

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE OCTOBER 17, 2019 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority (SDHEFA) met on Thursday, October 17, 2019 at 10:00 a.m., via telephone conference call. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Roberta Ambur
 William Lynch
 Don Scott
 Norbert Sebade

Absent: Dave Fleck
 Jim Scull
 Dave Timpe

Other staff and representatives of the Authority and other parties present were:

Vance Goldammer, Redstone Law Firm	Dan Bacastow, Chapman & Cutler
Tony Venhuizen, Redstone Law Firm	Amy Cobb Curran, Chapman & Cutler
Don Templeton, Executive Director and Secretary	Dustin Christopherson, Associate Director
Bill Marlette, Sanford Health	Steve Corbin, Finance Officer
Bart Plank, Cain Brothers	Jim Breckenridge, Avera Health
Taaha Shaikh, Cain Brothers	Mike Olson, Avera Health
	Kendall Kliewer, Avera Health

A quorum was declared by the Chairman and the meeting was called to order. The notice of the meeting dated October 9, 2019 was posted at the entrances of the South Dakota Health and Educational Facility Authority prior to the meeting and is on file at the Authority office as well as posted on the Authority & State Board & Commission website.

Inquiry of the General Public present pursuant to HB 1172

Chairman Sebade asked if any members of the general public wished to speak. No members of the general public were in attendance.

Board Member Conflict of Interest and Inquiry of Conflicts of Interest

Mr. Templeton asked if any Board Members had a Conflict of Interest with any of the current meeting agenda items. Mr. Templeton stated that one written disclosure including request for conflict waiver under State Law, had been received from board members. The conflict for Dave Timpe is listed below.

Approval of the Agenda

Mr. Goldammer stated that the Executive Session was not needed.

Approval of the September 16, 2019 Annual Meeting Minutes

The Chairman asked for consideration of the minutes for the September 16, 2019 annual meeting. Ms. Ambur moved to approve the minutes, seconded by Mr. Scott, and upon the roll call, the ayes were Ambur, Lynch, Scott and Sebade. Nays: none; abstain: none; motion carried.

Supplemental Master Trust Indenture

Mr. Bacastow explained the Resolution regarding: Prairie Lakes Healthcare System, Sanford Health, Avera Health and Regional Health relating to Trustee Services. Mr. Scott moved to approve the Resolution, seconded by Mr. Lynch, and upon the roll call, the ayes were Ambur, Lynch, Scott and Sebade. Nays: none; abstained: none; motion carried.

Mr. Plank, Mr. Shaikh and Mr. Marlette logged onto the call.

Colorado Health Facilities Authority Sanford Health Series 2019A&B & Mortgage Release

Mr. Templeton explained that the South Dakota projects need to be approved by the SDHEFA and the Governor. The SDHEFA Series bonds of \$60,940,000 are being refunded as part of this bond issue.

Mr. Plank explained that the present value savings of the entire bond issue was projected to be some \$35 million.

Mr. Templeton explained a TEFRA hearing was conducted and no one attended or submitted comments.

Mr. Bacastow reviewed the Resolution on file at the Authority Office. Mr. Scott moved to approve the Resolution, seconded by Mr. Lynch, and upon the roll call, the ayes were Ambur, Lynch, Scott and Sebade. Nays: none; abstained: none; motion carried.

Mr. Marlette explained that the release of mortgages would help reduce costs for Sanford Health.

Mr. Templeton explained that no other Authorities as part of the National Association of Health and Educational Facilities Finance Authorities required mortgages.

Mr. Bacastow reviewed the Resolution on file at the Authority Office. Mr. Lynch moved to approve the Resolution, seconded by Ms. Ambur, and upon the roll call, the ayes were Ambur, Lynch, Scott and Sebade. Nays: none; abstained: none; motion carried.

Mr. Plank, Mr. Shaikh and Mr. Marlette logged off the call.

