

Minutes of a Meeting of the Industrial Commission of North Dakota
Held on February 16, 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 Renewable Energy Program business.

RENEWABLE ENERGY PROGRAM

Ms. Karlene Fine, Industrial Commission Executive Director, provided a financial report. There is currently \$3.6 million available.

Mr. Jonathan Russo, Department of Commerce, presented the Renewable Energy Council's recommendations for the Grant Round 45 applications as follows.

R-045-A – Spiritwood Greenhouse CO₂ Supply; Submitted by Glass Investment Projects, Inc.; Total Project Costs: \$1,884,713, Amount Recommended: \$500,000

The goal of this project is to complete the design and installation of a CO₂ collection and distribution system between Dakota Spirit and Glass Investment, which includes developing final engineering designs, procurement and design of the CO₂ collection and distribution system. Tasks include:

- Final engineering design – CO₂ collection equipment design, CO₂ conveyance device design, pipeline and pipe support design.
- Bid package preparation – for final engineering, procurement, and installation work.
- Material procurement.
- Construction of CO₂ collection and conveyance.
- Construction of CO₂ pipeline installation.

The project will provide an efficient way to collect and distribute CO₂ for use in a commercial greenhouse. Thereby effectively finding a use for CO₂, a concern in the energy industry, and aiding the state's agriculture sector.

It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the Industrial Commission accepts the recommendation of the Renewable Energy Council to fund the grant application “Spiritwood Greenhouse CO₂ Supply” and authorizes the Industrial Commission Executive Director/Secretary to execute a contract with Glass Investment Projects, Inc. in an amount not to exceed \$500,000. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.

R-045-B – Autonomous Operations within the North Dakota Renewable Energy Sector; Submitted by Evolve Analytics LLC; Total Project Costs: \$2,271,645; Amount Requested: \$500,000

Building upon the work of Phase I, Phase II seeks to create a full suite of artificial intelligence (AI) powered software applications for autonomous drones operated by onsite wind technicians offering significant time, convenience, scalability, and accuracy advantages over existing processes. Objectives include:

- Develop, deploy, test, and commercialize 7 applications built using the Airtonomy platform, that combined will constitute a modern, robust, on-demand tool that technicians can operate with the push of a button.
- Validate the Federal Aviation Administration safety case and associated simulation through physical testing at North Dakota renewable energy sites.
- Successfully demonstrate to the Federal Aviation Administration safe deployment of Airtonomy capabilities to enhance on-demand, push button drone operations on Renewable Energy sites.
- Obtain a permanent Federal Aviation Administration waiver for Airtonomy in relationship to wind energy sites.
- Commercializing the Airtonomy solution, operated by on-site technicians (via a permanent FAA operational waiver), with the intention to grow market share within the Renewable Energy and Utility Sector in real-time as the Federal Aviation Administration (FAA) loosens regulations such as Beyond Visual Line of Sight (BVLOS), which are led by the Northern Plains UAS Test Site, thereby allowing drones to operate in civilian airspace.

This project will allow for the daily onsite use of drones for a wide variety of demand applications, specifically in the wind energy sector. Including aspects such as: blade damage, avian mortality assessment, and various other turbine assessments.

It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the Industrial Commission accepts the recommendation of the Renewable Energy Council to fund the grant application “Autonomous Operations within the North Dakota Renewable Energy Sector” and authorizes the Industrial Commission Executive Director/Secretary to execute a contract with Evolve Analytics LLC in an amount not to exceed \$500,000. On a roll call vote, Governor Burgum, Attorney General Stenehjem, and Commissioner Goehring voted aye. The motion carried unanimously.

HOUSING FINANCE AGENCY (HFA)

Mr. Dave Flohr, HFA Executive Director, presented for consideration a Housing Finance Agency Home Mortgage Finance Program 2021 General Authorization Resolution regarding the issuance of bonds in an amount not to exceed \$450,000,000 for long-term bonds and \$100,000,000 for short-term bonds.

It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the following resolution be approved.

NORTH DAKOTA HOUSING FINANCE AGENCY HOUSING FINANCE PROGRAM BONDS

HOME MORTGAGE FINANCE PROGRAM 2021 GENERAL AUTHORIZATION RESOLUTION

WHEREAS, the Industrial Commission of North Dakota (the “Commission”) acting in its capacity as a state housing finance agency, i.e., the North Dakota Housing Finance Agency (the “Agency”), is empowered by the provisions of the North Dakota Century Code Chapter 54-17 (the “Act”) to establish, and has established, a home mortgage finance program to contract to purchase from lenders mortgage loans made to persons or families of low or moderate income to finance the purchase or substantial rehabilitation of owner-occupied, single-family residential dwelling units; and

WHEREAS, the Commission adopted the Housing Finance Program General Bond Resolution of 1994, on July 21, 1994, as amended (the “1994 General Resolution”), and the General Bond Resolution of 2009, on November 25, 2009 (the “2009 General Bond Resolution,” and together with the 1994 General Resolution, the “General Resolutions”), wherein Wilmington Trust National Association, Minneapolis, Minnesota, was appointed successor trustee (the “Trustee”) under each of the General Resolutions, and which General Resolutions were each accepted by the Trustee, and which General Resolutions are hereby ratified and confirmed; and

WHEREAS, the Agency has previously issued certain bonds pursuant to each of the General Resolutions, both of which allow for the issuance of additional bonds thereunder and the refunding of certain bonds currently outstanding thereunder; and

WHEREAS, with respect to the proceeds of the bonds issued pursuant to the General Resolutions (collectively, the “Bonds”), such proceeds will be applied in accordance with the Act and the respective General Resolution to provide funding for the programs of the Agency to finance decent, safe and sanitary housing for persons and families of low and moderate income (the “Program”); and

WHEREAS, it is in the best interests of the Commission acting as the Agency to appoint as its agents the Executive Director, the Director of Homeownership Programs and the Chief Financial Officer of the Agency (the “Authorized Officers”) for the negotiation of the terms of sale of the Bonds, in one or more series, with fixed or floating interest rates, and with or without bondholder tender rights, and to sign such agreements on behalf of the Commission after such terms of sale have been negotiated, and such certificates and other documents as are necessary and customary to complete the sale of the Bonds, and to enter into agreements for their sale by the Agency and purchase by the Underwriters described below, private entities or the U.S. Treasury and/or instrumentalities thereof, subject to the limitations herein established with regard to the Bonds:

- (a) a maximum principal amount of long-term bonds of \$450,000,000;**
- (b) a maximum principal amount of short-term bonds of \$100,000,000;**
- (c) a final maturity of not later than forty-four years from the date of issuance;**
- (d) a maximum average annual interest rate of 7.00% for fixed rate bonds, and for variable rate bonds an initial rate of 7.00% with a maximum rate of 15% per annum, determined at the time of Bond pricing; and**

WHEREAS, in furtherance of the above-stated objectives, the Commission, the Agency, and RBC Capital Markets, LLC, Piper Sandler & Co., Raymond James & Associates, Inc. and Wells Fargo Bank, National Association., or successors thereto, affiliates thereof, or other investment banking institutions (the “Underwriters”) or purchasers approved by an Authorized Officer, will cause to be prepared and executed, such bond issuance documents as are necessary for issuance of the Bonds herein authorized; and

WHEREAS, Section 1.150-2 of the Internal Revenue Code regulations (the “Tax Regulations”) provides, if the Agency intends to finance mortgage loans with its own funds or warehouse funds, and then reimburse itself with Bond proceeds, that the Agency declare its intention to do so prior to so financing such mortgage loans.

