

**SPECIAL MEETING OF THE
MONTANA BOARD OF INVESTMENTS
DEPARTMENT OF COMMERCE**

Special Meeting of the Board

via Conference Call

2401 Colonial Drive

**3rd Floor, Large Conference Room
Helena, Montana**

Friday, August 15, 2003

AGENDA

- | | | |
|------|---|------------|
| I. | CALL TO ORDER | 10:00 a.m. |
| II. | MONTANA LOAN PROGRAM | |
| | A. Infrastructure Loan Request - Butte-Silver Bow | |
| III. | ADJOURNMENT | 10:30 a.m. |

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**MONTANA BOARD OF INVESTMENTS
DEPARTMENT OF COMMERCE**

**2401 Colonial Drive, 3rd Floor
Helena, Montana**

**Special Meeting of the Board
Via Conference Call
August 15, 2003**

MINUTES

BOARD MEMBERS PRESENT:

**Dennis Beams
Karen Fagg
Jay Klawon
Joel Long
Tim Ryan
Calvin Wilson**

BOARD MEMBERS ABSENT:

**Dick Anderson, Chairman
Maureen Fleming
Terry Moore**

STAFF PRESENT:
Geri Burton, Deputy Director
Sandra L. Conrady, CMB, ARU, Portfolio Manager
Kimberly Dallas, Program Assistant
Herbert Kulow, Senior Portfolio Manager
James R. Penner, CFA, Chief Investment Officer
Delrene Rasmussen, Assistant Investment Officer
Carroll V. South, Executive Director

CALL TO ORDER

Vice Chairman Ryan called the Special Conference Call Meeting of the Board of Investments (Board) to order at 10:10 a.m. in the large conference room at 2401 Colonial Drive, 3rd Floor, Helena, Montana. As noted above, the meeting convened with six members of the Board present. Member Anderson, Member Fleming and Member Moore were not present at the time of roll call.

LOAN PROGRAMS

Consideration of Infrastructure Loan Request - Butte-Silver Bow

Mr. Herb Kulow presented staff's recommendation to participate in the following loan request:

Borrower: Butte-Silver Bow

Lender: Board of Investments

Purpose of Loan: The loan proceeds will be used to remove 30 existing PCB filled transformers and replace them with 30 new liquid filled (PCB free) transformers and install approximately 3,000 feet of overhead power lines within the mine.

Amount of Loan: \$2,000,000

Board Participation: 100%

Term of Loan: 3 Years

Interest Rate: 6.50% less job credits

Member Fleming joined the conference call Board meeting at the start of Mr. Kulow's presentation.

The Board requested that the Terms and Conditions in Schedule A for this loan include "certification from Butte-Silver Bow and Montana Resources that no less than \$13 million of unencumbered cash equity will be injected in to Montana Resources."

Member Beams moved for approval of this loan request, subject to the terms and conditions in Schedule A; Member Fagg seconded the motion and the motion was passed 7-0.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:25 a.m.

BOARD OF INVESTMENTS

APPROVE:

Tim Ryan, Vice Chairman

ATTEST:

Carroll South, Executive Director

DATE: