

**November 7, 2016**

**MEMORANDUM TO THE FINANCE COMMITTEE**

**FROM BRIAN MCELROY, TREASURER**

**SUBJECT: ELEVENTH SUPPLEMENTAL RESOLUTION AUTHORIZING 2016 REVENUE BONDS**

Below is a summary of the actions to be put before the Board of Trustees at the November 7, 2016 meeting in connection with the issuance of the Series 2016 Revenue Bonds (“Series 2016 Bonds”). The Committee is requested to recommend adoption by the Board of Trustees of the related resolutions.

**A. SERIES 2016 REVENUE BONDS**

The Staff of the Authority proposes the issuance of the Series 2016 Bonds, in multiple series in an aggregate principal amount not to exceed \$475,000,000, for the purpose of (i) refunding up to \$82,025,000 of the Authority’s Series 2007 A Revenue Bonds; (ii) refunding up to \$176,295,000 of the Authority’s Series 2007 C Revenue Bonds; (iii) finance certain costs associated with the life extension and modernization project relating to the Authority’s power transmission system; (iv) finance certain costs associated with the life extension and modernization project relating to the Authority’s Lewiston Pump Generating Plant; and (v) pay the costs of issuance of the Series 2016 Bonds.

The Series 2016 Bonds would be issued as senior lien revenue bonds under the Authority’s General Resolution Authorizing Revenue Obligations, adopted February 24, 1998, as amended and supplemented. The Authority proposes to issue the Series 2016 Bonds simultaneously or at different times and as taxable, tax-exempt, fixed rate or variable rate bonds or a combination thereof. Alternatively, costs necessary to refund the Series 2007 C Bonds may be obtained pursuant to a loan or other financing agreement with one of the underwriters.

**B. THE RESOLUTIONS**

A summary of the principal terms of the resolutions to be put before the Board of Trustees for consideration is set forth below:

**1) Eleventh Supplemental Resolution**

Adoption of the Eleventh Supplemental Resolution Authorizing Series 2016 Revenue Bonds (“Eleventh Supplemental Resolution”), which authorizes the issuance of the Series 2016 Bonds, in an aggregate principal amount not to exceed \$475,000,000, to refund the Authority’s Series 2007 A and Series 2007 C Revenue Bonds, finance certain costs associated with the Authority’s life extension and modernization

programs, and pay the costs of issuance of the Series 2016 Bonds.

## **2) 2016 Bonds**

- a) The sale of the Series 2016 Bonds to one or more underwriters as may be selected by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer from the prequalified underwriting pool approved by the Trustees at their July 29, 2014 Board meeting, at such prices as any such officer may accept and as will be in compliance with the requirements of the Eleventh Supplemental Resolution is authorized.
- b) The Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer and other specified officers to execute a Contract of Purchase, Forward Purchase or Delivery Agreement, providing for the sale of the Series 2016 Bonds to such underwriters, a Continuing Disclosure Agreement with The Bank of New York Mellon relating to the Series 2016 Bonds and miscellaneous other documents and instruments is authorized. The execution and delivery by the above-mentioned officers of a loan agreement and miscellaneous other documents and instruments and instruments with respect to the refunding of the Authority's Series 2007 C Bonds in lieu of the sale of the Series 2016 Bonds to the underwriters for resale to investors for such purpose is authorized.
- c) The Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer and other specified officers are authorized to approve the issuance of the Preliminary Official Statement and final Official Statement relating to the Series 2016 Bonds.

## **3) Registrar and Paying Agent**

The Bank of New York Mellon is appointed as Registrar and Paying Agent for the Series 2016 Bonds.

### **RECOMMENDATION:**

For the reasons stated, I recommend approval of the above requested action by adoption of a resolution in the form of the attached draft resolution.

## **RESOLUTION**

RESOLVED, that the Finance Committee recommends that the Board of Trustees approve the 2016 plan of finance and its related resolutions, as discussed in the attached memorandum of the Treasurer, at the Board's November 7, 2016 meeting.