NOW BE IT HEREWITH RESOLVED:

1. The sale of the Bonds to the Underwriters, private entities or governmental entities in accordance with the limitations herein established is hereby authorized and the officers, agents and employees of the Commission and the Agency are hereby authorized, empowered and directed to take any actions required to effect such sale and related transactions and to execute any instruments and take any actions required to effect the issuance of the Bonds and to apply the monies received by the Commission from the bond proceeds in such manner as is necessary to give effect to the Program.

2. The terms of any sale of Bonds shall be reported to the Commission at its next succeeding meeting, and any acts of the officers, agents and employees of the Commission and the Agency which are in

conformity with the purpose and intent of this General Authorization Resolution and in furtherance of the sale of the Bonds may be, but need not be, submitted for approval, ratification and confirmation.

3. The appointment of the Agency's Executive Director, the Director of Homeownership Programs and the Chief Financial Officer of the Agency as Authorized Officers with the authority to accept and execute Mortgage Purchase Agreements with Lenders and Servicing Agreements with Servicers, and the prior execution thereof by any such Authorized Officer, shall be and are in all respects ratified, approved, and confirmed.

4. The use and distribution by the Underwriters of initial offering documents in the form of Official Statement(s), substantially in the form previously used by the Agency in the sale of its Bonds, as contemplated and in conformity with the provisions of sale of the Bonds is hereby authorized and the use thereof prior to the date of ratification and confirmation as of the date first circulated is also authorized.

5. The Bonds shall be executed by the manual or facsimile signatures of the Governor, the Attorney General, the Agriculture Commissioner and an Authorized Officer, and with the manual or a facsimile of the Official Seal of the Commission impressed, imprinted or otherwise reproduced thereon.

6. The Authorized Officers are authorized and empowered to enter into interest rate hedging agreements with respect to any Bonds with a variable interest rate, including replacement of expiring hedging agreements, but only for the purposes and in accordance with the Commission's Swap Management and Execution Policy as then in effect, and in no case may the notional amount of any such agreement exceed the principal amount of variable interest rate Bonds whose interest rate is being hedged.

7. The Authorized Officers are authorized and empowered to enter into liquidity agreements, such as standby bond purchase agreements, including extension or replacement of expiring liquidity agreements, with financial institutions whereby such institutions are primarily obligated to purchase any Bonds whose owners have the right to tender their Bonds.

8. The Authorized Officers are authorized and empowered to modify or replace existing liquidity agreements, such as standby bond purchase agreements, and to modify any other agreement or obligation (including hedging agreements and notes or bonds of the Agency) to substitute a comparable interest rate index for the London Inter Bank Offered Rate ("LIBOR") if LIBOR is discontinued.

9. Moneys held by the Trustee pursuant to the General Resolutions may be invested in any investments permitted by the respective General Resolution, and in accordance with North Dakota laws.

10. Program Directive No. 83, adopted by the Commission on June 23, 2004, authorizing the changing of Mortgage Loan purchase price, fees and points and interest rate is still in effect and is hereby ratified and confirmed.

11. The Master Reimbursement Resolution, adopted October 3, 1997, is hereby ratified and confirmed, and proceeds from the sale of the Bonds may be used to reimburse the Agency for its purchase of any Mortgage Loans in anticipation of the availability of the proceeds from the sale of the Bonds; in particular, the Agency hereby declares its intention, within the meaning of the Tax Code Regulations, to facilitate continuous funding of its home mortgage finance program (as described above) by, from time to time, financing Mortgage Loans and then issuing Bonds in one or more series within 18 months thereof to reimburse itself for such financing, all in an amount presently expected to not exceed the amount of long-term Bonds authorized by Section 1 hereof, and hereby confirms that any Authorized Officer is authorized to also so declare the intention of the Agency within the meaning of said Tax Regulations, provided that any such declaration does not authorize or obligate the Agency to issue any such Bonds.

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

Mr. Flohr provided a legislative update. Of note:

- SB 2014 – work on the appropriations bill is still underway.
- SB 2040 – this would provide Public Finance Authority funding authorization of \$250 million for the Housing Incentive Fund (HIF).
- SB 2127 – creates a revolving loan from BND with a \$50 million appropriation for HIF for the 21-23 biennium.
- HB 1499 – would have required a 2/3 public vote approval to issue bonds and would have negatively impacted HFA's ability to bond. This bill failed.
- HB 1380 – would allow 3% of 7% of the Legacy Fund earnings to be transferred to HIF on odd-numbered years. This would total approximately \$15 million every 2 years.

Mr. Flohr presented the 2020 Housing Finance Agency Annual Report. Of note:

- The U.S. Department of Housing and Urban Development's (HUD) National Servicing Center ranked North Dakota Housing Finance Agency (NDHFA) a Tier 1 Federal Housing Administration (FHA) loan servicer for FY 2019.
- HFA took over the Continuum of Care program, which is composed of public and private organizations that come together to plan for and provide a homeless response system that is dedicated to preventing and ending homelessness in North Dakota. HFA continues efforts to build relationships between HUD and the coalition.
- In 2020, 1,246 people became first-time homebuyers using the FirstHome program. While this was slightly under the projected amount, HFA is pleased with the number given the economic climate.
- 431 households took NDHFA's online homebuyer education course. This is up 21% from 2019 and 39% from 2018.
- 1,246 households used the FirstHome Program. The average income was \$59,434 and the average purchase price was \$178,073. The average home value in North Dakota is \$235,000. This reflects that HFA is meeting its mission of helping low-to-moderate income families access housing.
- 400 homeowners were in forbearance due to COVID-19 financial impacts. While these homeowners are not able to make their monthly mortgage payments, they are not being assessed late fees nor is their personal credit being affected. HFA anticipates 99% of affected homeowners will be able to remain in their homes and make mortgage payments. Approximately 4% of HFA serviced loans were affected by the pandemic.
- Several multifamily housing projects were completed, many of which offer support services.
- Opening Doors was made possible by a \$150,000 transfer from the North Dakota Department of Human Services, Medicaid Rebalancing Dollars. The program can help up to 65 Medicaid-eligible households with poor credit, a history of evictions or a criminal record secure housing by providing landlords with coverage beyond a security deposit if a participant causes excessive damage or loss of revenue. Out of 26 households, there have been 7 claims.

