

**310th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**Hawthorn Bank, Hawthorn Room
3600 Amazonas Drive
Jefferson City, Missouri**

**January 22, 2014
10:00 a.m.**

Amended Agenda

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 309th Meeting of the Authority Held October 24, 2013, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Review of 2013A SRF Refunding
 - B. Consideration and Approval of a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Consent to the City of Springfield, Missouri's Issuance of its Series 2014 Bonds
 - C. Other
4. Energy Efficiency Leveraged Loan Program
 - A. Consideration and Approval of a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Redeem All of the Energy Efficiency Master Trust Revenue Bonds Series 2004 Maturing in the Years 2015 and Thereafter; and Approving Certain Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Redemption of Said Bonds
 - B. Other
5. Missouri Market Development Program
 - A. Program Update
 - B. Consideration and Approval of the Funding Recommendation for the Bluebird Composting, LLC, Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Authorization for the Director or her Designee to Negotiate and Enter Into an Agreement on Behalf of the Authority with Bridging the Gap and Take Other Actions Necessary to Re-establish the Midwest Materials Exchange
 - D. Other
6. Brownfields Revolving Loan Fund
 - A. Program Update

- B. Consideration and Approval of the Funding Recommendation for the Habitat for Humanity of Springfield, Missouri, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Update on the Remains, Inc., Project
 - D. Other
- 7. FY14 Budget Revisions
 - 8. Presentation of Fiscal Year 2013 Authority Audit
 - 9. Clean Water Fee Study
 - A. Authorization for the Director or her Designee to Negotiate and Enter Into an Agreement on Behalf of the Authority with the School of Government at the University of North Carolina at Chapel Hill for a Clean Water Fee Study
 - B. Other
 - 10. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. 2014 Meeting Dates
 - C. Other
 - 11. Closed Meeting Pursuant to Section 610.021(1), (3) and (11) RSMo. (as needed)
 - 12. Adjournment of Closed Meeting and Return to Open Meeting
 - 13. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Marcus Rowe, Administration and Project Mgr.
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

Beverly A. Marcin
David Brown
Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #3A
STATE REVOLVING FUND 2013A REFUNDING

Issue:

The 2013A State Revolving Fund Bond refinancing closed on November 26, 2013. A summary will be provided by staff and the senior managing underwriter.

Action Needed:

For informational purposes only.

Staff Recommendation:

None.

Staff Contact:

Joe Boland

Background:

On November 26, 2013, the Authority closed on \$101,535,000 of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Fund Programs). At the October 24, 2013, Board meeting you approved the issuance resolution for this transaction. At that time, the estimated par amount to be refunded was \$107,000,000 for a present value savings of \$6.8 million. However, movements in the markets worked in our favor. The final par amount was \$101,535,000 with a present value savings of \$7.5 million.

JB:ge

Attachment

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #3B
STATE REVOLVING FUND
CONSENT TO CITY OF SPRINGFIELD TO ISSUE ADDITIONAL BONDS

Issue:

The City of Springfield is requesting consent from the Authority to issue up to \$45,000,000 in additional special obligation bonds in 2014.

Action Needed:

Consideration and approval of the attached resolution providing consent from the Authority allowing the City of Springfield to issue not to exceed \$45,000,000 in principal amount of Special Obligation Bonds.

Staff Recommendation:

Staff recommends approving the resolution contingent upon a determination by Authority staff, DNR and Lamont Financial that adequate revenues are available to pay for these bonds in addition to the existing Authority State Revolving Fund (SRF) bonds.

Staff Contact:

Joe Boland

Background:

The City of Springfield has participated in multiple SRF leveraged and direct loan financings. In each of those transactions the city has issued Special Obligation Bonds annual appropriation debt (rather than revenue or general obligation bonds), as authorized in the Authority's Annual Appropriation Backed Debt Policy. Language in the loan documents as well as the City's ordinances prohibits the City from issuing any additional Special Obligation Bonds without the prior written consent of the Authority and the Department of Natural Resources.

