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Minutes of the
Board of Water and Natural Resources
Telephone Conference Call Meeting
523 East Capitol
Pierre, South Dakota

July 21, 2017
10:00 a.m. CDT

CALL TO ORDER: The meeting was called to order by Chairman Brad Johnson. The roll was called, and a quorum of the board was present.

BOARD MEMBERS PRESENT: Brad Johnson, Dr. Paul Gnirk, Jerry Soholt, Paul Goldhammer, and Jackie Lanning

BOARD MEMBERS ABSENT: Gene Jones, Jr. and Todd Bernhard.

OTHERS: Harold Deering, Special Assistant Attorney General; Mike Perkovich, Jon Peschong, Andy Bruels, and Lukus Leidholt, DENR; Bruce Bonjour, Perkins Coie; Jessica Cameron, PFM; Craig Hrinkevich, Wells Fargo; Greg Skutnik, US Bank; and Matt Couch, JP Morgan.

APPROVE AGENDA: Chairman Johnson approved the agenda.

SERIES RESOLUTION AUTHORIZING STATE REVOLVING FUND PROGRAM BOND SERIES 2017 A/B: Bruce Bonjour, Perkins Coie, discussed the specifics of the Series Resolution.

It is anticipated that the South Dakota Conservancy District will issue an amount not to exceed \$115,000,000 in State Revolving Fund Program Bonds, Series 2017 (the "Series 2017 Bonds") during the week of July 24, 2017. The Series 2017A Bonds are taxable bonds being issued to provide funds sufficient, together with other available moneys, (a) to provide funds in the appropriate amount of \$6,500,000 to be deposited to the Clean Water State Match Loan Account established with respect to the Series 2017A Bonds which, together with amounts derived from EPA and deposited into the Federally Capitalized Loan Account, are to be loaned to Borrowers, (b) to provide funds in the approximate amount of \$8,500,000 to be deposited to the Drinking Water State Match Loan Account established with respect to the Series 2017A Bonds which, together with amounts derived from EPA and deposited into the Federally Capitalized Loan Account, are to be loaned to Borrowers, (c) if the Authorized Officers executing the Bond Order for the Series 2017A Bonds determine that sufficient debt service or other savings are achievable, to advance refund approximately \$1,515,000 principal amount of the outstanding Series 2012B Bonds allocable to the prior refunding of Series 2001 Clean Water and Drinking Water Bonds and (d) to provide funds to pay associated costs of issuance.

The Series 2017B Bonds are tax exempt bonds being issued to provide funds sufficient, together with other available moneys, (a) to provide funds in the approximate amount of \$43,000,000 to be deposited to the Clean Water Leveraged Loan Account established with respect to the Series 2017B

Bonds which funds are to be loaned to Borrowers, (b) to provide funds in the approximate amount of \$11,000,000 to be deposited to the Drinking Water Leveraged Loan Account established with respect to the Series 2017B Bonds which funds are to be loaned to Borrowers, (c) if the Authorized Officers executing the Bond Order for the Series 2017B Bonds determine that sufficient debt service savings are achievable, to advance refund approximately \$28,000,000 principal amount of the outstanding Series 2010B Bonds and/or \$10,000,000 principal amount of the outstanding Series 2012B Bonds, and (d) to pay associated costs of issuance and refunding.

Prior to the meeting, the board was provided with a draft of the Series Resolution for the Series 2017 Bonds prepared by SRF bond counsel. The Series Resolution provides board approval of the Preliminary Official Statement, the Bond Purchase Agreement, and the Escrow Agreements.

The Series Resolution authorizes the Chairman and/or Secretary to file a Coverage Certificate for each program with the Trustee and to do all acts and to execute or accept all documents as may be necessary to carry out and comply with the provisions of the resolution and the documents approved by the resolution.

Mr. Bonjour and Mr. Perkovich answered questions from the board.

Jessica Cameron discussed the structure of the bond issue, current market conditions, and coverage requirement.

Ms. Cameron answered questions from the board.

Staff recommended approval of the Series 2017 Resolution.

Mr. Perkovich stated that sales of the bonds will be August 2, 2017. The pre-closing will be August 22, 2017, and the bond closing will be August 23, 2017.

Motion by Lanning, seconded by Soholt, to adopt Resolution #2017-89 authorizing the State Revolving Fund Program Bonds, Series 2017A/B. A roll call vote was taken, and the motion carried unanimously.

ADJOURN: Motion by Goldhammer, seconded by Gnirk, that the meeting be adjourned. A roll call vote was taken, and the motion carried unanimously.


Approved this 29th day of September, 2017.

(SEAL)



Chairman, Board of Water and
Natural Resources

ATTEST:



Secretary, Board of Water and
Natural Resources