It was noted that some multifamily projects were built within opportunity zones. Mr. Flohr indicated that he believes opportunity zones will remain intact. The extra capital may have made a difference to some tax credit investors, but it hasn't been a major factor.

Regarding rental assistance, Mr. Flohr noted that transfers sometimes occur when renters move from smaller areas to more populated areas. There is \$200 million in rental assistance coming to North Dakota. HFA has been working with the Dept. of Human Services regarding the Emergency Rent Bridge program. The issue with the federal funding is the deadlines attached as the funding needs to be obligated by Sept. 30, 2021 and all funds need to be spent by Dec. 31st, 2021. A 3-month extension is allowed. Getting funds out in that short timeframe will be the biggest challenge. The National Association of State Housing Agencies is pushing hard for an extension. Small states will have a challenge to spend it in that timeframe.

Many options are being considered to help people apply in an effort to help get the funds out. Not everyone has access to the internet, which can be a challenge to online applications. The Congressional delegation has been contacted regarding this issue.

DEPARTMENT OF MINERAL RESOURCES (DMR)

Mr. Ed Murphy, State Geologist, presented the Geological Survey Quarterly Report. Survey and EERC geologists studied 2,061 feet of core during the fourth quarter of 2020. A total of 2,705 feet of standard core photographs were taken along with 1,500 feet of box photographs, generating 4,124 photographs for the subscription site. The core photography project began in December 2004. Since that time, goals have been set to photograph between 10,000 – 12,500 feet of core per year. In 2020, the slowdown in visiting scientists to the core library due to the Covid19 pandemic provided an opportunity to expand the photography project to 15,400 feet of standard core photographs and another 14,500 feet of box photographs.

Mr. Murphy noted that companies are required to submit their cores to the core and sample library within six months of the completion or abandonment of the well. Extensions are provided on a case by case basis. For the last two years efforts have been made to remind companies to send in outstanding core. Governor Burgum requested that outstanding receivables be included in future reports.

The High-Level Radioactive Waste Advisory Council is required to meet at least once per year and report its findings biennially to the Industrial Commission and Legislative Management. The Advisory Council met in person on November 4, 2019 and met virtually on May 6, 2020, fulfilling meeting requirements for each of those two years. The Advisory Council report was submitted to Legislative Council on October 28, 2020 and distributed to the Energy Development and Transmission Interim Committee and Legislative Management.

The Memorandum of Agreement between the Geological Survey and the NDGS Paleo Friends (a nonprofit support group) has been reviewed and is ready to sign pending Commission approval.

NDGS Paleo Creature Feature is the latest series of educational videos produced by our paleontologists. This was initiated in response to the pandemic when schools were shut down. These brief videos (less than five minutes) highlight the lesser known animals from the fossil record of North Dakota. Using both original and historic artwork, we offer explanations of what the animal looked like and what the environment of North Dakota was like during the time the featured animal lived in the state. The Geological Survey Paleo Division produce the videos to be suitable for all audiences, but the target audience is school-aged children from 3rd grade to 8th grade. So far, the staff have created videos about North Dakota fossil alligators, bats, cat-like animals, and a relatively rare hippo-like animal called Coryphodon. The staff has plans to continue the series and have four more scheduled for this year (a large salamander, a hornless rhino, a pangolin, and a Leptomeryx.)

Seven geothermal permits (5 residential, 2 commercial) were issued this quarter along with numerous publications and virtual presentations.

Mr. Helms noted that NorthStar, the new records management software, has a geology feature with automatic notices to the operator that the core is due at the Core Library.

Mr. Murphy presented the Geological Survey Division 2020 Strategic Plan Report. The 2020 Geological Survey Strategic Plan contained 85 one-year goals. Only 63 of the original goals were completed, 20 of the 22 incomplete projects were a direct result of the Covid19 pandemic. Because of this, priorities were

shifted into new projects in a number of other areas including accelerating landslide mapping, core photography, core and sample inventory, and virtual presentations. Examples of projects added and completed in 2020 include: photographing 14,500 feet of core via a tripod (box photos), publishing a series of drill stem test results, organizing a series of paleontology lectures across the Zoom platform, and amending two existing rule chapters and creating two new rule chapters. As a result, 40 new projects were completed, in addition to completing 63 of the original projects for a total of 103 projects; 18 more than proposed.

Mr. Murphy presented the 2021 Strategic Plan for consideration.

It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that the Industrial Commission approve the North Dakota Department of Mineral Resources Geological Survey 2021 Strategic Plan as follows:

**Department of Mineral Resources
NORTH DAKOTA GEOLOGICAL SURVEY
2021 STRATEGIC PLAN**

MISSION

To serve as the primary source of geologic information in the state by: 1) interpreting the states geologic setting; 2) conducting geological investigations that emphasize the state's economic products, geological hazards, and energy resources; 3) establishing a scientific framework from which to base regulatory programs; and 4) operating and maintaining a public repository for fossils, rock specimens, rock cores, well cuttings, and associated geologic data.

OVERVIEW

The 2021 Geological Survey Strategic Plan contains 80 one-year goals and 57 long-term goals. This is a flexible document and over the course of the year we will likely postpone some of the existing projects and create new projects as priorities change.

SUBSURFACE ASSESSMENTS

One-year Plan:

1. Publish a report on the Madison Group source beds. *Completed Jan 28, 2021.
2. Complete a report on the Middle Three Forks sedimentology/stratigraphy.
3. Assist the United States Geological Survey (USGS) with their hydrocarbon evaluation of the Williston Basin.
4. Line up geology talks for the Williston Basin Petroleum Conference and moderate geology session.
5. Present one talk at the Williston Basin Petroleum Conference.
6. Publish report on oil production in the Spearfish Formation.
7. Evaluate reliability of the small-diameter temperature probe.
8. Publish shallow salt maps for the Stanley 100K sheet.
9. Publish a report on the Deadwood Formation.
10. Regional Structure Map including the Williston Basin.
11. Publish Inyan Kara cross section for the Hazen 100k map sheet. *Completed February 5, 2021.

Long-Term Plan:

1. Add a subsurface geologist to expedite core studies.
2. Provide stratigraphic and structural information to industry on major oil and gas plays in ND.
3. Generate information on current and future oil and gas plays useful to industry and the citizens of ND.
4. Complete digital stratigraphic column of North Dakota.
5. Determine the framework geology (stratigraphy & structure) of the Williston Basin in three dimensions.
6. Continue involvement in the annual Williston Basin Petroleum Conference.

