

Board of Examiners

July 23, 2024

State Capitol Building
Governor's Reception Room

**BOARD OF EXAMINERS OF THE STATE OF MONTANA
MEETING AGENDA**

Tuesday, July 23, 2024 at 8:00 a.m.

**Governor's Reception Room
(State Capitol Building)**

Remote Attendance Options:

Join Zoom Meeting

<https://mt-gov.zoom.us/j/81170162587?pwd=GuPbMwaa7zDEu27UJ3R496AXMYqp00.1>

Meeting ID: 811 7016 2587

Password: 529572

Dial by Telephone

+1 646 558 8656

Meeting ID: 811 7016 2587

Password: 529572

Find your local number: <https://mt-gov.zoom.us/u/keqDuPqciH>

Join by SIP

81170162587@zoomcrc.com

Join by H.323 (Polycom)

162.255.37.11##81170162587

Meeting Agenda Items:

1. A. Governor as President of the Board: Call to order and confirmation of attendance
Governor Gianforte ____ Attorney General Knudsen ____ Secretary of State Jacobsen ____

B. Governor: Accept Motion to Approve Minutes of May 6, 2024 meeting

C. Department of Administration (Misty Ann Giles): Introduction of State's staff and advisors and overview of meeting agenda
2. Department of Natural Resources and Conservation (Anna Miller): Coal Severance Tax Bond Anticipation Note: Presentation regarding HB 8 authority for financing improvements to the East Fork Dam and the proposed private placement of up to \$20,000,000 State of Montana Coal Severance Tax Bond Anticipation Note.

BOARD OF EXAMINERS OF THE STATE OF MONTANA
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PAGE 2

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Governor's Reception Room
(State Capitol Building)

3. *Dorsey & Whitney LLP (Dan Semmens):* Coal Severance Tax Supplemental Resolution: Supplemental Resolution Authorizing the Sale and Issuance of Coal Severance Tax Bond Anticipation Note, Department of Natural Resources and Conservation, Renewable Resource Program, 2024 Series G Taxable (the "CST BAN Resolution").

Governor:

- Call for Public Comments on CST BAN Resolution.
- After comments, if any, Accept Motion to Adopt CST BAN Resolution.

Motion by: _____

Vote, In Favor: _____ Against: _____

4. *Department of Natural Resources and Conservation (Anna Miller)* Renewable Resource Program Bond: Presentation regarding Renewable Resource Loan Program, requesting issuance of up to \$1,600,000 General Obligation Renewable Resource Program Bond, Taxable Series 2024H (Non-Point Source Loan No. 27).

5. *Dorsey & Whitney LLP (Dan Semmens)* Renewable Resource Program Bond Resolution: Resolution Relating to \$1,600,000 State of Montana General Obligation Renewable Resource Program Bond, Taxable Series 2024H (Non-Point Source Loan No. 27); Authorizing the Issuance Thereof to the State of Montana Water Pollution Control State Revolving Fund Program, Establishing the Terms and Conditions Thereof and Approving and Authorizing the Execution of Documents Pertaining Thereto (the "Series 2024H Bond Resolution").

Governor:

- Call for Public Comments on Series 2024H Bond Resolution
- After comments, if any, Accept Motion to Adopt the Series 2024H Bond Resolution

Motion by: _____

Vote, In Favor: _____ Against: _____

6. *Governor:* Any other business. If none, accept motion to adjourn.

MEETING MINUTES

Board of Examiners Meeting Minutes
Governors' Reception Room
May 6, 2024, at 1:30PM

