

**Minutes of the Meeting of the
Board of University and School Lands
March 25, 2021**

The March 25, 2021 meeting of the Board of University and School Lands was called to order at 9:00 AM via Microsoft Teams by Chairman Doug Burgum. All meeting attendees were via Microsoft Teams.

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjerm	Attorney General
Thomas Beadle	State Treasurer
Kirsten Baesler	Superintendent of Public Instruction

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Dennis Chua	Investment Analyst
Christopher Dingwall	Mineral Title Specialist
Scott Giere	Revenue Compliance Auditor
Peggy Gudvangen	Accounting Division Director
Roman Knudsvig	Department Intern
Kristie McCusker	Paralegal
Catelin Newell	Administrative Staff Officer
Adam Otteson	Revenue Compliance Director
Rick Owings	EIIO Grants Administrator
Michael Shackelford	Investments Director
David Shipman	Minerals Division Director
Lynn Spencer	Mineral Title Specialist
James Wald	Legal Council
Michael Humann	Surface Division Director

Guests in Attendance:

Dave Garner	Office of the Attorney General
Leslie Bakken Oliver	Governor's Legal Counsel
Reice Haase	Office of the Governor

Additional Guests in Attendance:

Brady Pelton (NDPC)
Craig C. Smith
Gary Hagen
Kevin Balaod-Journalist (Fundmap)
Patrick Springer
Adam Willis

A P P R O V A L O F M I N U T E S

A motion to approve the minutes of the February 25, 2021 meeting was made by Attorney General Wayne Stenehjerm and seconded by Secretary of State Alvin Jaeger and the motion carried unanimously on a voice vote.

R E P O R T S

February 2021 Report of Encumbrances Issued by Land Commissioner

Granted to: WHITING OIL AND GAS CORPORATION, DENVER-CO
 For the Purpose of: Easement: Pipeline-Oil Gathering Pipeline
 Right-of-Way Number: RW0008674
 Trust: A - Common Schools
 Legal Description: MOU-153-92-16-NW4

Granted to: MCKENZIE ELECTRIC COOPERATIVE INC, WATFORD CITY-ND
 For the Purpose of: Easement: Electric-Above Ground Distribution Replacement Line
 Right-of-Way Number: RW0008803
 Trust: A - Common Schools
 Legal Description: GOL-144-104-16-NE4, NW4

Granted to: PURITY OILFIELD SERVICES LLC, WILLISTON-ND
 For the Purpose of: Permit: Temporary Water Layflat Line
 Right-of-Way Number: RW0008821
 Trust: A - Common Schools
 Legal Description: MOU-157-90-16-NE4, MOU-158-91-16-SE4, SW4, MOU-158-91-36-NW4

Granted to: NDSU, FARGO-ND
 For the Purpose of: Permit: Access to School Land for Vegetation Study
 Right-of-Way Number: RW0008813
 Trust: A - Common Schools
 Legal Description: BRL-137-75-16-NE4, SHE-146-77-36-SW4, WEL-145-73-16-SE4, WEL-145-73-16-SW4

Granted to: USDA-NRCS, JAMESTOWN-ND
 For the Purpose of: Permit: Access to School Land for National Resource Inventory
 Right-of-Way Number: RW0008833
 Trust: A - Common Schools
 Legal Description: ADA-131-97-16-NE4, OLI-142-82-36-SE4

February Unclaimed Property Report

Unclaimed property is all property held, issued, or owing in the ordinary course of a holder's business that has remained unclaimed by the owner for more than the established time frame for the type of property. It can include checks, unpaid wages, stocks, amounts payable under the terms of insurance policies, contents of safe deposit boxes, etc.

An owner is a person or entity having a legal or equitable interest in property subject to the unclaimed property law. A holder can include a bank, insurance company, hospital, utility company, retailer, local government, etc.