CORE AND SAMPLE LIBRARY

One-Year Plan:

1. Photograph 14,000 feet of core and add to website.
2. Continue to expand on the phase II comparison of onsite vs offsite cuttings coming into the core library.
3. Accelerate the ongoing core inventory.
4. Photograph thin sections as they become available and post on website.
5. Compile core analyses from core library files and post on website.
6. Continue to assist with janitorial duties at building.

Long-Term Plan:

1. Post all core analyses on website.
2. Evaluate alternatives to accelerate the core photography project.
3. Photograph all 477,000 feet of core in the core library (prioritize based upon industry interest).
4. Identify whole core holdings and determine what should remain whole and what should be slabbed.
5. Take a large view photograph of each thin section and add it to subscription site.
6. Evaluate cross-training of technicians on an annual basis.

GEOHERMAL ASSESSMENTS

One-year Plan:

1. Temperature log two temporarily abandoned wells. *Temperature logged 4 wells, Jan 4-7, 2021.

Long-Term Plan:

1. Publish geothermal maps constructed from actual data for all forty-four 100k map sheets.
2. Enhance ability to respond quickly to requests for geothermal data from industry.
3. Periodically evaluate methods of reporting geothermal data.

LIGNITE ASSESSMENTS

One-Year Plan:

1. Interpret lithologies from 200 oil and gas gamma logs and place into coal database.
2. Convert additional data in DOS based program into PETRA coal database.

Long-Term Plan:

1. Evaluate feasibility and usability of a 1:250K series of coal map sheets.
2. Enhance ability to respond quickly to requests for lignite data.
3. Evaluate feasibility of scanning all public coal logs into a web-based system.

GEOLOGIC MAPPING

Detailed Surface or Subsurface Mapping

One-Year Plan:

1. Publish the surface geology of 10 quads in the Fargo area.
2. Publish the surface geology of two quadrangles in the Bismarck area.
3. Update quadrangles as new LiDAR flights become available.

Long-Term Plan:

1. Complete 24K and 100K LiDAR maps for all of North Dakota.
2. Publish isopachs and contour maps of all the subsurface fms. and mappable intervals in North Dakota.
3. Expand investigative resources through the use of contract drilling.
4. Complete geotechnical cross-sections of all urban areas in ND.

Mineral Resource Mapping

One-Year Plan:

1. Publish a phase III report on critical mineral concentrations in western North Dakota lignites.
2. Publish potash maps for the Williston 100K sheet.
3. Publish potash maps for the Parshall 100K sheet.
4. Complete a report on the proppant potential of windblown deposits in eastern North Dakota.

Long-Term Plan:

1. Add a minerals geologist to work fulltime on critical elements in ND rocks.
2. Complete mapping of all known nonhydrocarbon mineral deposits in ND at a scale of 1:24,000.
3. Update existing maps, such as uranium, as information becomes available.
4. Digitize all uranium logs in our well files.

Geologic Hazards Mapping

One-Year Plan:

1. Publish 40 landslide maps (1:24,000) in south-central North Dakota.
2. Publish 40 landslide maps (1:24,000) in central North Dakota.
3. Publish 40 landslide maps (1:24,000) in northeastern North Dakota. Published 51 quads on 2/3/2021.
4. Publish 40 landslide maps (1:24,000) in southeastern North Dakota.
5. Utilize drone for landslide mapping as needed and provide assistance to other agencies.

Long-Term Plan:

1. Map landslides at a scale of 1:24,000 across all of North Dakota.
2. Obtain recent stereo pair aerial photos of ND to map current landslides, supplement with LiDAR.
3. Convert photos to digital database and map landslides on computer.

PALEONTOLOGICAL ACTIVITIES

One-Year Plan:

1. Install the new Dakota exhibit in the Heritage Center.
2. Organize the Dakota grand opening event(s).
3. Explore educational opportunities for the Stumpf site with Parks & Rec and Historical Society.
4. Administer Bismarck Public Fossil Dig.
5. Administer Medora Public Fossil Dig.
6. Administer the Pembina Gorge Dig.
7. Revamp the Barnes County Museum Exhibit.
8. Evaluate a public fossil exhibit outside of the Bismarck area to determine if it needs updating.
9. Evaluate the feasibility of a North Dakota Dinosaur Park. *Planning document completed 2/3/2021.
10. Conduct 12 tours of the Corridor of Time Exhibit or the Paleo Lab at the Heritage Center.
11. Finish preparation and copying of two Theselosaurus dinosaur skeletons.
12. Spend one week excavating dinosaur fossils at Fort Rice site.
13. Assess land tracts for development for potential impact on paleo resources for the Land Department.
14. Interact with federal agencies to assure effective management of ND paleontological resources.
15. Present lectures on prehistoric life in North Dakota to public and academic groups.
16. Assist the Theodore Roosevelt National Park on the first year of their paleontological inventory.

Long-Term Plan:

1. Add a paleontology technician to assist with the digs and the backlog of fossil field jackets.
2. Continue to expand the public fossil dig program.
3. Investigate twelve cities in North Dakota for additional paleontology exhibit opportunities.
4. Update the paleontology website with a focus on the Fossil ID, Publications, and Outreach pages.
5. Develop a procedure and associated database for 3D scanned fossils from North Dakota.
6. Continue paleontology outreach activities including tours/virtual tours of the paleontology laboratory and fossil exhibits at the ND Heritage Center, public lectures, public field trips to fossil sites, identification of fossils for the public, participation in science olympiads and science fairs, etc.
7. Continue to conduct research to learn more about North Dakota's prehistoric life and the climates and environments that existed at different times in the geologic past.
8. Continue publishing technical and non-technical articles about the prehistoric life of North Dakota.
9. Scan and organize all of the historical 35 mm slides in the paleontology archives.
10. Partner with the State Library to compile a searchable inventory of the paleontology research library.
11. Design a mobile fossil preparation lab trailer to use with the Public Fossil Digs and outreach events.

STATE FOSSIL COLLECTION

One-Year Plan:

1. Collect, prepare, and curate fossil specimens from public digs and agency digs into the collection.
2. Correct specimen numbers on 800 specimens in the Specify database.
3. Enter 2,000 specimens into the Specify database program.
4. Organize and catalog the US Forest Service collection from Paleocene rocks in North Dakota.

Long-Term Plan:

1. Continue collection and curation of North Dakota fossil specimens.
2. Prepare fossil specimens for scientific study, public display, and educational use.
3. Catalog all vertebrate specimens from the Hell Creek Formation into the Specify database.