Agenda item 1: Call to Order and Confirmation of Attendance

- a) Governor Greg Gianforte, as President of the Board of Examiners, called the meeting to order on May 6, 2024, at approximately 1:30 p.m. in the Governors Reception Room of the State Capitol - Attorney General Austin Knudsen and Secretary of State Christi Jacobsen were present. Others present were Department of Administration: Director Misty Ann Giles; Secretary of States Office: Julie Lake; Office of Budget and Program Planning: Ryan Osmundson and Ryan Evans; Governor's Office: Anita Milanovich; Department of Natural Resources & Conservation: Anna Miller, Troy Benn, Mark McNearney, Amanda Kaster, Dorsey & Whitney LLP: Dan Semmens and Courtney Ellis
- b) **Approval of Minutes of Board of Examiners Meeting June 12, 2023.** Governor Gianforte moved to accept the minutes of the June 12, 2023, meeting. The motion passed unanimously.
- c) **Department of Administration (Misty Ann Giles):** Presented seven financing actions for the board to consider from DNRC. The first is a financing for two million to provide farmers with funding for non-point-sourced projects. The next four are for the drinking water and wastewater revolving loan fund – for construction improvements to community water and wastewater systems. A fifth is for one million to provide funding through irrigation projects for public and private entities. The last one for consideration is a financing proposal for DNRC to borrow twenty million to rehabilitate the East Fork Dam and placement of State of Montana Coal Severance Tax Bonds. The Governor gave DNRC the floor for Agenda items 2 & 3.

Agenda items 2 & 3: Department of Natural Recourses & Conservation (Anna Miller)

Item 2: Department of Natural Recourses & Conservation (Anna Miller) Non-Point Source Renewable Resource Program Bond: Presentation regarding Renewable Resource Loan Program (Private Loan Program), requesting issuance of up to \$2,000,000 General Obligation Renewable Resource Program Bond, Taxable Series 2024A (Non-Point Source Loan No. 26).

Item 3: Dorsey & Whitney LLP (Dan Semmens) Non-Point Source Renewable Resource Program Bond Resolution: Resolution Relating to \$2,000,000 State of Montana General Obligation Renewable Resource Program Bond, Taxable Series 2024A (Non-Point Source Loan No. 26); Authorizing the Issuance Thereof to the State of Montana Water Pollution Control State Revolving Fund Program, Establishing the Terms and Conditions Thereof and Approving and Authorizing the Execution of Documents Pertaining Thereto (the "Series 2024A Bond Resolution").

Presentation: Looking to borrow two million dollars from the wastewater program. This would set up loans for farmers through the EPA program up to thirty million dollars. The Governor called for a motion for discussion or recommendation. This gets purchased by the State Revolving fund program – at the 2.5%. The Governor asked for any public comment on the agenda items. The Governor called for public comment on Series 2024A Bond Resolution. There being none, Motion to Adopt the Series 2024A Bond Resolution was made, and Attorney General Austin Knudsen moved to approve. Secretary of State Christi Jacobsen seconded. Motion passed unanimously.

Agenda items 4 & 5: Department of Natural Recourses & Conservation (Anna Miller)

Item 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 \$2,130,000 Taxable General Obligation Bond Anticipation Notes, Series 2024B (Drinking Water State Revolving Fund Program) to the Board of Investments to be used as match for the Bipartisan Infrastructure Law Year 2 Federal Fiscal Year 2023 Capitalization Grant.

Item 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 Sale and Issuance and Establishing the Terms and Conditions of Up to \$2,130,000 Taxable General Obligation Bond Anticipation Notes, Series 2024B (Drinking Water State Revolving Fund Program), and Authorizing the Execution of the Supplemental Indenture and Related Documents (the "Drinking Water Series 2024B Note Resolution").

Presentation: Borrowing \$2.13 million dollars from the Drinking Water Revolving fund. We will borrow this money from Board of Investments. This money will match a capitalization grant from the EPA, as part of the federal infrastructure law funding. These loans will be made to communities of Montana for improvements of their drinking water systems. The federal match is 90% and the state is 10%. Recommendation on the motion – these bonds are GO backed bonds, but they don't count against the debt limit because there is another source of money that is repaying the bonds. As Anna mentioned, she is able to pay off the Bonds from the program income. The Governor called for public comment on Water Series 2024B Note Resolution. There being none, Motion to Adopt the Water Series 2024B Note Resolution was made, and Attorney General Austin Knudsen moved to approve. Secretary of State Christi Jacobsen seconded. Motion passed unanimously.

Agenda items 6 & 7: Department of Natural Recourses & Conservation (Anna Miller)

Item 6: Department of Natural Resources and Conservation (Anna Miller): Water Pollution Control State Revolving Fund Program: Presentation regarding Water Pollution Control State Revolving Fund Program, requesting issuance of up to \$1,040,000 Taxable General Obligation Bond Anticipation Notes, Series 2024C (Water Pollution Control State Revolving Fund Program) to the Board of Investments to be used as match for the Bipartisan Infrastructure Law Year 2 Federal Fiscal Year 2023 Capitalization Grant.