Dave Timpe Conflict for Avera Health

Mr. Timpe, as noted above, submitted written disclosure statements and requests for board waivers for the Avera Health agenda item. After full discussion of the nature of the potential conflict as disclosed by Mr. Timpe, the Board made the findings that the conflict was fair, reasonable and not contrary to the public interest.

A motion was made to accept the waiver for Mr. Timpe as it related to the Avera Health agenda item (**Attachment #1**) by Mr. Scott, seconded by Ms. Ambur, and upon the roll call, the ayes were Ambur, Lynch, Scott and Sebade. Nays: none; abstain: none; motion carried.

Mr. Breckenridge, Mr. Kliewer and Mr. Olson logged on to the call.

Avera Health Series 2019A and 2019B Taxable & Mortgage Release

Avera is refunding the SDHEFA Series 2008C bonds in the amount of \$58,341,000 in addition to some of the City of O'Neil, Nebraska Notes, Pinnacle Bank Notes, Pierre Clinic Notes, and some aircraft loans. The total amount of bonds is not to exceed \$155 million.

Jim Breckenridge stated that the expected savings will be around \$10 million.

The Preliminary Official Statement was reviewed. Mr. Bacastow reviewed the Resolution on file at the Authority Office approving the bond issuance. Ms. Ambur moved to approve the Resolution, seconded by Mr. Lynch, and upon the roll call, the ayes were Ambur, Lynch, Scott and Sebade. Nays: none; abstained: none; motion carried.

Mr. Bacastow reviewed the Mortgage Release Resolution on file at the Authority Office. Mr. Scott moved to approve the Resolution, seconded by Ms. Ambur, and upon the roll call, the ayes were Ambur, Lynch, Scott and Sebade. Nays: none; abstained: none; motion carried.

Mr. Breckenridge, Mr. Kliewer and Mr. Olson logged off the call.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 10:44 a.m., CT.

Please complete this form, sign it and return to us prior to the meeting so we can include your waiver when we discuss it as an agenda item.

REQUEST FOR STATE BOARD WAIVER
THIS IS A PUBLIC DOCUMENT

Date: 10-3-19

Name of Board Member or Former Board Member: Dave Timpe

Name of Board, Authority or Commission:

South Dakota Health and Educational Facilities Authority "SDHEFA"

Brief explanation of your potential conflict of interest:

I am a member of the Avera Health Plans Finance Committee. Avera Health (an affiliate of Avera Health Plans) has a matter described below which will be pending in front of the members of the SDHEFA for which I also serve as a member.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

The SDHEFA will be considering an Avera Health refunding bond issuance for Series 2012A as well as other non-Authority outstanding debt to be refunded.

Brief explanation of the essential terms of the contract or transaction:

Avera is refunding bonds and plans to refund approximately \$71,205,000 of the Authority's Series 2012A as well as various non-Authority bonds.

Brief explanation of why you believe a waiver should be granted:

It is in the best interests of Avera Health and the citizens of the State of South Dakota that the transaction be completed to promote the health and welfare of the citizens of the State of South Dakota. I have opted to abstain from discussion and vote. This proposed business transaction is fair, reasonable, and not contrary to the public interest.

Signature of Person Requesting Waiver: Dave Timpe

STATE OF SOUTH DAKOTA

South Dakota Health and Educational Facilities Authority

STATE BOARD DISCLOSURE LAWS
WAIVER AUTHORIZATION
PURSUANT TO SDCL 3-23-3 (current member)

A written request for waiver of conflict, dated October 3, 2019 was received from Dave Timpe. The request was acted upon by the members of South Dakota Health and Educational Facilities Authority during a meeting held on October 17, 2019.

(check one)

The request for waiver was denied for the following reasons:

The request for waiver was authorized for the following reasons:

Mr. Timpe has disclosed his potential conflict and has abstained from discussion and voting on the South Dakota Health and Educational Facilities Authority (the Authority) agenda item of the Authority's consideration of Avera Health refunding bonds.

The request for waiver was authorized subject to the following conditions:



Signature of Chairperson or Authorized Member

10-17-19

Date

Printed Name: Norbert Sebade

Date mailed to Auditor-General: 10-17-19