STATE ROCK AND MINERAL COLLECTION

One-Year Plan:

1. Collect, prepare, and curate rocks and minerals collected by NDGS staff or from donations.

Long-Term Plan:

1. Continue collection and curation of North Dakota rock and mineral specimens.
2. Prepare rock and mineral specimens for scientific study, public display, and educational use.

REGULATORY ACTIVITIES

One-Year Plan:

1. Evaluate bond amounts for the coal exploration program.
2. Transfer nonconfidential geophysical coal logs from confidential file to public file.
3. Issue permits for coal exploration in a timely manner.
4. Issue permits for subsurface minerals in a timely manner.
5. Issue permits for geothermal facilities in a timely manner.
6. Issue permits for fossil collecting on State administered lands in a timely manner.
7. Complete environmental reviews of landfill permit applications, coal mine permit applications, wind farms, as well as highway, pipeline, and transmission line corridors in a timely manner.
8. Answer inquiries from industry and the public regarding program rules and regulations.

Long-Term Plan:

1. Propose the needed statute and rule changes to keep the regulatory programs functioning efficiently.

OUTREACH ACTIVITIES

Public Outreach

One-Year Plan:

1. Continue providing educational content to users on Facebook, Twitter, and Instagram.
2. Assist with the 2021 ND Petroleum Council Teacher Seminar.
3. Publish eight geology articles in the DMR newsletter.
4. Prepare a program for the 2021 Kids Reading Day at the Heritage Center.
5. Prepare a program for the 2021 Earth Day Festival.
6. Prepare a program for the 2021 Central Dakota Gem and Mineral Society Annual Rock Show.
7. Assist with the 2021 Science Olympiad.
8. Assist with the 2021 State or Regional Science Fairs.
9. Provide lecture/tour to geoscience classes at Bismarck State College and Dickinson State University.
10. Provide public presentations pertaining to a variety of geologic topics in ND.
11. Expand on the newly implemented live streaming paleo outreach program.
12. Publish DMR newsletter in a timely manner.
13. Continue to maintain a wide variety of map products related to North Dakota.

Long-Term Plan:

1. Prepare guidebooks for general public fieldtrips in areas of interest in North Dakota.
2. Meet with industry and state and federal agencies to assess study topics, on an as-needed-basis.

3. Hire a full-time outreach person.
4. Develop a six-volume educational series on the paleontology of North Dakota.
5. Produce a series of children's books on fossils including coloring books.

Survey Web Page

One-Year Plan:

1. Investigate moving the Survey webpage to a new website platform.
2. Investigate state survey web pages to determine format that functions best on a cell phone.

Long-Term Plan:

1. Continue to place relevant geologic information and related technical material on the website.
2. Scan all of the electric and geologic logs from coal and uranium exploration holes.

Computerized Geologic Database

One-Year Plan:

1. Identify geologic data to be scanned and placed into a Survey database.

Long-Term Plan:

1. Complete digitization of existing databases and maintain files.

Information Dissemination

One-Year Plan:

1. Publish completed studies as NDGS publications, peer reviewed journal articles, or in industry publications.
2. Place digital copies of maps and reports on Survey website.
3. Place shape files of coal, uranium, landslides maps, etc. on the website for download.

Long-Term Plan:

1. Create digital files for all of the Geological Survey's historic documents.
2. Study the feasibility of scanning all stereopair aerial photographs in the Survey collection and, unless prohibited by agreement, provide to the general public.
3. Scan electric and geologic logs from coal and subsurface mineral files and place on website.

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

Mr. Murphy and Mr. Clint Boyd, Geological Survey Senior Paleontologist, presented the Geological Survey Paleo Friends Memorandum Agreement for consideration.

It was moved by Attorney General Stenehjem and seconded by Commissioner Goehring that the Industrial Commission approve the Geological Survey Paleo Friends Memorandum Agreement as follows:

GENERAL AGREEMENT
Between
NORTH DAKOTA GEOLOGICAL SURVEY and NDGS PALEO FRIENDS

This Agreement is made and entered into by and between the Paleontological Resource Management Program of the North Dakota Geological Survey, a division of the Department of Mineral Resources under the North Dakota Industrial Commission, hereinafter referred to as "NDGS Paleontology" and the NDGS Paleo Friends, hereinafter referred to as the "Friends". This agreement shall be for TWO (2) years, beginning [Date] and [Date].

ARTICLE I - BACKGROUND AND AUTHORITY

WHEREAS, pursuant to North Dakota Century Code sections 54-17.4-02, the North Dakota Geological Survey has the responsibility to operate and maintain a public repository for fossil and rock specimens, rock cores, well cuttings, and associated data. The purpose of NDGS Paleontology, established in 1983, is: 1) To promote public understanding and awareness of the importance of North Dakota's fossil resources through a variety of educational activities including fossil exhibits, tours, and presentations; 2) To identify and preserve North Dakota's significant fossil sites and specimens; and, 3) To conduct research to determine the kinds of organisms that inhabited North Dakota at various times in the geologic past and to determine the types of climates and environments in which those organisms lived.

WHEREAS, beginning in 2017 interest in the public fossil digs offered by NDGS Paleontology rose substantially, resulting in an expansion of the digs that increased financial costs and staff time commitments to NDGS Paleontology. That expansion also resulted in increased public knowledge of NDGS Paleontology and a desire by many past participants to financially support the core duties of NDGS Paleontology. These changes resulted in a search for a solution that would simplify the financial management of the public fossil digs, centralize and streamline donations to NDGS Paleontology, and minimize the time spent on these duties by NDGS Paleontology staff.

NOW THEREFORE BE IT RESOLVED, that with this Agreement, the North Dakota Geological Survey Paleontological Resource Management Program formally recognizes the NDGS Paleo Friends as an official Friends organization. This formal recognition conveys a unique relationship above and beyond that given to most members of the general public. How this relationship works is spelled out as follows:

ARTICLE II - STATEMENT OF WORK

Meetings/Planning

1. NDGS Paleontology agrees to send the Paleontology Program Manager, or their designee, when possible, to regular business meetings of the Friends so as to ensure good communication between the two organizations.
2. NDGS Paleontology agrees to include the Friends in the long-range planning process of the public fossil digs to ensure that the Friends are aware of the goals and direction of NDGS Paleontology events and activities, and to share with the Friends the department's strategic initiatives at the beginning of each fiscal year to discuss how the Friend's volunteer and financial resources might help advance these projects.
3. NDGS Paleontology may furnish the Friends with a wish list annually or at each meeting, as needed, that indicates the department's anticipated needs from the Friends as approved by the Paleontology Program Manager.
4. The Friends agree to discuss and vote on items requested by NDGS Paleontology on its wish list and supply funding for agreed upon expenditures in a timely manner.