Item 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, Approving a Supplemental Indenture of Trust Providing for the Issuance of State of Montana General Obligation Bond Anticipation Notes, Authorizing the Sale and Issuance and Establishing the Terms and Conditions of up to \$1,040,000 Taxable General Obligation Bond Anticipation Notes, Series 2024C (Water Pollution Control State Revolving Fund Program), and Authorizing the Execution of the Supplemental Indenture and Related Documents (the "Water Pollution Control Series 2024C Note Resolution").

A request to issue \$1,040,000 to match an EPA grant that is in a bipartisan infrastructure bill. The

federal match is 90% and the state is 10%. The recommendation was for the board to consider item number 7. The last number 5 was for drinking water, this is for wastewater. It's essentially the same obligation. The Governor called for public comment on Water Pollution Control Series 2024C Note Resolution. There being none, Motion to Adopt the Water Pollution Control Series 2024C Note Resolution was made, and Attorney General Austin Knudsen moved to approve. Secretary of State Christi Jacobsen seconded. Motion passed unanimously.

Agenda items 8 & 9: Department of Natural Resources & Conservation (Anna Miller)

Item 8: 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 \$1,600,000 Taxable General Obligation Bond Anticipation Notes, Series 2024D (Drinking Water State Revolving Fund Program) to the Board of Investments to be used as match for the base Federal Fiscal Year 2023 Capitalization Grant.

Item 9: 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 Sale and Issuance and Establishing the Terms and Conditions of Up to \$1,600,000 Taxable General Obligation Bond Anticipation Notes, Series 2024D (Drinking Water State Revolving Fund Program), and Authorizing the Execution of the Supplemental Indenture and Related Documents (the "Drinking Water Series 2024D Note Resolution").

Presentation: The match is only 80% Federal government 20% state but there is plenty of demand. This is a resolution that will authorize this note to fund the drinking water projects. The Governor called for public comment on Drinking Water Series 2024D Note Resolution. There being none, Motion to Adopt the Drinking Water Series 2024D Note Resolution was made, and Attorney General Austin Knudsen moved to approve. Secretary of State Christi Jacobsen seconded. Motion passed unanimously.

Agenda items 10 & 11: Department of Natural Resources & Conservation (Anna Miller)

Item 8: Department of Natural Resources and Conservation (Anna Miller): Water Pollution Control State Revolving Fund Program: Presentation regarding Water Pollution Control State Revolving Fund Program, requesting issuance of up to \$1,500,000 Taxable General Obligation Bond Anticipation Notes, Series 2024E (Water Pollution Control State Revolving Fund Program) to the Board of Investments to be used as match for the base Federal Fiscal Year 2023 Capitalization Grant.

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, Approving a Supplemental Indenture of Trust Providing for the Issuance of State of Montana General Obligation Bond Anticipation Notes, Authorizing the Sale and Issuance and Establishing the Terms and Conditions of up to \$1,500,000 Taxable General Obligation Bond Anticipation Notes, Series 2024E (Water Pollution Control State Revolving Fund Program), and Authorizing the Execution of the Supplemental Indenture and Related Documents (the "Water Pollution Control Series 2024E Note Resolution").

Presentation: 80% federal 20% state match for wastewater projects. Recommendation is to recognize and approve. The Governor called for public comment on Water Pollution Control Series 2024E Note

Resolution. There being none, Motion to Adopt the Water Pollution Control Series 2024E Note Resolution was made, and Attorney General Austin Knudsen moved to approve. Secretary of State Christi Jacobsen seconded. Motion passed unanimously.

Agenda items 12 & 13: Department of Natural Resources & Conservation (Anna Miller)

Item 12: Department of Natural Resources and Conservation (Anna Miller): General Obligation Renewable Resource Program Bonds: Presentation regarding issuance of up to \$1,000,000 State of Montana General Obligation Renewable Resource Program Bonds under the Renewable Resource Grant and Loan Program, as amended by HB 775, to the Board of Investments.