The City is preparing to issue approximately \$45,000,000 of additional Special Obligation Bonds in March, 2014, to further the upgrade of their wastewater system. The City has approached both the Authority and DNR to request consent from both agencies as required. This is a non-SRF financing. At the time this briefing was drafted, Authority staff and counsel, DNR, Lamont Financial and bond counsel are reviewing draft documents as well as the City's financials to determine there are adequate cash flows to provide coverage of the existing loans. We expect to present a final resolution for your consideration and approval at the January 22 meeting.

JB:ge

Attachment

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL
IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO CONSENT
TO THE CITY OF SPRINGFIELD, MISSOURI'S ISSUANCE OF ITS SERIES
2014 BONDS

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998 and July 31, 2009 (the "Program Resolutions"), the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program") and has stated its intent to issue its bonds to finance projects pursuant to the Clean Water SRF Program and the Drinking Water SRF Program, said bonds to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, the City of Springfield, Missouri (the "City") has participated in the Clean Water SRF Program, and has issued its Special Obligation Bonds (State Revolving Fund Programs) Series 2002A, Special Obligation Bonds (State Revolving Fund Programs) Series 2005A, Special Obligation Bonds (State Revolving Fund Programs) Series 2007A and Special Obligation Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2010 (the "Prior Bonds") in connection therewith; and

WHEREAS, the City desires to issue not to exceed \$45,000,000 of its Special Obligation Bonds (Sewer System Improvements Project), Series 2014 (the "Series 2014 Bonds"); and

WHEREAS, each City ordinance authorizing each series of Prior Bonds prohibits the City from issuing the Series 2014 Bonds without the prior written consent of the Authority and the Missouri Department of Natural Resources ("DNR"); and

WHEREAS, the Authority has determined to consent to the City's issuance of the 2014 Bonds subject to the City obtaining the requisite consent of DNR and any other applicable entities.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Consent. The Authority hereby consents to the City's issuance of its Series 2014 Bonds subject to the City obtaining the requisite consent of DNR and any other applicable entities.

Section 2. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 22nd day of January, 2014.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #4A
Redemption of EIERA Energy Efficiency Leveraged Loan Program Bonds, Series 2004

Issue:

The Division of Energy could realize significant savings by calling certain Energy Efficiency Leveraged Loan Program (EELLP) Bonds issued by the Authority. Energy has funds available to do so and wishes to move forward with the redemption.

Action Needed:

Consideration and approval of a resolution authorizing the redemption of the Series 2004 Bonds and other actions necessary in connection with the redemption.

Staff Recommendation:

Staff recommends that the attached Resolution be approved allowing the bonds to be redeemed.

Staff Contact:

Karen Massey

Background:

Since 1989, the Division of Energy, previously a division of the Department of Natural Resources recently moved to the Department of Economic Development, has administered a revolving loan fund for energy efficiency measures in Missouri school and local government facilities. In 2001, the Authority was asked to develop a leveraged program that would increase the amount of funds available to loan through the program for a period of time. Three series of bonds were issued between 2002 and 2006 providing almost \$33.5 Million in construction funds for energy efficiency projects. By 2006, the program was almost fully leveraged and had limited capacity to support additional bond transactions. Additionally, the Division found administering a bond funded program to be more resource intensive than anticipated and not well suited for their needs. As a result, the bond funded program was discontinued.

The outstanding Series 2004 EELLP bonds will be callable on March 15, 2014. The EIERA originally issued \$13.76 Million EELLP bonds in 2004, of which \$2.795 Million will be outstanding and callable on March 15 (\$610,000 of Series 2004 Bonds will also mature on March 15, 2014 as scheduled). By redeeming these bonds, the Division of Energy will save approximately \$184,000 in interest over the next five years, a present value savings of more than 4.5%. Energy has the funds on hand to redeem the bonds and wants to pursue this savings opportunity.

