

OLYMPIA, WASHINGTON

June 5, 2007

The State Finance Committee met in a special meeting after notice duly given to the press and radio of Thurston County.

Present: Michael J. Murphy, State Treasurer
Brad Owen, Lieutenant Governor

Also Present: Allan J. Martin, Office of the State Treasurer
Sue Melvin, Office of the State Treasurer
Susan Penley, Office of the State Treasurer
Pam Johnson, Office of the State Treasurer
Tom Saelid, Office of Financial Management
Jeff Caldwell, Department of Transportation
Heather Jones, Department of Transportation
Nancy Notter, Office of the State Treasurer
Wendy Kancianich, Office of the State Treasurer
William Tonkin, Foster Pepper PLLC
Amy Arnis, Department of Transportation
Dean Torkelson, Seattle-Northwest Securities
Nancy Adams, Office of the State Treasurer
Noah Crocker, Office of the State Treasurer
Svein Braseth, Office of the State Treasurer
Andrew Scott, Attorney General's Office
Shelly McGuire, Office of the State Treasurer

Chairman Murphy called the meeting to order.

Lieutenant Governor Owen moved the minutes for the May 15, 2007 State Finance Committee meeting be approved. Chairman Murphy seconded the motion. The motion passed and the minutes were adopted.

Mr. Martin said proposed Resolution No. 1055 provides for the issuance and sale of not to exceed \$512,905,000 State of Washington Various Purpose General Obligation Bonds, Series 2008A, authorized by Chapter 3, Laws of 2003, 1st Sp. Sess.; Chapter 18, Laws of 2003, 1st Sp. Sess.; Chapter 487, Laws of 2005; Chapter 167, Laws of 2006; Chapter 521, Laws of 2007; and Chapter 39.42 RCW for the purpose of providing funds to pay and reimburse the state for various state capital project expenditures; fixing the date, form, terms, maturities, redemption provisions and covenants of the Bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said Bonds.

Mr. Martin said that the Series 2008A Bonds will be used to fund cash flow requirements for construction of state capital projects, state buildings and facilities for institutions of higher education, correctional facilities, the Columbia river basin water supply development program, the Hood Canal aquatic rehabilitation program, and rehabilitation of Puget Sound. Bond proceeds from this proposed issue are to be deposited or transferred to the following funds: State Building Construction Account (fund 057), Outdoor Recreation Account (fund 070), Farmlands Preservation Account (fund 09C), Riparian Protection Account (fund 09G), Columbia River Basin Water Supply Account (10P), Hood Canal Aquatic Rehabilitation Bond Account (fund 10T), Habitat Conservation Account (fund 244), and Gardner-Evans Higher Education Construction Account (fund 357).

Mr. Martin presented proposed Resolution 1055 to the committee.

Resolution 1055 authorizes the issuance and sale of not to exceed \$512,905,000 State of Washington Various Purpose General Obligation Bonds, Series 2008A, authorized by Chapter 3, Laws of 2003, 1st Sp. Sess.; Chapter 18, Laws of 2003, 1st Sp. Sess.; Ch. 487, Laws of 2005; Chapter 167, Laws of 2006; Chapter 521, Laws of 2007; and Chapter 39.42 RCW.

Lieutenant Governor Owen moved to adopt Resolution 1055. Chairman Murphy seconded the motion and the resolution was adopted.

Mr. Martin said proposed Resolution No. 1056 provides for the issuance of Motor Vehicle Fuel Tax General Obligation Bonds, Series 2008B, of the state, in the principal amount of not to exceed \$387,000,000, authorized by Chapter 431, Laws of 1993 (RCW 47.10.812), Chapter 321, Laws of 1998 (Referendum 49) (RCW 47.10.843); Chapter 147, Laws of 2003 (RCW 47.10.861); Chapter 315, Laws of 2005 (RCW 47.10.873); and Chapter 39.42 RCW for the purpose of providing funds to pay and reimburse state expenditures for construction and improvement of state and local highways, construction of selected transportation 2003 projects or improvements, and selected 2005 transportation partnership projects or improvements, fixing the date, form, terms, maturities, redemption provisions and covenants of the Bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said Bonds.

Mr. Martin called the committee's attention to a letter from Secretary Doug MacDonald of the Department of Transportation that sets forth the request for funds. In addition to Tacoma Narrows Bridge expenditures, the funds will be used for state highway and ferry projects during the 2007-09 biennium.

In commemoration of the last bridge bonds, Treasurer Murphy presented Amy Arnis and Jeff Caldwell with signed, framed photos of the Tacoma Narrows Bridge and a paperweight containing the new Washington State Quarter.

Treasurer Murphy then commented that he had a discussion with Speaker Frank Chopp about the Tacoma Narrows Bridge party and indicated that he and Speaker Chopp will be arriving in an old Cadillac on loan from Jamie Will of Titus-Will.

Mr. Martin presented proposed Resolution 1056 to the committee.

Resolution 1056 authorizes the issuance and sale of not to exceed \$387,000,000 State of Washington Motor Vehicle Fuel Tax General Obligation Bonds, Series 2008B, authorized by Chapter 431, Laws of 1993 (RCW 47.10.812); Chapter 321, Laws of 1998 (Referendum 49) (RCW 47.10.843); Chapter 147, Laws of 2003 (RCW 47.10.861); Chapter 315, Laws of 2005 (RCW 47.10.873); and Ch. 39.42 RCW.

Lieutenant Governor Owen moved to adopt Resolution 1056. Chairman Murphy seconded the motion and the resolution was adopted.

Mr. Martin said proposed Resolution No. 1057 provides for the issuance and sale of not to exceed \$70,000,000, State of Washington General Obligation Bonds, Series 2008T (Taxable), authorized by Chapter 487, Laws of 2005; Chapter 521, Laws of 2007; and Chapter 39.42 RCW, for the purpose of providing funds to pay the state for housing assistance, weatherization and affordable

housing project expenditures; fixing the date, form, terms, maturities, redemption provisions and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds.

Mr. Martin said that the Series 2008T Bonds will be used to fund cash flow requirements for housing assistance, weatherization and affordable housing project expenditures:

The Housing Trust Fund (“HTF”) – \$70,000,000. HTF with the Washington State Office of Community Development helps provide safe and affordable housing in communities throughout the state. HTF supports the construction or rehabilitation of more than 3,000 housing units each biennium.

The trust fund provides low-interest loans and grants from bond proceeds to private non-profit entities, which may include charitable 501(c) (3) or other nongovernmental organizations. These bonds finance a part of an appropriation from the State Taxable Building Construction Account for this purpose.

Mr. Martin presented proposed Resolution 1057 to the committee.

Resolution 1057 authorizes the issuance and sale of not to exceed \$70,000,000 State of Washington General Obligation Bonds, Series 2008T (Taxable), authorized by Chapter 487, Laws of 2005; Chapter 521, Laws of 2007; and Chapter 39.42 RCW.

Lieutenant Governor Owen moved to adopt Resolution 1057. Chairman Murphy seconded the motion and the resolution was adopted.

There being nothing further to come before the committee, the State Finance Committee meeting was adjourned at 10:16 a.m.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

Michael J. Murphy, State Treasurer & Chairman

Christine O. Gregoire, Governor & Member

Brad Owen, Lieutenant Governor & Member

Allan J. Martin
Deputy State Treasurer & Secretary