

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

August 19, 2014
9:00 a.m. CDT

CALL TO ORDER: The meeting was called to order by Chairman Brad Johnson. A quorum of the board participated.

BOARD MEMBERS PRESENT: Brad Johnson, Gene Jones, Jr., Todd Bernhard, Dr. Paul Gnirk, Paul Goldhammer, Jackie Lanning, and Jerry Soholt.

OTHERS: Jim Feeney, Mike Perkovich, Andy Bruels, Dave Ruhnke, and Jon Peschong, DENR; Senator Jim White, Legislative Oversight Committee; and Bob Mercer.

APPROVE AGENDA: Chairman Johnson approved the agenda, as posted.

SELECTION OF INVESTMENT BANKING FIRM FOR SRF PROGRAM: Mike Perkovich reported that Requests for Proposals were distributed to solicit an underwriter for the 2014 bond issue. Proposals were submitted by nine investment banking firms; three were for co-manager.

The board subcommittee consisting of Chairman Johnson, Gene Jones, and Todd Bernhard assisted staff in reviewing the proposals and selecting an underwriter. DENR staff and the subcommittee held a telephone conference call to review the proposals with the board's financial advisor, Jessica Cameron, PFM, Bruce Bonjour, Perkins Coie, and the Attorney General's Office.

Mr. Perkovich reported that the consensus of the group was to select JP Morgan as the senior managing underwriter and Wells Fargo as the co-manager for this bond issue.

In response to a request by Jackie Lanning, Mr. Perkovich and members of the committee discussed the reasons the committee recommended these two investment banking firms.

Motion by Bernhard, seconded by Jones, to select JP Morgan as senior underwriter and Wells Fargo as co-manager. A roll call vote was taken, and the motion carried unanimously.

CONSULTING CONTRACT WITH PERKINS COIE LLP FOR BOND COUNSEL SERVICES FOR SRF SERIES 2014 BOND ISSUE: Mr. Perkovich reported that Bruce Bonjour with Perkins Coie, LLP in Chicago has served as bond counsel for the South Dakota Conservancy District since 1994. Staff has solicited a proposal from Mr. Bonjour to serve as bond counsel for the upcoming 2014 bond issue, and he has proposed a fee of \$80,000 for those services.

Mr. Bonjour's services as bond counsel will be for all initial services in connection with the 2014 bonds, which will include the preparation of an official statement of the Series 2014 bonds, any initial SEC rule 15c2-12 continuing disclosure undertakings, as well as all advice and opinions on other matters customarily provided by bond counsel related to the proposed Series 2014 bonds.

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Staff has worked with the Office of the Attorney General to prepare the contract for bond counsel services. This contract will be effective through December 31, 2014.

Staff recommended the board approve a resolution authorizing the execution of the bond counsel contract.

Motion by Lanning, seconded by Bernhard, to adopt Resolution #2014-82 authorizing the execution of the contract with Perkins Coie LLP for bond counsel services for the Series 2014 bond issue. A roll call vote was taken, and the motion carried unanimously.

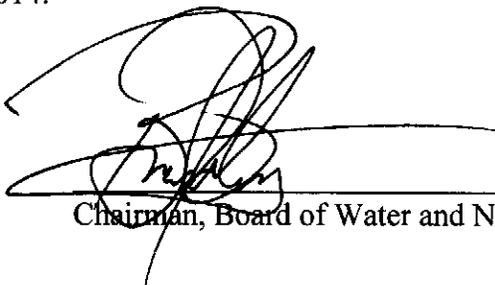
SEPTEMBER 25-26, 2014 BOARD MEETING: Mr. Perkovich stated that the next board meeting is September 25-26 in Watertown. The board will tour several projects in the area on September 25 and hold it's meeting via the Digital Dakota Network on September 26.

Jay Gilbertson, East Dakota Water Development District, is currently finalizing the tour agenda.

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

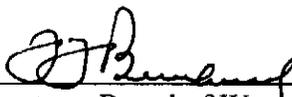
Approved this 26th day of September 2014.

(SEAL)



Chairman, Board of Water and Natural Resources

ATTEST:



Secretary, Board of Water and Natural Resources