Benefits

1. NDGS Paleontology agrees that the Friends be allowed to utilize their name and logo for official Friends-related activities with prior approval of the Paleontology Program Manager.
2. NDGS Paleontology agrees to provide the Friends with lists of past donors and data on past donations in order to initiate a seamless transition of the management of donations to NDGS Paleontology.
3. The Friends agree that all donor information shared between NDGS Paleontology and the Friends will only be used for the purpose of soliciting funds and volunteers for NDGS Paleontology activities.
4. NDGS Paleontology agrees to provide an orientation to the Friends on any state statutes or administrative rules concerning ethics and conflicts of interest that would pertain to Friends activities.
5. The Friends agree to identify, recruit, and train volunteers to serve on the board of directors and as members of the Friends.
6. The Friends agree to publicly support and actively promote, through marketing and public outreach, NDGS Paleontology and its associated events and activities.

Fund-raising/Event Activities

1. The Friends may raise funds to support the stated purpose of NDGS Paleontology to: collect, preserve, manage, and exhibit paleontological specimens that are representative of or possess importance to the interpretation of the prehistory of the area now known as North Dakota in order to create a greater awareness and understanding of the past for all people.
2. The Friends agree to raise funds as requested by NDGS Paleontology by assisting with collection of public dig registration fees and through solicitation of donations and grant funds.
3. The Friends agree to assist in the organization and promotion of the NDGS Paleontology "Paleo Pals" donor group, including processing donations (all of which must be remitted to NDGS Paleontology), providing tax-deductible receipts, and managing donor incentives in collaboration with the Paleontology Program Manager.
4. The Friends agree that, apart from administrative expenses, all funds raised will be used exclusively for the benefit of NDGS Paleontology.
5. The Friends may be asked to assist with conducting registration for the public fossil digs, including collection of fees, all of which must be remitted to NDGS Paleontology, and to supply lists of registrants to staff prior to the commencement of the digs. The Friends may also be asked to assist in processing cancellations and refunds.
6. The Friends agree to raise funds in a manner that is consistent with the laws of the State of North Dakota and the Internal Revenue Code.
7. The Friends must obtain approval from NDGS Paleontology for proposed projects being fundraised for prior to the beginning of fundraising efforts.

Volunteer Activities

1. The NDGS Paleontology agrees that in addition to its normal activities, the Friends may conduct approved volunteer activities that align with the stated purpose of the NDGS Paleontology, with and under the direct supervision of NDGS Paleontology. These activities may include: assisting with outreach for the public fossil digs, assisting with registration for the public fossil digs, assisting with events related to the public fossil digs, assisting in the paleontology lab or collections, and assisting with exhibits.
2. The Friends agree that any volunteer activities they conduct must be approved in advance by NDGS Paleontology.
3. The Friends agree that any of its members that conduct volunteer activities for NDGS Paleontology will abide by all policies and procedures related to volunteering for NDGS Paleontology.

Publications and Promotional Materials

1. The Friends agree to obtain the prior approval of NDGS Paleontology on any publications and/or promotional materials produced by the Friends that make reference to NDGS Paleontology or the public fossil digs. Publications and/or promotional materials include, but are not limited to, advertisements, books, brochures, magazine articles, newsletters, social media, and web sites.
2. NDGS Paleontology agrees to consult with the Friends on any publications and/or promotional materials produced by NDGS Paleontology that make reference to the Friends. Publications and/or promotional materials include, but are not limited to, advertisements, books, brochures, magazine articles, newsletters, social media, and web sites.

ARTICLE III - TERM OF AGREEMENT

This Agreement shall terminate two years from the effective date hereof, unless prior thereto it is terminated pursuant to the provision of this Agreement or of any applicable Federal or State law or regulation. The effective date of this Agreement shall be the date when the final signature is obtained.

ARTICLE IV - KEY OFFICIALS (Friends AND NDGS Paleontology)

For the Friends

[Name & Address of Friends President]

For the Paleontological Resource Management Program of the North Dakota Geological Survey
[NDGS Paleontology Signatory]

ARTICLE V - PROPERTY UTILIZATION

Any tools, equipment, material, or other property supplied by the Friends or the NDGS Paleontology shall remain its own. Each entity agrees to properly maintain and safeguard each other's property. Loss or damage to the other organization's equipment shall be handled in accordance with the individual organization's policy.

ARTICLE VI - INDEMNITY PROVISION

The Friends agree to defend, indemnify, and hold harmless the State of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. The legal defense provided by the Friends to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under NDCC 54-12-08. The Friends also agree to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against the Friends in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

ARTICLE VII - RENEWAL / TERMINATION

1. This Agreement may be renewed or otherwise modified by the mutual written agreement of both parties.
2. Either party may terminate this Agreement by providing (30) days written notice to the other.

ARTICLE VIII - SPECIAL CLAUSES

Food/Alcoholic Beverage Concessions

1. The Friends agree that if their organization sells food and or alcoholic beverages at any event in partnership with or in promotion of NDGS Paleontology or the public fossil digs, that they must use a licensed food and or alcoholic beverage concessionaire. The concessionaire must provide proof of adequate liability insurance (minimum limits of liability are \$250,000 per person and \$1,000,000 per occurrence) as well as a copy of their "food permit" for the city/region they are licensed to serve in.

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

Mr. Helms provided a legislative update. Of note:

- HB 1270: As proposed, it would have hindered DMR's ability to use drones. The bill was amended, and the problem language was removed.
- SB 2014: Industrial Commission appropriations bill. An amendment has been introduced that would provide \$14 million to Oil and Gas Research Program for a salt cavern field project. The principal investigator/project partner would be required to provide some financial commitment to the project. The most likely partner has indicated a willingness to purchase surface and secure salt mineral leases. The State will be in possession of all salt cores and data, which would be available to any potential investor.

Mr. Helms reported that DMR has received a draft permit from Red Trail for carbon storage. The 30-day consultation with the Department of Environmental Quality ends on April 5. The hearing is anticipated to be held the last week of May, with an order in August. This will be the first state primacy Class VI project on the continent.

A question was raised regarding salt caverns and potential pore space issues. Mr. Helms indicated that he believes this has been resolved with the companion bill SB 2065 which is currently being considered by the Legislature. SB 2065 passed the Senate with broad support and lays out permitting and compensation parameters. It was originally supported by Northwest Landowners Association but they have subsequently withdrawn their support as the bill has been amended.

