration. He stated that the staff and legal counsel have looked at those points and has prepared proposed Order 28427 responding to each of the eight points and stating that the Commission is not persuaded by any of the eight points that the case should be reopened or the prior order reconsidered. Order 28427 denies the motion for reconsideration.

In response to a question, Mr. Helms indicated that Apollo does not believe the prior order fully represented Apollo's side of the story--that it was their employee who took the improper action, not the company; that it was the employee who didn't notify the Oil and Gas Division and didn't notify them; and that it was the Health Department that was holding up the reclamation process because they were requiring a lot of documentation. The staff and legal counsel considered all those arguments and were not persuaded to recommend to the Commission that the case be reopened.

Case 25506: It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that Order 28427 issued in Case 25506 denying the petition for reconsideration, be approved this 18th day of July, 2017. On a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.

Case 25841, Order 28256 - Consideration of confiscation of production-related and salable oil - #1-24 Urlacher well and Case 25842, Order 28257 - Consideration of confiscation of injection related equipment and salable oil - Redetzke SWD well Mr. Helms stated both of these orders deal with wells operated by P&M Petroleum Management, LLC. (P&M) He provided a Google earth picture showing the location of the wells (a copy of the document is available in the Commission files) - 10 miles north of Scranton and 15 miles east. One well is a salt water disposal well that has been in abandoned status for 15 years and the other well is a producing well that was plugged in 2009 but never reclaimed. The surety company has forfeited the bond and P&M is bankrupt. RTR Energy (RTR) appeared at the hearing through an attorney and stated that they were a working interest in the well and would like to take over the well. RTR has not posted a bond, they are not licensed to do business in North Dakota and it would be inappropriate to act on their suggestion. The proposed orders would allow the Commission to confiscate the wellbores, equipment, and saleable oil and use those proceeds, along with the surety bond, to plug the well and reclaim the well sites. The Division would also pursue reimbursement from RTR and

any other working interest owners they can find reimbursement for their share of the costs for plugging and reclaiming the well sites.

In response to a series of questions, Mr. Helms stated that the amount of the bond was \$50,000 and that the estimated cost for reclaiming both sites is \$215,000. He indicated that P&M was ordered in 2012 to increase their bond to \$100,000 when the rule was changed and P&M ignored that request--that is what sometimes happens when companies are in tough financial shape. The net cost to the Abandoned Well fund will be \$150,000. They anticipate some value for the confiscated equipment, but not much. It will take a few weeks to get the wells properly plugged and the wellbores and equipment confiscated and then it will probably take up to five years to get the sites properly reclaimed. The timing is right to get this work done because there are contractors that are looking for work and will give the Division competitive bids.

In response to a question about what RTR might be proposing Mr. Helms stated that when P&M took over the wells they had a prospect to re-drill the Red River well as a horizontal well and to do that it would not be economic unless there was a disposal well. They requested abandoned status for the disposal well while they pursued investors to drill the Red River well. That never came about and the well was never permitted or drilled. Mr. Helms stated now, after 15 years, was the time to deal with this situation and get the well plugged and the well sites reclaimed.

Case 25841: It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that Order 228256 issued in Case 25841, authorizing the confiscation of production-related equipment and salable oil at the #1-24 Urlacher well in Hettinger County, be approved this 18th day of July, 2017. On a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.

Case 25842: It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that Order 228257 issued in Case 25842, authorizing the confiscation of injection related equipment and salable oil at the #1 Redetzke SWD well in Hettinger County, be approved this 18th day of July, 2017. On a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.

In response to a series of questions, Mr. Helms stated there are other wells like this -- not a lot. This is the oldest one. The Division staff is working through the list on a priority basis. There are sufficient funds in the Abandoned Well Fund to deal with these wells--approximately \$14 million. He noted that \$5 million of that Fund have been allocated for the brine pond studies, compaction studies and two reclamations projects--one by Fryburg and one in the Charlson Field where there were some old reserve pits that were improperly reclaimed. There will be additional funds from the gross production tax that will be going into the Fund.

