

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE FEBRUARY 19, 2019 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority (SDHEFA) met on Tuesday, February 19, 2019 at 2:00 p.m., CT (1 p.m. MT) via telephone conference call. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Roberta Ambur
 Dave Fleck
 William Lynch
 Don Scott
 Norbert Sebade
 Dave Timpe

Absent: Jim Scull

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

Vance Goldammer, Redstone Law Firm	Dustin Christopherson, Associate Director
Matt McCaulley, Redstone Law Firm	Steve Corbin, Finance Officer
Donald Templeton, Executive Director and Secretary	Amy Cobb Curran, Chapman & Cutler
Kendall Kliewer, Avera Health	Mike Olson, Avera Health
Stacey Lenker, Avera Health	Teri Bergeleen, Avera Health

A quorum was declared by the Chairman and the meeting was called to order. The notice of the meeting dated February 5, 2019 was posted at the entrance 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 November 28, 2018 Special Meeting Minutes

The Chairman asked for consideration of the minutes for the November 28, 2018 special meeting. Mr. Lynch moved to approve the minutes, seconded by Mr. Timpe, and upon the roll call, the ayes were Ambur, Fleck, Lynch, Scott, Sebade and Timpe. Nays: none; abstained: none; motion carried.

Board of Technical Education Transfer Item

Mr. Templeton and Mr. McCaulley explained the past action by the South Dakota Health and Educational Facilities Authority (SDHEFA) and the recent action by the Board of Technical Education (BOTE) to approve the \$1,913,403 transfer to the BOTE to be used for the Lake Area Technical Institute (LATI) Healthcare Center for Learning in compliance with the purposes of the Authority under SDCL 1-16A-1.

Mr. Lynch moved to approve the Resolution to transfer \$1,913,403 to the BOTE to be used for the LATI project pursuant to the BOTE Resolution, seconded by Mr. Fleck, and upon the roll call, the ayes were Ambur, Fleck, Lynch, Scott, Sebade and Timpe. Nays: none; abstained: none; motion carried.

Mr. Templeton reviewed the year-to-date financials of the Authority as well as the projected June 30, 2019 balances.

Mr. Timpe and Mr. McCaulley left the call.

Mr. Timpe's Conflict of Interest for Avera

Mr. Dave 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 conflicts 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 Mr. Lynch, and upon the roll call, the ayes were Ambur, Fleck, Lynch, Scott, and Sebade. Nays: none; abstain: none. Motion carried.

Avera Health Fifth Supplemental Master Trust Indenture

Avera Health representatives, Kendall Kliewer, Mike Olson, Stacey Lenker and Teri Bergeleen explained the new Accountable Care Act and the desire to enter into a Letter of Credit.

Mr. Templeton reviewed the Avera Health audited June 30, 2018 financials as well as the December 31, 2018 year-to-date financials.

Ms. Cobb Curran explained the Fifth Supplemental Master Trust Indenture and the approving Resolution on file at the Authority Office.

Mr. Lynch moved to approve the Resolution, seconded by Mr. Fleck, and upon the roll call, the ayes were Ambur, Fleck, Lynch, Scott and Sebade. Nays: none; abstained: none; motion carried.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 2:41 p.m., CT (1:41 p.m. MT).

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: 2/4/2019

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 Board and Finance Committee, and Avera Health (an affiliate of Avera Health Plans Board and Finance Committee) 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:

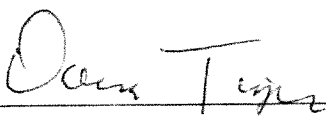
The SDHEFA will be considering an Avera Health Fifth Supplemental Master Trust Indenture.

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

The Avera Health Fifth Supplemental Master Trust Indenture will provide for the issuance of an obligation of the Avera Health Obligated Group securing amounts due under a Guarantee of a Reimbursement Agreement related to a letter of credit benefitting an affiliate of Avera Health issued by U.S. Bank National Association.

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 assure the ability to issue the letter of credit in conjunction with federal Medicare requirements which will allow advantageous participation in the Medicare program by Avera Health and its affiliates as well as continued favorable borrowing rates for, and in turn lower costs to, Avera Health, which promotes the purposes of the SDHEFA. 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: 

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 February 4, 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
February 19, 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 an Avera Health Fifth Supplemental Master Trust Indenture.

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

William F. Lynch

Signature of Chairperson or Authorized Member

2/21/19

Date

Printed Name: William F. Lynch

Date mailed to Auditor-General: _____