

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 70.120

EFFECTIVE DATE: May 22, 2024

TITLE: State Agency INTERCAP Loans
Staff Approval Limit

SUPERSEDES: NEW

BOARD ADOPTION: May 22, 2024

REVIEWED: May 22, 2024

I. State Agency INTERCAP Loans – Staff Approval Limit

A. Purpose

1. The purpose of this policy is to improve Board efficiency in the approval process of certain state agency INTERCAP loans due to the repetitive nature of the loans.

B. Procedures

1. Board staff may approve the state agency INTERCAP loans within the limits hereinafter prescribed without requiring further approval by the Board.
2. Loan requests approved by Board staff under this authorization are to be reported to the Board on a quarterly basis.

C. Loans Authorized

1. Department of Natural Resources and Conservation (DNRC)
 - a) Section 17-5-805, Montana Code Annotated (MCA). Interim financing in anticipation of issuing general obligation bonds or in receipt of other revenue including, but not limited to, loan repayments.
 - b) Sections 17-5-803 and 75-6-227, MCA. General obligation bond issuance within the statutory limit for the Drinking Water State Revolving Fund (DWSRF). The DWSRF is a loan program the DNRC co-administers with the Department of Environmental Quality used to finance community water systems projects.
 - c) Sections 17-5-803 and 75-5-1122, MCA. General obligation bond issuance within the statutory limit for the Water Pollution Control State Revolving Fund (WPCSRF). The WPCSRF is a loan program the DNRC co-administers with the Department of Environmental Quality used to finance community water pollution control systems projects.
 - d) Section 85-1-624, MCA. General obligation bond issuance within the statutory limit for the Renewable Resource Grant and Loan (RRGL) Program. The RRGL Program is a grant and loan program used to finance community water, sewer, and irrigation projects.
 - e) The aggregate outstanding principal amount of all INTERCAP loans (Loan) made by the Board to the DNRC, when added to the maximum principal amount of such proposed Loan, may not exceed \$15 million without Board approval.
2. Montana Department of Transportation (MDT)
 - a) Section 17-5-2001, MCA. Internal service fund loans used to finance replacement vehicles/equipment primarily for the state motor pool fleet.

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- b) The aggregate outstanding principal amount of all Loans made by the Board to the MDT under Section 17-5-2001, MCA, when added to the maximum principal amount of such proposed Loan, may not exceed \$15 million without Board approval.
 - c) This authorization supersedes the \$10.5 million limitation on the amount of MDT INTERCAP loans under Section 17-5-2001, MCA, outstanding at any one time that the Board authorized in January 2001.
3. To make the foregoing calculations, a Loan to the DNRC or MDT is deemed to be outstanding in the maximum principal amount of the committed amount of the Loan less prepayments or amounts paid on the Loan to date, even if only a portion or none of such committed amount is advanced as of the date of calculation.
4. The unadvanced commitment of a Loan will be disregarded for the purpose of determining the outstanding principal amount if at the time of making the calculation:
- a) The Board has received written notice from the borrowing agency that no further advances on the Loan are contemplated and the Board is directed by the borrowing agency to release the unadvanced principal from the loan commitment; or
 - b) The loan commitment has expired by its terms.
- D. In the event of a conflict between the delegated authority in BOI Policy 10.163 Loan Committee Charter and this BOI Policy 70.120, the authorization provided in this BOI Policy 70.120 shall take precedence.

Authority: Montana Code Annotated, Art. VIII, Section 13
Section 2-15-1808, MCA
Title 17, chapter 5, part 16, MCA
Sections 17-5-803, 17-5-805, 75-6-227, 75-5-1122, 85-1-624, and 17-5-2001, MCA
Section 17-6-201, MCA
ARM 8.97.715 through 8.97.724