

BOARD OF EXAMINERS MEETING

July 8, 2014

1. A. Call to Order and Confirmation of Attendance

Governor Steve Bullock as President of the Board called the meeting to order on July 8, 2014, at 11:00 a.m. in Room 250 of the State Capitol Building, 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, and Penny Herbert, Department of Administration; Dan Villa and Ryan Evans, Office of Budget and Program Planning; Eric Stern, Secretary of State's Office; Anna Miller, Department of Natural Resources and Conservation; Dan Semmens and Courtney Ellis of Dorsey & Whitney LLP; and Jonathan Heroux of Piper Jaffray. Aaron Rudio of D.A. Davidson attended via telephone conference call.

B. Approval of Minutes of Board of Examiners Meeting of May 13, 2014

Motion and Vote: Governor Bullock called for a motion to approve the minutes of the Board of Examiners meeting of May 13, 2014. Tim Fox so moved. The motion passed.

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

The action items on today's agenda involve the refunding of older Long-Range Building Program General Obligation Bonds and amendments to the Indentures of Trust for DNRC's Drinking Water and Water Pollution Control State Revolving Funds.

2. Piper Jaffray & Co. (Jonathan Heroux): Series 2014 Long-Range Building Program Refunding Bonds: Discussion of market conditions and refunding analysis; presentation of savings report for the refunding of the State's General Obligation Long-Range Building Program Bonds, Series 2005B, 2006A, and 2007D, in each case maturing in 2015 and thereafter; and rating and pricing results for the State's General Obligation Long-Range Building Program Refunding Bonds, Series 2014.

With this refunding the State can save \$1.641 million, or 5.5% Net Present Value Savings. This is roughly \$105,000 greater savings than expected when the Board approved the Initial Authorizing Resolution in May 2014.

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. Linda McCulloch so moved. The motion passed unanimously.

3. Dorsey & Whitney LLP (Dan Semmens): Resolution Authorizing and Providing for the Issuance and Delivery of \$28,810,000 State of Montana General Obligation Long-Range Building Program Refunding Bonds, Series 2014, and Approving and Authorizing the Execution and Delivery of the Documents Pertaining Thereto (the "Series 2014 Bond Resolution")

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This is the document which will authorize the issuance of the refunding bonds. The savings to the State will be approximately \$140,000 per year.

Motion and Vote: Governor Bullock called for public comment. Hearing none, he then called for a motion to adopt the Series 2014 Bond Resolution. Tim Fox so moved. The motion passed unanimously.

4. Department of Natural Resources and Conservation (Anna Miller): Presentation on behalf of DNRC regarding amendments to the Indenture of Trust for the State of Montana Drinking Water State Revolving Fund.

In June 2014 the Water Resources Reform and Development Act was passed by Congress and signed into law by the President. In it were provisions which affect the Revolving Fund Programs. One of the amendments will update the Trust Indenture to reflect the verbiage in that Act. WRRDA amended a previous requirement for receipt of EPA Capitalization Grants which provided that state revolving loan programs could offer 30-year loans only to disadvantaged communities. Under WRRDA, 30 year loans are permissible whether the borrower qualifies as a disadvantaged community or not. The other two amendments were housekeeping amendments that enhance program flexibility.

5. Dorsey & Whitney LLP (Dan Semmens): 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 Amending the Indenture of Trust and Authorizing the Execution of the Supplemental Indenture (the "Drinking Water Resolution")

Dan Semmens agreed that the 30-year loan will be advantageous to Montana local governments, who will be able to amortize their loans over a longer period of time and not have such a great water rate increase.

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

6. Department of Natural Resources and Conservation (Anna Miller): Presentation on behalf of DNRC regarding amendments to the Indenture of Trust for the State of Montana Water Pollution Control State Revolving Fund.

These are the same three amendments as in Item # 4 above. The City of Glendive will be among the first to benefit by receiving a 30-year loan on their \$19 million waste-water project, which has just gone out to bid.

7. Dorsey & Whitney LLP (Dan Semmens): Resolution of the Board of Examiners of the State of Montana Relating to the State's Water Pollution Control State Revolving Fund Program; Approving a Supplemental Indenture of Trust Amending the Indenture of Trust and Authorizing the Execution of the Supplemental Indenture (the "Water Pollution Control Resolution")

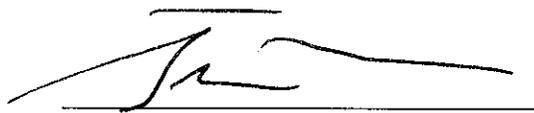
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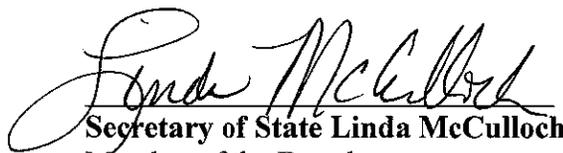
This Resolution will update the Water Pollution Control State Revolving Fund Program's Trust Indenture to correspond with the recent Water Resources Reform and Development Act.

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

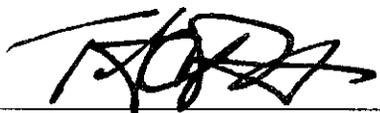
8. Other Business: There was no other business. The meeting adjourned at 11:25 a.m.



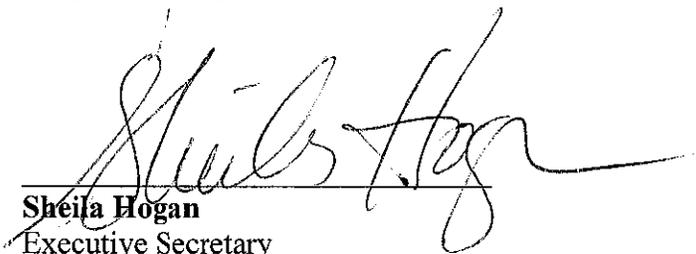
Governor Steve Bullock
President of the Board



Secretary of State Linda McCulloch
Member of the Board



Attorney General Tim Fox
Member of the Board



Sheila Hogan
Executive Secretary