

# BOARD OF EXAMINERS MEETING

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April 7, 2015

## **1. A. Call to Order and Confirmation of Attendance**

Governor Steve Bullock as President of the Board called the meeting to order on April 7, 2015, at 3:00 p.m. in the Room 250 of the State Capitol with Attorney General Tim Fox and Secretary of State Linda McCulloch in attendance.

Staff and advisors present were: Sheila Hogan, Mark Bruno, Julie Feldman, Cheryl Grey, Emily Kittelson, and Penny Herbert, Department of Administration; Anna Miller, John Tubbs, and Mark Bostrom, Department of Natural Resources and Conservation; Dan Villa and Ryan Evans, Office of Budget and Program Planning; Eric Stern, Secretary of State's Office; Dan Semmens and Courtney Ellis, Dorsey & Whitney LLP; Jonathan Heroux of Piper Jaffray; and Aaron Rudio of D.A. Davidson.

## **B. Approval of Minutes of Board of Examiners Meeting of February 4, 2015**

**Motion and Vote:** Governor Bullock called for a motion to approve the minutes of the Board of Examiners meeting of February 4, 2015. Linda McCulloch so moved. The motion passed.

## **C. Sheila Hogan, Director, Department of Administration: Overview of Agenda**

Today the Board is being asked to review and approve the pricing and Bond Purchase Agreement for the refunding of Bond Series 2005A and 2005H. In addition, the Department of Natural Resources and Conservation is asking the board for authorization to issue General Obligation Bond Anticipation Notes for their drinking water and wastewater revolving fund programs.

## **2. Piper Jaffray & Co. (Jonathan Heroux): Series 2015A Long-Range Building Program Refunding Bonds:**

- (a) Discussion of market conditions and refunding analysis;
- (b) Presentation of savings report for the refunding of the State's General Obligation Long-Range Building Program Refunding Bonds, Series 2005A and General Obligation Long-Range Building Program Refunding Bonds, Series 2005H, in each case maturing in 2016 and thereafter;
- (c) Rating and pricing results for the State's General Obligation Long-Range Building Program Refunding Bonds, Series 2015A; and
- (d) Presentation of Bond Purchase Agreement reflecting pricing results.

The state maintained strong ratings with the rating of AA from S&P, Aa1 from Moody's, and AA+ from Fitch. The savings totaled \$62,4017.29 for the state at a 6.6% Net Present Value savings. This is double the amount of savings that it normally pursues.

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**Motion and Vote:** Governor Bullock called for public comment. Hearing none, he then called for a motion to approve the pricing and Bond Purchase Agreement. Tim Fox so moved. The motion passed unanimously.

**3. Dorsey & Whitney LLP (Dan Semmens):** Resolution Authorizing and Providing for the Issuance and Delivery of \$9,340,000 State of Montana General Obligation Long-Range Building Program Refunding Bonds, Series 2015A, and Approving and Authorizing the Execution and Delivery of the Documents Pertaining Thereto (the "Series 2015A Bond Resolution").

These are the final documents pertaining to the issuance of the Series 2015A Bonds.

**Motion and Vote:** Governor Bullock called for public comment. Hearing none, he then called for a motion to adopt the 2015A Bond Resolution. Linda McCulloch so moved. The motion passed unanimously.

**4. Department of Natural Resources and Conservation (Anna Miller):** Drinking Water State Revolving Fund Program: Presentation regarding Drinking Water State Revolving Fund Program, requesting issuance of up to \$3,000,000 in State of Montana General Obligation Bond Anticipation Notes (Drinking Water State Revolving Fund Program), Taxable Series 2015B.

DNRC wishes to issue \$3,000,000 worth of bonds and match those 20% to 80% with Federal grant funds. The cities of Great Falls, Helena, and Whitefish all have projects that need to be done for \$10 million, \$2.5 million, and \$490,000 respectively.

