

## Summary: Resolution for Series 2009-II bonds

This sale of bonds is proposed to finance a portion of the amount needed for UM water system improvements. The regents have express authority to issue bonds to finance capital projects and the approval of resolutions for this purpose is a task the regents regularly do.

The improvements which make up this project were requested by UM's water supplier, Mountain Water, and approved and modified by the Architecture & Engineering Division of the Montana Department of Administration and the Montana Department of Environmental Quality (DEQ). The project itself directly involves the DEQ and the Montana Department of Natural Resources and Conservation (DNRC). The Resolution is about three times the normal length primarily due to the fact that the state and ARRA dollars are providing the funds for this project in accordance with state and federal programs. The role of these programs is explained in the resolution and the terms related to these particular programs and to the state and federal funds involved assure a lengthy document. A general summary of the resolution's terms is provided below:

- The resolution explains the transaction, the authority of the Board of Regents to authorize the transaction, and memorializes assurances of the Board that (1) they are so authorized; (2) there is no litigation pending that would affect this transaction; (3) the MUS is not in default on any previous bonds or similar loans; (4) the regents understand this is a binding obligation; (5) the regents are in compliance with any and all laws, regulations and decrees relevant to the subject property; (6) insurance is maintained on the property; etc.
- The resolution also provides the regents' assurance that DNRC, DEQ and the federal Environmental Protection Administration (EPA) shall have the right to inspect the premises; that financial reports will be made to those agencies with regard to the project; and that the specifications for public water systems will be met.
- There are also provisions related to the taxable status of the bonds, the identification of the revenues to be pledged for repayment of the bonds, and the maintenance of the assets which are the subject of the bond issue.
- The loan is explained in detail (pages 21-29), and the bond details are set forth beginning on page 31.

The Resolution was prepared by UM's bond counsel (Dorsey & Whitney) and has been reviewed by UM officials and OCHE.