In response to a request, Mr. Helms indicated that they will provide the Commission with a list of the abandoned wells that they believe may turn into "orphan" wells. It was suggested that priority be given to those sites where the operator has not responded to the Division's prior requests to increase their bond.

Case 25900, Order 28315 - Consideration of request for reports, books and documents and an investigatory hearing. Mr. Helms said this was an application from GEM Razorback, LLC (GEM) asking the Commission to force Zenergy to provide information on the costs of drilling and completing a well. Zenergy filed a motion to dismiss the case because the application is outside Industrial Commission jurisdiction. Mr. Helms stated that there are types of cases GEM could file and try to get this information under discovery but what they requested in their application is not something the Commission does--it is something a District Court might do. The proposed order grants Zenergy's motion for a dismissal and dismisses the case. It will send GEM back to redo their

homework and come with a proper application that does falls under Commission jurisdiction under which they could do discovery to get the information.

Case 25900: It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that Order 28315 issued in Case 25900, dismissing the case without prejudice be approved this 18th day of July, 2017. On a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.

Mr. Helms discussed the recommendation to enter into contract negotiations regarding the SB 2134 study (Ordinary High Water Mark of the Missouri River Bed). (A handout is available in the Commission files.) Mr. Helms indicated that the handout includes the schedule/timeline as required by SB 2134 and then information on the current status of this work. Two firms responded to the RFP and five individuals reviewed the proposals -- Karlene Fine because of her expertise doing contracts, he was an evaluator because of his engineering background and he is responsible for what DMR does, Robyn Loumer because of her financial background and she is DMR's point person on procurement, Ed Murphy because he has the expertise in air photo and geology and Michael Ziesch because he worked at Job Service and has reviewed resumes. The evaluators had a very broad skill set. The two firms were both interviewed for two hours. Mr. Helms reviewed the criteria upon which the proposals were scored and it was unanimous to recommend to the Commission that contract negotiations begin with Wenck Associates. He pointed out that the timeline has contract negotiations being completed by the middle of August.

It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that the Industrial Commission accepts the recommendation of the Ordinary High Water Mark of the Missouri River Bed (OHWM) Proposal Review Committee and authorize Lynn Helms to negotiate and enter into a contract with Wenck Associates, Inc. to complete the OHWM study authorized by Senate Bill 2134.

In response to a request, Mr. Helms indicated that he will have the draft contract reviewed by legal counsel.

Governor Burgum said we were fortunate to have two choices but generally you would like to have a large pool, large pools usually provide good competition. Reflecting back on the interviews do you feel these were two qualified candidates, did you have a real potential choice here or do we need to go back and think about the process where we didn't have enough people in the pool in the first place to end up with a firm that's going to do the right work on this important topic?

Mr. Helms said he asked that exact question of the committee. He pointed out that SB 2134 really limited the pool of respondents to the RFP. If a firm had done anything significant on the Missouri River they were disqualified and it didn't limit it to just working on the Missouri River in North Dakota or just ordinary high water mark on the Missouri River. He would have liked to have had a couple of more proposals but we did receive two proposals from two firms that everyone on the committee agreed could do the work. They were both very competitive, they both in some manner had similar approaches to the project but the approach that Wenck brought to the project and, in particular, the strength of the number of people that they had with aerial photo expertise and the number of people they had with soil classifier expertise really stood out. Both firms had done work on rivers and ordinary high water marks. They were very competitive in their interviews, very competitive in their proposals and we felt like either one could have done this project satisfactorily but Wenck is clearly bringing more expertise in the areas that the Legislature wanted us to look at. He indicated that he is satisfied that we have a candidate that can bring the project in in good fashion, on the timeline and under budget.

In response to a question regarding if those were the only two firms that even expressed some interest in this project, Mr. Helms said they are. Both firms asked a number of questions about the RFP, both of them really did their homework in terms of looking at the data examples we provided them and talked about how they were going to approach the project.

Mr. Helms said both firms stated that they did not have a conflict of interest and their legal firm that they are going to use does not have a conflict of interest.