**5. Dorsey & Whitney LLP (Dan Semmens):** Drinking Water State Revolving Fund Program: Resolution of the Board of Examiners of the State of Montana Relating to the State's Drinking Water State Revolving Fund Program, Approving a Supplemental Indenture of Trust Providing for the Issuance of State of Montana General Obligation Bond Anticipation Notes, Authorizing the Issuance and Sale and Establishing the Terms and Conditions of up to \$3,000,000 General Obligation Bond Anticipation Notes (Drinking Water State Revolving Fund Program), Taxable Series 2015B, and Authorizing the Execution of the Supplemental Indenture and Related Documents (the "2015B Note Resolution").

This is the resolution that would authorize the issuance of the \$3 million bond anticipation note and it is anticipated that the Board of Investments will purchase this note.

**Motion and Vote:** Governor Bullock called for public comment. Hearing none, he then called for a motion to adopt the 2015B Note Resolution. Tim Fox so moved. The motion passed unanimously.

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**6. Department of Natural Resources and Conservation (Anna Miller) and Piper Jaffray & Co. (Jonathan Heroux):** Water Pollution Control State Revolving Fund Program: Recommendation and presentation to the Board regarding the issuance of up to \$27,000,000 in General Obligation Bonds (Water Pollution Control State Revolving Fund Program).

DNRC wants to issue \$27,000,000 worth of bonds and they will match this amount to federal grants totaling \$6,000,000. It was noted that many wastewater systems throughout Montana are out of EPA standards or will be soon. Anaconda-Deer Lodge County, City of Great Falls, and City of Havre all have projects that need to be completed for \$3.5 million, \$10 million, and \$10.6 million respectively.

At the next meeting the financial advisor will present the final pricing to the board.

**7. Dorsey & Whitney LLP (Dan Semmens):** Water Pollution Control State Revolving Fund Program: Resolution of the Board of Examiners of the State of Montana Relating to the State's Water Pollution Control State Revolving Fund Program, Preliminarily Authorizing the Issuance and Negotiated Sale of General Obligation Bonds (Water Pollution Control State Revolving Fund Program), Series 2015C, in a Principal Amount Not to Exceed \$27,000,000 (the "2015C Initial Authorizing Resolution").

This will be a publicly sold bond issuance. This is the resolution which preliminarily authorizes the issuance and negotiated sale of the bonds.

**Motion and Vote:** Governor Bullock called for public comment. Hearing none, he then called for a motion to adopt the 2015C Initial Authorizing Resolution. Linda McCulloch so moved. The motion passed unanimously.

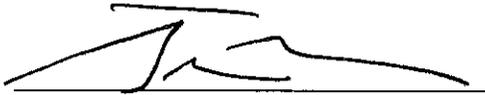
## **8. Other Business**

There was no other business. The meeting adjourned at 3:35 p.m.

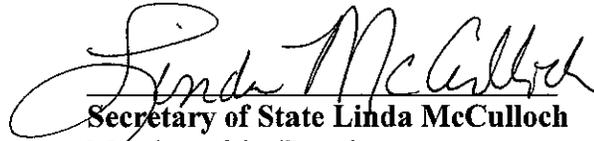
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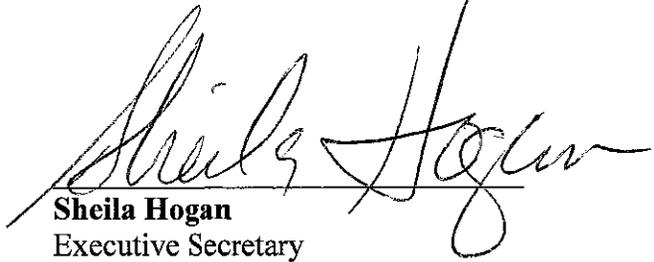
**Governor Steve Bullock**  
President of the Board



**Secretary of State Linda McCulloch**  
Member of the Board



**Attorney General Tim Fox**  
Member of the Board



**Sheila Hogan**  
Executive Secretary