

JOINT POWERS WATER BOARD MINUTES
Special Meeting of
March 16, 2005
6:00 PM JPWT Plant Board Room

6:00 PM **Call to Order** by Jerry Zachman

Board Members Present: Joyce Paullin, Joe Hagerty (6:10 pm), Gerhardt Kottke, Jerry Zachman, John Vetsch

Board Members Absent: none

Staff Present: Chris Catlin, H.R. Green, Kelly Browning, Veolia Water NA, Shelly Keyes, Veolia Water NA

Staff Absent: None

MOTION BY PETERSON, SECOND BY PAULLIN, TO ADOPT THE AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

George Eilertson and Dick Asleson of Northland Securities presented an overview of the 2005 Bond issuance. Eilertson explained two things will be accomplished with the bond package: refinancing the 1999 bond through the City of St Michael and borrowing approximately \$4 million additional money for new projects. The combined total of the bond package will be approximately \$8.5 million. The bond is scheduled for issue upon approval by the Board Members at the regular March meeting. The bond package is currently being reviewed by Moody's to obtain a credit rating and bond insurance based on JPWB current and historical financial data.

Dick Asleson discussed the financial documents provided to Board Members and explained the market has not changed much in the past week so the current data provided would be used for the bond issuance. Asleson reminded Members that when the 1999 bond was issued a reserve account was set up which included covenants that will need to be addressed since the new bond is a crossover financing package. In particular, the paragraph regarding parity bonds, which had maturity dates of January 1st and July 1st, will legally be changed to February 1st and August 1st due to the timing of the new bond issuance. The language discussing the reserve accounts for the 1999 bond will also be addressed by the legal department so that additional reserve amounts will not be required for the refunding portion of the new bond. Each city will have the legal and administrative departments review the documents before the bond issuance. Asleson stressed the changes are necessary to present an accurate picture to the bond rating agency and prospective bond buyers.

MOTION BY PETERSON, SECOND BY PAULLIN TO ADOPT A RESOLUTION AMENDING THE RESOLUTION PROVIDING FOR THE ISSUANCE OF \$5,025,000 WATER REVENUE BONDS, SERIES 1999 (CONSISTING OF A \$3,015,000 WATER REVENUE BOND, SERIES 1999A, A \$1,658,250 WATER REVENUE BOND, SERIES 1999B AND A \$351,750 WATER REVENUE BOND, SERIES 1999C). MOTION CARRIED UNANIMOUSLY.

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Other business involved the discussion of the pre-marketing strategies which Northland Securities uses to generate interest in the sale of the bonds when they become available. Asleson remarked that Board Members may be contacted and that there is no conflict of interest should they choose to purchase the bonds as a personal investment.

MOTION BY PAULLIN, SECOND BY PETERSON TO ADJOURN AT 6:24 PM.
MOTION CARRIED UNANIMOUSLY.

Recording Secretary