OUTDOOR HERITAGE FUND (OHF)

Ms. Andrea Pfennig, Industrial Commission Deputy Executive Director, provided a legislative update. There are currently three bills that involve the Outdoor Heritage Fund. HB 1088 would remove the requirement for the Water Commission to include OHF funds as local match. This has passed the House. HB 1215 received a Do Pass as Amended recommendation. As originally proposed, this bill would have developed a park district loan fund from 10% of the funds deposited into OHF, not to exceed \$25 million. As amended, all projects that would be eligible for an OHF grant would be eligible for a loan. The funds would start accumulating after July 31, 2021 but would not be able to be spent until after July 31, 2025. The loan program would still be administered by BND, but the Board would make recommendations regarding loans. Appropriations for OHF fall under SB 2014. The subcommittee has indicated that the Governor's Budget recommendations would be used, which would appropriate \$7.5 million for OHF each fiscal year, totaling \$15 million for the biennium.

Guidance was provided by the Commission to continue to monitor the bills and provide information as requested.

PUBLIC FINANCE AUTHORITY (PFA)

Ms. DeAnn Ament, PFA Executive Director, presented the following Capital Financing Program loan application.

Missouri Ridge Township, Williams County – \$650,000

The funds will be used towards the reconstruction and paving of 58th Street NW for one mile from Highway 85 North, east to 135th Avenue NW. The requested loan term is 15 years. The average annual payment will be \$49,289. There are approximately 66 lots that will be assessed which results in an annual per lot payment of \$747. The Township will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the Township, backed by the statutory requirement that the Township 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.

In response to questions, Ms. Ament indicated that the revenues primarily come from property taxes. She stated that the PFA will be using internal funds to purchase this loan. PFA has approximately \$3.5 million available to lend directly, of which \$2.5 has already been committed to other political subdivisions. The funds are provided on a first come, first served basis. The loan under consideration will have an interest rate of 1.75%. The market rate is used. In general, PFA doesn't go out to the market for less than \$1.5 million. In those instances, internal funds are used.

It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the following resolution be approved.

**INDUSTRIAL COMMISSION OF NORTH DAKOTA
NORTH DAKOTA PUBLIC FINANCE AUTHORITY
RESOLUTION APPROVING**

**LOAN AND PURCHASE OF MUNICIPAL SECURITIES
WITH FUNDS HELD IN THE CAPITAL FINANCING PROGRAM
GENERAL BOND RESOLUTION OPERATING ACCOUNT**

WHEREAS, Missouri Ridge Township (the "Political Subdivision") has requested a loan in the amount of \$650,000 (the "Loan") from the North Dakota Public Finance Authority (the "NDPFA") to reconstruct and pave 58th Street NW from Highway 85 North to 135th Avenue NW; and

Whereas, the Political Subdivision will issue improvement bonds payable with special assessments to repay the loan;

Whereas, upon a review of the loan application, the NDPFA's Advisory Committee is recommending approval of the Loan; and

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

1. The Loan is hereby approved.

2. The Executive Director is authorized to fund the Loan as an eligible investment with funds available under the NDPFA's Capital Financing Program General Bond Resolution Operating Account, upon receipt of the Municipal Securities described and authorized to be issued in the Resolution to be adopted by the Political Subdivision's governing body.

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

Ms. Ament reported on the State Revolving Fund Drinking Water loan approved by the PFA Advisory Committee as follows.

City of Cooperstown – \$800,000

This loan will replace eight blocks of asbestos cement pipe water main which has reached the end of its service life and resulted in numerous water main breaks. The requested term for the DWSRF loan is 30 years. The City of Cooperstown will issue revenue bonds payable with water user fees.

Ms. Ament provided a legislative update. Of note:

- HB 1020: This would provide clear authorization to WAWS to borrow from SRF.
- There has not been movement on any of the bonding bills recently, including HB 1275, HB 1380, or HB 1431.
- HB 1485: This would have repealed the Building Authority. It received a Do Not Pass recommendation.
- HB 1499: This would have required bond issues to have a 2/3 vote. It was defeated.
- HB 1425: There is concern that this could compete with the SRF programs and cause complications.

BANK OF NORTH DAKOTA (BND)

Mr. Eric Hardmeyer, BND President and CEO, and Mr. Kelvin Hullet, BND, provided a legislative update. Of note:

- SB 2014, the Industrial Commission appropriations bill, includes transfers of BND Earnings as follows: \$140,000,000 to General Fund, \$40,000,000 to PACE buydown programs, \$3,000,000 to APUC, \$5,000,000 to Skilled Workforce / Dual Credit Program. Other amendments include:

standardized definition of “Essential Infrastructure”, funding for Long-Term Care Facility Financing, maintenance of employee count at 171.5.

- Dual Credit is also a separate bill. Right now, if both passed, it would be closer to \$11 million. However, the understanding is that the goal is to end with an amount closer to the \$5.7 million that is still available in the current appropriation.
- Regarding the Long-Term Care Facility Financing, PFA would bond for an existing fund, which would be lent to contractors and repaid. The State’s rating could bring the interest rate down a few percentage points which would result in a cost savings. The State provides reimbursement for Medicaid beds built in the state. This would ultimately result in lower costs for the state through the reimbursement process.
- SB1187: Creates the Rebuilders Permanent Loan Fund (In House Appropriations)
- SB2230: Increase Value Added Ag & Energy Guarantee Fund. Reduced from \$50 million to \$25 million
- SB2058: Biofuels PACE expansion (Passed Senate)
- SB2245: Minot Intermodal Bill with \$10 million grant (Received a Do Pass recommendation from Senate Appropriations)
- HB1031: State Water Commission Budget
- HB1050: Exempts PACE programs from Incentive Reporting (Senate Hearing 2/17/20)
- HB1425: Legacy Fund--Infrastructure Financing and Match Loan Funding (In House Appropriations)
- The bonding bills are being monitored; it appears HB1431 may be the carrier bill.

Current capital impact is estimated at \$188 million. BND may be administering more programs. Right now, there is approximately \$1 billion in various loan proposals. Additional FTEs may be required.

Mr. Hardmeyer mentioned that some of the top concerns include staff to deal with new programs and the potential amounts of capital being withdrawn from the Bank.

Commissioner Goehring left the meeting at approximately 2:20 p.m.

Mr. Hardmeyer and Mr. Tim Porter, BND, presented the 2021 Bank of North Dakota Annual Budget for consideration.