Item 13: Dorsey & Whitney LLP (Dan Semmens): General Obligation Renewable Resource Bond Resolution: Resolution Authorizing and Providing for the Issuance and Delivery of \$1,000,000 State of Montana General Obligation Renewable Resource Program Bonds, Taxable Series 2024F; Fixing the Terms and Conditions Thereof; and Ratifying or Approving and Authorizing the Execution and Delivery of the Documents Pertaining Thereto (the “GO Renewable Resource Bond Resolution”).

Presentation: Bond for irrigation projects. There is no federal match – strictly state funds. This is made possible from HB 775 – Allowing more flexibility for issuing funding for public projects. It counts against the \$30 million cap. Recommend consideration and approval. The Governor called for public comment on GO Renewable Resource Bond Resolution. There being none, Motion to Adopt the GO Renewable Resource Bond Resolution was made, and Attorney General Austin Knudsen moved to approve. Secretary of State Christi Jacobsen seconded. Motion passed unanimously.

Agenda items 14 & 15: Department of Natural Resources & Conservation (Anna Miller)

Item 8: Department of Natural Resources and Conservation (Anna Miller): Coal Severance Tax Bonds: Presentation regarding HB 8 authority for improvements to the East Fork Dam and the proposed private placement of up to \$20,000,000 State of Montana Coal Severance Tax Bonds.

Item 9: Dorsey & Whitney LLP (Dan Semmens): Coal Severance Tax Bond Parameters Resolution: Resolution Relating to Coal Severance Tax Bonds, Department of Natural Resources and Conservation, Renewable Resource Program, 2024 Series G Taxable, Preliminarily Authorizing the Sale and Issuance Thereof (the “CST Bond Parameters Resolution”).

Presentation: We are asking to let DNRC begin working on financing for the East Fork Dam. The total construction cost is \$21.7 million. We are asking for allowance to solicit terms and get bids in on the financing and dam rehabilitation. The Governor called for public comment on CST Bond Parameters Resolution. There being none, Motion to Adopt the CST Bond Parameters Resolution was made, and Attorney General Austin Knudsen moved to approve. Secretary of State Christi Jacobsen seconded. Motion passed unanimously.

Agenda items 16: Governor call for other business

There was none.

Hearing no more comments, the Governor called for a motion to adjourn the meeting. The motion was made by Attorney General Austin Knudsen and seconded by Secretary of State Christi Jacobsen. Meeting adjourned at 1:56 PM

Governor Greg Gianforte
President of the Board

Secretary of State Christi Jacobsen
Member of the Board

Attorney General Austin Knudsen
Member of the Board

Misty Ann Giles
Executive Secretary

DNRC PRESENTATION

Board of Examiners Meeting

July 23, 2024



Detail Report by Anna Miller

Legal Review by Anita Milanovich

BOARD OF EXAMINERS

July 23, 2024

2 Resolution Relating to Coal Severance Tax Bonds, Department of Natural Resources and Conservation, Renewable Resource Program, 2024 Series G Taxable, Authorizing the Sale and Issuance Thereof (the "CST BAN Resolution")

Item Summary

This issuance of \$20,000,000 of Coal Severance Tax Bonds will allow the DNRC to fund the rehabilitation of the East Fork Dam. The DNRC, the States Bond Counsel and the States Financial Advisor solicited potential bidders to purchase up to \$20,000,000 in Coal Tax Bonds. This task is completed, and staff returns to the Board for approval.

DNRC staff has reviewed and approved the loan application and project plans. DNRC awarded the bid on June 16, 2024, to Missouri River Contractors for \$20,359,977. The contract was signed and notice to proceed was issued on July 2, 2024.

There is legislative authority in House Bill 8 from the 68th Legislature session which allows for debt issuance for the East Fork Dam project.