Since 1975, the Unclaimed Property Division (Division) of the Department of Trust Lands has been responsible for reuniting individuals with property presumed abandoned. The Division acts as custodian of the unclaimed property received from holders. The property is held in trust in (03/25/21)

perpetuity by the State and funds are deposited in the Common Schools Trust Fund. The 1981 Uniform Unclaimed Property Act created by the national Uniform Law Commission was adopted by the State in 1985.

For the month of February 2021, the Division received 40 holder reports with a property value of \$71,212 and paid 792 claims with a total value of \$566,765.

Energy Infrastructure and Impact Office Quarterly Program Report

The Energy Infrastructure and Impact Office (EIIO) is a division within the Department of Trust Lands (Department). EIIO provides financial assistance to local units of government that are impacted by oil and gas activity. In turn, EIIO receives a portion of the Oil and Gas Gross Production Tax. The office has been a part of the Department since 1977 and was formally known as the Energy Development Impact Office created under N.D.C.C. ch. 57-62. Over the course of the past 40 years, EIIO has dispersed over \$626 million in funding.

The Oil and Gas Impact Grant Fund currently has 12 grants with a balance of \$1,591,589.01 as of March 9, 2021. The following shows grant activity for the last seven months:

Oil and Gas Impact Grant Fund	Grants with balances	Current Balance Obligated to Grants
9/9/2020	22	\$5,282,832.07
12/1/2020	17	\$2,833,286.75
3/9/2021	12	\$1,591,589.01

The Energy Impact Fund, established within Senate Bill 2013 as enacted by the Sixty-fifth Legislative Assembly, was created to supplement the Oil and Gas Impact Grant Fund for the 2017-2019 biennium. This fund currently has three grants with a balance of \$1,434,396.94 as of March 9, 2021. House Bill 1013 of the Sixty-sixth Legislative Assembly requires the Commissioner of University and School Lands to transfer any unexpended funds remaining in the Energy Impact Fund when the fund is repealed on June 30, 2021, to the Oil and Gas Impact Grant Fund.

EIIO is working with the Williston Basin International Airport and the North Dakota Aeronautics Commission regarding the timeline to get these grants closed out by June 30, 2021. The following shows grant activity for the last seven months:

Energy Impact Fund	Grants with balances	Current Balance Obligated to Grants
9/9/2020	3	\$2,394,929.22
12/1/2020	3	\$1,752,239.48
3/9/2021	3	\$1,434,396.94

EIIO is currently managing 15 grants for a total of \$3,025,985.95. The following shows grant activity for the last seven months:

Oil and Gas Impact Grant Fund	Grants with balances	Current Balance Obligated to Grants	Energy Impact Fund	Grants with balances	Current Balance Obligated to Grants	Total between both Funds
9/9/2020	22	\$5,282,832.07	9/9/2020	3	\$2,394,929.22	\$7,677,761.29
12/1/2020	17	\$2,833,286.75	12/1/2020	3	\$1,752,239.48	\$4,585,526.23
3/9/2021	12	\$1,591,589.01	3/9/2021	3	\$1,434,396.94	\$3,025,985.95

The Financial Report (Unaudited) for period ending December 31, 2020 was presented to the Board for review and is available at the Department upon request.

Investment Updates

Portfolio Rebalancing Updates

The Investment Management Agreement with Loomis, Sayles & Co. Multi-Credit Strategy (Loomis) was executed and fully funded with \$100M on March 1, 2021. Funding for Loomis came from a partial redemption made on the Brandywine Global Opportunity Fixed Income Fund. JP Morgan's Intermediate Bond strategy is currently being transitioned to a Core Bond Strategy as approved by the Board.

As of March 15, 2021, Harvest MLP was fully liquidated with the majority of the proceeds from the liquidation transferred to the transition account awaiting deployment through capital calls.