It was moved by Attorney General Stenehjem and seconded by Governor Burgum that the Industrial Commission accept the recommendation of the Bank of North Dakota Advisory Board and approve the 2021 Bank of North Dakota Annual Budget as follows:

ENDING BALANCE SHEET				
ACTUAL 2020 v. BUDGET 2021				
(In thousands)				
	Actual 2020	Budget 2021	Difference	% Change
Cash and due from banks	1,153,480	150,000	(1,003,480)	-87.00%
Federal funds sold	10,000	55,000	45,000	450.00%
Securities	1,849,609	2,116,385	266,776	14.42%
Loans				
Commercial	2,272,999	2,330,908	57,909	2.55%

Farm	762,809	765,605	2,796	0.37%
Residential	535,098	480,453	(54,645)	-10.21%
Student loans	1,185,636	1,184,054	(1,582)	-0.13%
	4,756,542	4,761,020	4,478	0.09%
Less allowance for loan loss	(106,303)	(110,325)	(4,021)	3.78%
	4,650,239	4,650,696	456	0.01%
Other assets	80,991	86,682	5,691	7.03%
Total Assets	7,744,320	7,058,763	(685,557)	-8.85%
Deposits -				
Non-interest bearing	750,741	475,000	(275,741)	-36.73%
Interest bearing	5,044,731	4,442,458	(602,273)	-11.94%
Federal funds purchased and repurchase agreements	775,005	425,000	(350,005)	-45.16%
Short and long-term borrowings	186,010	653,543	467,533	251.35%
Other liabilities	74,928	104,866	29,938	39.96%
Total liabilities	6,831,415	6,100,867	(730,548)	-10.69%
Equity	912,905	957,897	44,992	4.93%
Total Liabilities and Equity	7,744,320	7,058,763	(685,557)	-8.85%

**ENDING INCOME STATEMENT
ACTUAL 2020 v. BUDGET 2021**

(In thousands)

	Actual 2020	Budget 2021	Difference	% Change
Interest Income	225,479	197,845	(27,634)	-12.26%
Interest Expense	41,017	26,978	(14,039)	-34.23%
Net Interest Income	184,462	170,867	(13,595)	-7.37%
Provision for Loan Losses	16,800	12,000	(4,800)	-28.57%
Net Interest Income After Provision	167,662	158,867	(8,795)	-5.25%
Non-Interest Income	4,603	4,905	302	6.56%
Non-Interest Expense				
Salaries and benefits	18,224	17,809	(415)	-2.28%
Occupancy and equipment	777	1,049	272	35.01%
Data processing	6,440	10,668	4,228	65.65%
Other operating expense	5,623	7,547	1,924	34.22%
	31,064	37,073	6,009	19.34%
Net Income	141,201	126,700	(14,501)	-10.27%
Return on Average Assets	1.85%	2.02%		
Return on Average Equity	15.59%	17.03%		

On a roll call vote, Governor Burgum and Attorney General Stenehjem voted aye with Commissioner Goehring absent and not voting. The motion carried.

Mr. Hardmeyer presented the Bank of North Dakota Advisory Board December 17, 2020 nonconfidential meeting minutes.

Discussion was held regarding student loan forgiveness. It was noted that income-based forgiveness has been proposed, along with other options. This will continue to be monitored by the Bank. It doesn't seem to be included in any stimulus package at this time. BND is planning to meet with the Congressional delegation regarding the issue.

ADMINISTRATION

Ms. Fine provided a legislative update. Of note:

- HB 1149: Would provide an appropriation of \$100,000,000 to the Industrial Commission to provide grants for liquefied natural gas pilot projects. It failed.
- HB 1159: Amended into a study regarding natural gas and propane infrastructure development in the state. It passed the House.
- HB 1452: Would create the Clean Sustainability Energy Authority (CSEA) and the CSEA Fund to provide support for large-scale development and commercialization projects. The funding amount has increased to \$40 million. It is in House Appropriations awaiting additional amendments.
- HB 1491: Would provide funds for development of a roadmap for the implementation of hydrogen energy. It failed.
- SB 2014: Industrial Commission appropriations bill. It has been amended to include a provision to take away the sunset on the State Energy Research Center and its funding.

Ms. Fine presented the Industrial Commission 2021 meeting schedule for consideration.

It was moved by Attorney General Stenehjem and seconded by Governor Burgum that the Industrial Commission 2021 meeting schedule be approved as follows:

Wednesday, January 27, 2021 – Governor's Conference Room – 12:00 to 5:00 p.m.

Tuesday, February 16 – Governor's Conference Room - 12:00 to 5:00 p.m.

Tuesday, March 30 – Governor's Conference Room – 12:00 to 5:00 p.m.

Tuesday, April 27 – Governor's Conference Room – 12:00 to 5:00 p.m.

May and June meeting dates are still being discussed.

Tuesday, July 27 – 9:00 a.m. – 5:00 p.m. – Governor's Conference Room in the morning and North Dakota Mill in the afternoon

Tuesday, August 24 – Governor's Conference Room – 12:00 to 5:00 p.m.

Wednesday, September 29 – Governor's Conference Room – 12:00 to 5:00 p.m.

Tuesday, October 26 – Governor's Conference Room – 12:00 to 5:00 p.m.

Tuesday, November 30 – Governor's Conference Room – 12:00 to 5:00 p.m.

Monday, December 20 – Governor's Conference Room – 12:00 to 5:00 p.m.

On a roll call vote, Governor Burgum and Attorney General Stenehjem voted aye with Commissioner Goehring absent and not voting. The motion carried.

Pursuant to N.D.C.C. 6-09-35 the Industrial Commission entered into executive session. Governor Burgum reminded 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 10 and 20 minutes.

Governor Burgum noted that any formal action by the Commission on the loan application would occur after reconvening in open session.

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

The BND executive session began at 2:54 p.m. to discuss the following items:

- Consideration of Bank of North Dakota De Minimus Cap Resolution
- Problem Loans
- Presentation of Bank of North Dakota Advisory Board December 17, 2020 confidential meeting minutes.
- Other Bank of North Dakota confidential (as defined under N.D.C.C. 6-09-35) business

BND EXECUTIVE SESSION

Members Present:

Governor Doug Burgum
Attorney General Wayne Stenehjem
Agriculture Commissioner Doug Goehring

Bank of North Dakota Personnel (Remote):

Eric Hardmeyer
Kirby Evanger
Todd Steinwand
Tim Porter

Others in Attendance:

Leslie Bakken Oliver	Governor's Office
Logan Caldwell	Governor's Office
Karlene Fine	Industrial Commission Office
Andrea Pfennig	Industrial Commission Office

The BND executive session ended at 3:01p.m. and the public was invited to return to the room.

Discussion was held regarding legalized marijuana. The Commission asked that the Bank have a discussion with the Bank Advisory Board regarding the federal Safe Harbor Act and strategies for the Bank to be prepared for the possibility of a cash influx with neighboring states adopting legalized marijuana. BND will stay in contact with the Attorney General's office regarding the matter and will reach out to the Congressional delegation.

It was noted by Commission members that they would like time to review the amendment in SB 2014 that would provide \$14 million for a salt cavern project before any formal action is considered. Support in general was expressed for these types of projects.

With no further Industrial Commission business, Governor Burgum adjourned the meeting at 3:07 p.m.

North Dakota Industrial Commission



Karlene Fine, Executive Director and Secretary