DNRC Recommendation

The DNRC recommends the Board of Examiners approve the Resolution for the \$20,000,000 Coal Severance Tax Bond issuance to the State of Montana Board of Investments.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION



GREG GIANFORTE, GOVERNOR

1539 ELEVENTH AVENUE

STATE OF MONTANA

DIRECTOR'S OFFICE: (406) 444-2074
FAX: (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

April 23, 2024

Montana Board of Examiners
Department of Administration
Mitchell Building, Room 115
Helena, MT 59620

Misty Ann Giles, Director
Department of Administration
Mitchell Building, Room 115
Helena, MT 59620

RE: **State of Montana Coal Tax Bond for up to \$20,000,000 for Renewable Resource Loans Coal Tax Bonds Taxable Series 2024G.**

Board Members and Ms. Giles:

As you know, the state, through the Board of Examiners, is authorized to issue Coal Severance Tax (CST) bonds to refinance bonds and to fund the Department of Natural Resources and Conservation's Renewable Resource Program (the Program). The legislature has approved loans from the Program, to the eligible borrowers, for the following amounts:

East Fork Dam	\$ 16,900,000
Rehab & Refinancing of Debt	\$ 3,100,000

We anticipate that the above loans will be made in the Summer of 2024. Montana Code Annotated Title 17, Chapter 5, Part 7 authorizes the Board of Examiners to issue CST Bonds. The state meets the additional bond test established in Section 17-5-709 and under the General Resolution with respect to the Series 2023 Bonds.

Sincerely,

A handwritten signature in blue ink that reads "Amanda Kaster".

Amanda Kaster, Director
Department of Natural Resources and Conservation

BOARD OF EXAMINERS

July 23, 2024

4 Resolution Relating to \$1,600,000 State of Montana General Obligation Renewable Resource Program Bond, Taxable Series 2024H (Non-Point Source Loan No. 27); Authorizing the Issuance Thereof to the State of Montana Water Pollution Control State Revolving Fund Program, Establishing the Terms and Conditions Thereof and Approving and Authorizing the Execution of Documents Pertaining Thereto (the "Series 2024H Bond Resolution").

Item Summary

This issuance of \$1,600,000 of General Obligation (G.O.) Bonds will allow farmers to come in to make application to the DNRC for low interest loans for water projects that reduce non-point source pollution. Typical projects include high efficiency lines and pumps for center pivot irrigation.

DNRC and DEQ staff review and approve the loan applications and project plans.

There is legislative authority in the amount of \$30,000,000 for debt issuance for the Renewable Resource Program under Montana Code Annotated, Title 85, Chapter 1, Part 6. There is currently authority to issue \$28,000,000 of Renewable Resource Bonds. The proceeds of the Renewable Resources Bonds are used to make loans for construction projects in the State.

DNRC Recommendation

The DNRC recommends the Board of Examiners approve the \$1,600,000 G.O. Bond issuance.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION



GREG GIANFORTE, GOVERNOR

1539 ELEVENTH AVENUE

STATE OF MONTANA

DIRECTOR'S OFFICE: (406) 444-2074
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PO BOX 201601
HELENA, MONTANA 59620-1601

July 18, 2024

Montana Board of Examiners
Department of Administration
Mitchell Building, Room 115
Helena, MT 59620

Misty Ann Giles, Director
Department of Administration
Mitchell Building, Room 115
Helena, MT 59620

RE: State of Montana General Obligation Bonds Taxable 2024X for up to \$1,600,000
Renewable Resource Program (Private Loan Program) RDB #27

Board Members and Director Giles:

The Department of Natural Resources and Conservation (the "Department"), pursuant to the Montana Code Annotated, Title 85, Chapter 1, Part 6, the State of Montana (the "State") has established a Renewable Resource Loan Program, formerly the Water Development Program (the "Renewable Resource Program"). The Board of Examiners, upon the request of the Department is authorized to issue General Obligation Bonds for the Renewable Resource Program (the "Resource Bonds") from time to time and in amounts which take into consideration the principal amount of Renewable Resource Bonds outstanding that will not cause the total aggregate amount of Renewable Resource Bonds outstanding at any one time to exceed \$30,000,000. There is currently authority to issue \$28,000,000 of Renewable Resource Bonds. The proceeds of the Renewable Resources Bonds are used to make loans to provide for the construction projects in the State.

The Department asks that the Board of Examiners approve at the next Board meeting a resolution allowing the Department to prepare to issue and sell up to \$1,600,000 in General Obligation Bonds for the Program.

Please call if there are questions on the above matter.

Sincerely,

A handwritten signature in black ink that reads "Amanda Kaster".

Amanda Kaster
Director