Asset Allocation

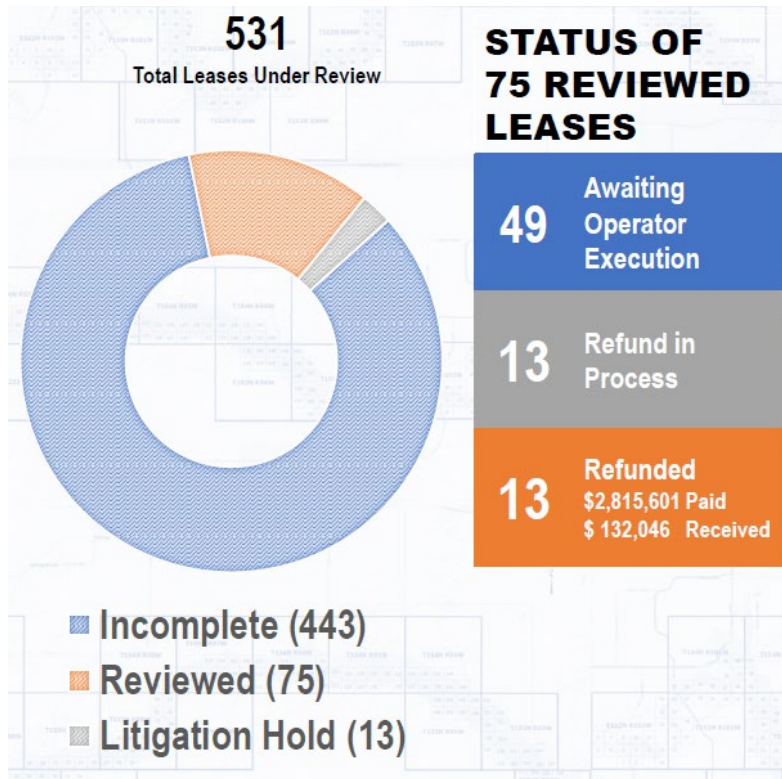
The table below shows the status of the permanent trusts' asset allocation as of March. 16, 2021. The figures provided are unaudited.

As of March 16, 2021	Market Value \$	Actual	Target	Lower Range	Upper Range
Broad US Equity	1,195,572,380.73	21.0%	19.0%	14.0%	24.0%
Broad Int'l Equity	1,163,905,442.52	20.5%	19.0%	14.0%	24.0%
Fixed Income	1,125,621,251.58	19.8%	22.0%	17.0%	27.0%
Transition Account	548,452,547.47	9.7%	0.0%	-5.0%	5.0%
Absolute Return	861,230,903.11	15.2%	15.0%	10.0%	20.0%
DIS	96,798.82	0.0%	0.0%	-5.0%	5.0%
Real Estate	737,268,604.00	13.0%	15.0%	10.0%	20.0%
Private Equity (Grosvenor)	-	0.0%	5.0%	0.0%	10.0%
Private Infrastructure (JPM-Infra)	-	0.0%	5.0%	0.0%	10.0%
Opportunistic Investments (Varde & Apollo)	48,211,681.00	0.8%	0.0%	-5.0%	5.0%
Portfolio Total	5,680,359,609.23	100.0%			

Upcoming Investment Manager Meetings

There is no upcoming meeting scheduled.
(03/25/21)

Acreage Adjustment Survey Report



March Legislative Update

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
HB 1031	Relating to legislative management studies of state agency fees; to provide for a legislative management study relating to establishing new state agency fees; and to declare an emergency.	Legislative Management	Gov't & Veterans Affairs	PASSED yeas 92 nays 0 RETURNED – 03/08	Passed as amended yeas 45 nays 2	
HB 1080	Relating to the obligation to pay oil and gas royalties on leases owned and managed by the board of	Rep. Dockter	Finance & Taxation	PASSED yeas 83 nays 10	Introduced Amendment adopted – 3/25 Ref – APP – 3/25 3/30/2021	

