

ITEM 151-1001-C0611

Reimbursement Resolution for Qualified Energy Conservation Bond (QECB); The University of Montana - Missoula

THAT

Section 54D of the Internal Revenue Code of 1986, as amended, provides that Qualified Energy Conservation Bonds (QECB) may be issued for certain energy conservation projects and green community programs. The Board of Regents of the Montana University System adopts the Reimbursement Resolution allowing for reimbursement for certain expenditures with proceeds from qualified energy conservation bonds.

EXPLANATION

In 2009, the State of Montana received an allocation from the federal government for the use of qualified energy conservation bonds. In May 2011, the University of Montana was awarded \$8,333,503 of the State's total allocation to be used for the construction of a biomass gasification steam plant (the "Biomass Project"). A percentage of the interest payments on these bonds, approximately 70%, will be reimbursed to the University by the federal government. Federal regulations surrounding energy conservation bonds also permit The University of Montana - Missoula to reimburse itself with proceeds of qualified energy conservation bonds for costs related to the Biomass Project paid on or after April 8, 2011, but before the bonds are issued if a reimbursement resolution is adopted. The attached resolution is in accordance with requirements set forth in the United States Treasury Department regulations (Treas. Reg. Sec. 1.150-2) to permit this reimbursement. However, this resolution does not authorize the issuance of bonds for the Biomass Project nor require the Board of Regents to issue bonds for the Biomass Project.

ATTACHMENTS

Reimbursement Resolution