In response to a question Mr. Helms said it was his understanding that the six month period to conduct the work begins when the contract is signed. It is somewhat restricted by the deadline for having results but it does begin when the contract is signed. That time period can be extended if there are compelling reasons to do so. If, for example, information is presented at the public hearing and there is a need to circle back briefly and have that information become part of the review.

In response to a question Mr. Helms said within the last year the Corps of Engineers has made all of the acquisition records at Riverdale publicly available. One of the requirements of the RFP was that the selected firm go to Riverdale and make full size scanned images of those documents to be turned over to the State. Those scanned images will become the property of the State. That information will have to be georeferenced and then incorporated into this analysis. That information, such as the kind of soil or the vegetation the Corps of Engineer's people on the ground saw when they were acquiring land, will be part of the record and the decision.

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

Mr. Helms reported that the staff has initiated the next round of rulemaking as they generally do every July after a legislative session. They will be bringing proposed rules to the Commission at their August 22 meeting. They are currently looking at three sections of rules:

- 1) The reclamation rule because there was a statutory change;
- 2) The royalty statement rule because we made a commitment to Rep. Skarphol that we would;
- 3) The spill reporting rule.

He noted that they have built into the schedule holding four rule hearings -- Bismarck, Dickinson, Williston and Minot. The Commission members indicated that was a good idea. It was noted that the issue of royalty statements may generate considerable interest. There was discussion about how they would be getting information out about the hearings other than the legal notice. It was suggested that they also do a news release. Mr. Helms indicated that most royalty owners receive a monthly production report so the staff can post a notice in conjunction with the production report that the Commission is reviewing the rule. He indicated that he had attended the North American Royalty Owners national annual meeting held in Bismarck and discussed this topic and they are letting their members know that the Commission is looking at the rule.

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 close the meeting to the public and enter executive session for the purpose of attorney consultation. The purpose of the executive session will be to consult with the Commission's attorney regarding the pending adversarial administrative proceedings in Case 25566. On a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.

Governor Burgum reminded the Commission members and those present in the executive session that the discussion during executive session must be limited to the announced purpose for entering into executive session which is anticipated to last approximately 10 minutes. The Commission is meeting in executive session to consult with the Commission's attorney(s) regarding the previously identified adversarial administrative proceedings. Any formal action by the Commission will occur after it reconvenes in open session. Commission members, their staff, employees of the Department of Mineral Resources and counsel with the Attorney General's staff will remain but the public is asked to leave the room. The executive session will begin at 1:49 p.m. When

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the Department of Mineral Resources executive session ends the Commission will remain in executive session pursuant to N.D.C.C. 6-09-35 to discuss a Bank of North Dakota loan application. That executive session is anticipated to last approximately 10 minutes. Following that executive session the Commission will reconvene in open session. See Bank of North Dakota non-confidential business minutes.

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Jessie Pfaff, Agriculture Department
Craig Hanson, Bank of North Dakota
Members of the Press

Governor Burgum called the Bank of North Dakota portion of the Industrial Commission meeting to order at 2:21 p.m. following completion of **confidential** Department of Mineral Resources and **confidential** Bank of North Dakota business.

Following the confidential portion of the meeting, the Commission reconvened in non-confidential session at 2:21 p.m. and the public was invited to return. Governor Burgum stated that during its executive sessions the Commission consulted with its attorney regarding the pending adversarial administrative proceedings on Case No. 25566 and considered a Bank of North Dakota loan application and **it had been moved and seconded that the Bank of North Dakota be authorized to participate in a loan identified as Attachment 7. In non-confidential session, on a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.**

Governor Burgum stated that no final action will be taken by the Commission at this time as a result of the executive session discussion on Case No. 25566. The Commission has provided to the Department of Mineral Resources staff and its attorney guidance regarding this matter.

In response to a question, Ms. Fine indicated that now that the legislative session is over she will begin work again on filling the Deputy Executive Director position.

Being no further Bank of North Dakota or Industrial Commission business, Governor Burgum adjourned the meeting at 2:23 p.m.

INDUSTRIAL COMMISSION OF NORTH DAKOTA



Karlene Fine, Executive Director and Secretary