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	university and school lands.				3:00 PM	
HB 1081	Relating to access to and activities on trust lands; and to provide a penalty.	Rep. Zubke	Energy & Natural Resources	PASSED yeas 68 nays 25 SIGNED BY SPEAKER Sent to Governor	PASSED yeas 40 nays 7 SIGNED BY PRESIDENT	Signed by Governor
HB 1349	Relating to open record and meeting laws; to amend and reenact subsection 9 of section 44-04-17.1, sections 44-04-18.27 and 44-04-19, subsections 1 and 2 of section 44-04-20, and section 44-04-30 of the North Dakota Century Code, relating to open record and meeting laws; and to provide a penalty.	Rep. Devlin, Karls Sen. Dwyer, Lee, Oban	Political Subdivisions	PASSED yeas 90 nays 4 RETURNED – 3/30	PASSED as amended yeas 47 nays 0	
HB 1358	Relating to oil and gas tax revenue hedging; to provide an appropriation; to provide a continuing appropriation; to provide for a transfer; to provide a statement of legislative intent; and to declare an emergency.	Rep. Kempenich, Christensen, Mock, Steiner, Trottier Sen. Bekkedahl, Dwyer, Schaible	Finance & Taxation	PASSED yeas 80 nays 14	Introduced Amndmnt Adpt – 3/25 Ref – APPS – 3/25 4/02/2021 8:30 AM	
SB 2013	A BILL for an Act to provide an appropriation for defraying	Appropriations	Appropriations	Introduced 03-05-2021 10:30 AM 03-15-2021 10:00 AM	PASSED yeas 47 nays 0	

(03/25/21)

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	the expenses of the commissioner of university and school lands; to provide for distributions from permanent funds; to provide a report; and to provide an exemption			DP as amended – 3/26		
SB 2036	A BILL for an Act to provide for a legislative management study regarding access to lands and electronic posting.	Legislative Management	Energy & Natural Resources	PASSED yeas 91 nays 2 SIGNED BY SPEAKER	PASSED yeas 45 nays 2 SIGNED BY PRESIDENT Sent to Governor	
SB 2048	Revised Uniform Unclaimed Property Act; to amend and reenact sections 9-12-29, 10-19.1-123, 10-33-114, and 15-02-05.2, subsection 3 of section 23.1-15-07, subsections 8 and 9 of section 26.1-55-02, sections 26.1-55-04, 27-05.2-04, and 30.1-20-14, subsection 3 of section 35-20-17, sections 35-36-05, 38-13.1-03, 38-18.1-03, and 44-04-18.25,	Industry, Business and Labor	Industry, Business & Labor	PASSED as amended yeas 93 nays 0	PASSED yeas 47 nays 0 RETURNED - 3/25	

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	subsection 3 of section 47-16-07.1, section 54-27-15.1, subsection 6 of section 57-38-57, subsection 8 of section 57-39.2-23, and section 60-01-34 of the North Dakota Century Code, relating to abandoned and unclaimed property; to repeal chapter 47-30.1 of the North Dakota Century Code, relating to the uniform unclaimed property act; to provide for a report; to provide a penalty; and to provide a continuing appropriation.					
SB 2065	Relating to the authority of the board of university and school lands to lease lands under its control for the underground storage of oil or gas and the jurisdiction of the industrial commission to regulate the permitting and amalgamation	Energy & Natural Resources	Energy & Natural Resources	Introduced 03-04-2021 09:00 AM	PASSED yeas 40 nays 7	

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	of the underground storage of oil or gas.					
SB 2070	Relating to the regulated substance response; to amend and reenact sections 11-33-01, 23.1-10-02, 40-47-01, and 58-03-11 of the North Dakota Century Code, relating to the regulated substance response; to repeal sections 23.1-04-04 and 23.1-10-01 of the North Dakota Century Code, relating to contaminated properties; to provide a continuing appropriation; and to provide for retroactive application.	Energy & Natural Resources	Energy & Natural Resources	PASSED yeas 82 nays 12 SIGNED BY SPEAKER	PASSED yeas 46 nays 1 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 3/24
SB 2144	Relating to criminal trespass and electronic posting; and to provide a penalty.	Sen. Erbele, Patten, Bell Rep. Damschen, Dobervich, Tveit	Finance & Taxation	PASSED as amended yeas 86 nays 6	PASSED yeas 45 nays 2 RETURNED – 3/26	
SB 2191	Relating to the disposal of abandoned	Sen. Holmberg	Political Subdivisions	PASSED yeas 86 nays 6	PASSED yeas 46 nays 0	SIGNED BY GOVERNOR Filed with

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	personal property			SIGNED BY SPEAKER	SIGNED BY PRESIDENT	Secretary of State – 3/24
SB 2217	Relating to the deduction or recovery of losses incurred in the sale or disposition of natural gas from the proceeds of oil production; and to provide for a legislative management study.	Sen. Bekkedahl, Dwyer, Kannianen Rep. Brandenburg, Kempenich, Zubke	Finance & Taxation	PASSED as amended yeas 93 nays 0	PASSED yeas 32 nays 15 RETURNED – 3/25	
SB 2282	Relating to membership of the board of university and school lands; and to provide a contingent effective date.	Sen. Schaible, Klein, Luick Rep. D. Johnson, Schmidt	Government & Veterans Affairs	Introduced 03-25-2021 02:30PM	PASSED yeas 30 nays 17	
SB 2291	Relating to social investments made by the state investment board; to provide for a department of commerce study of the implications of complete divestment of companies that boycott energy or commodities; to provide for reports to legislative management; and to declare an emergency	Sen. Bell	Energy & Natural Resources	PASSED yeas 82 nays 12 SIGNED BY SPEAKER	PASSED yeas 42 nays 4 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 3/24
SB 2317	Relating to the establishment of a coal mine reclamation trust utilizing private assets;	Sen. Bell Rep. Porter	Energy & Natural Resources	PASSED As amended yeas 90 nays 2	PASSED yeas 42 nays 5 RETURNED – 3/19	

(03/25/21)

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	and to provide for a transfer.					
SB 2319	Relating to oil and gas agreements; to provide for application; and to provide a contingent effective date.	Sen. Kannianen	Finance & Taxation	Introduced 03-23-2021 09:00AM	PASSED yeas 25 nays 21	
SCR 4007	Relating to the membership of the board of university and school lands	Sen. Schaible, Klein, Luick Rep. D. Johnson, Schmidt	Government & Veterans Affairs	Introduced 03-25-2021 2:30PM	PASSED yeas 32 nays 14	
SCR 4013	A concurrent resolution urging Congress to pass the North Dakota Trust Lands Completion Act.	Sen Marcellais, Heckaman, Kannianen, Schaible Rep. Trottier	Energy & Natural Resources	PASSED voice vote	PASSED voice vote RETURNED – 3/30	

LITIGATION

United States Department of Interior M-37056

The Board was provided with two United States Department of Interior memorandums that are available at the Department upon request.

EXECUTIVE SESSION

Under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Board close the meeting to the public and go into executive session for purposes of attorney consultation relating to:

- Legislative Update
- United States Department of Interior M-37056

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger			X		
Superintendent Baesler			X		
Treasurer Beadle		X	X		
Attorney General Stenehjem	X		X		
Governor Burgum			X		

The Board entered into executive session in a separate Microsoft Teams meeting at 9:30 AM with members of the public remaining in the open session Microsoft Teams meeting.

EXECUTIVE SESSION

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General
Kirsten Baesler	Superintendent of Public Instruction
Thomas Beadle	State Treasurer

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Catelin Newell	Administrative Staff Officer
Kristie McCusker	Paralegal
Adam Otteson	Revenue Compliance
James Wald	Legal Council

Guests in Attendance:

Leslie Bakken Oliver	Governor's Legal Counsel
Dave Garner	Office of the Attorney General
Charles Carvell	Office of the Attorney General
Reice Haase	Governor's Policy Advisor

The executive session adjourned at 10:34 AM and the Board returned to the open session Teams meeting to rejoin the public. During the executive session Teams meeting, the Board was provided information and no formal action was taken.

A D J O U R N

There being no further business, the meeting was adjourned at 10:35 AM.

Doug Burgum, Chairman
Board of University and School Lands

Jodi Smith, Secretary
Board of University and School Lands