Staff and Authority Counsel have been working with the Bond Trustee (Bank of New York Mellon Trust Company), the original Program Bond Counsel (Hardwick Law Firm) and our Financial Advisor (Lamont Financial Services) to analyze this opportunity and put together the necessary documents. Attached you will find the Resolution authorizing the Trustee to give notice of the redemption to bondholders and other interested parties, that funds provided by the Division of Energy be used to redeem the bonds and that other actions be carried out in accordance with the terms of the Bond Indenture. Should you approve this Resolution, applicable notices will be issued on or before February 13, 2014.

Staff, General Counsel and Bond Counsel will be available at the meeting to answer your questions.

Thank you.

KM:ge

Attachment

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO REDEEM ALL OF THE ENERGY EFFICIENCY MASTER TRUST REVENUE BONDS SERIES 2004 MATURING IN THE YEARS 2015 AND THEREAFTER; AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE REDEMPTION OF SAID BONDS.

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority"), is authorized and empowered pursuant to the provisions of Section 260.005 to 260.125, inclusive, Revised Statutes of Missouri, as amended and Appendix B(1) thereto (the "Act"), to finance, acquire, construct and equip certain projects (as defined in the Act) for the purpose of preventing or reducing pollution and disposal of solid waste or sewage and to provide for the furnishing of water facilities and resource recovery facilities and to provide for the development of energy resources of the State, to provide for energy conservation and to provide for energy efficiency projects and increased energy efficiency in the State, and to further such programs the Authority is authorized to acquire and construct, and finance projects and to issue bonds and notes and make loans to pay the cost thereof; and

WHEREAS, the Authority, in cooperation with the Missouri Division of Energy (the "Division of Energy") (formerly a division of the Missouri Department of Natural Resources ("DNR") and currently a division of the Missouri Department of Economic Development), developed a Missouri Energy Efficiency Leveraged Loan Program (the "Energy Leveraged Loan Program") to provide funds to city and county governments, public school districts and other eligible entities to be applied toward energy efficient capital improvements in facilities or buildings owned and operated by such entities; and

WHEREAS, in furtherance of the objectives of the Energy Leveraged Loan Program, the Authority issued its Energy Efficiency Master Trust Revenue Bonds, Series 2004, in the original principal amount of \$13,760,000 (the "Bonds") pursuant to the Bond Indenture dated as of October 1, 2004 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., successor to BNY Trust Company of Missouri, as Bond Trustee (the "Trustee") (i) finance or refinance loans made by DNR from amounts in the Energy Set-Aside Fund, the proceeds of which were used by eligible public school districts and local governmental entities, to finance the costs of construction of the design, acquisition, installation and implementation of energy conservation projects, authorized under Sections 640.651 to 640.686 of the Revised Statutes of Missouri, as amended, and (ii) pay the costs associated with the issuance of the Bonds; and

WHEREAS, at the request of the Division of Energy pursuant to a letter dated January __, 2014 received by the Authority from the Division of Energy (the "Direction Letter"), the

Authority now desires to defease and exercise its option to redeem all of the Bonds maturing in the years 2015 and thereafter using funds to be provided by the Division of Energy; and

WHEREAS, the Authority finds and determines that it is necessary and desirable in connection with the redemption of the Bonds that the Authority enter into certain documents and approve certain other documents and take certain other actions in connection with the redemption of the Bonds as herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Findings and Determinations. The Authority hereby finds and determines that the redemption of all of the outstanding Bonds maturing in the years 2015 and thereafter (the "Redeemed Bonds") is in the public interest and within the power and authority vested in the Authority under the Act and the Indenture.

Section 2. Authorization of Redemption of the Redeemed Bonds. In accordance with the terms of the Direction Letter, the Authority hereby authorizes the redemption of the Redeemed Bonds upon receipt of funds for such purpose from the Division of Energy, and further authorizes the Redeemed Bonds to be paid and discharged in accordance with the terms of the Indenture.

Section 3. Authorization of Documents. In connection with the redemption of the Redeemed Bonds, the Chairman, Vice Chairman or Director of the Authority is hereby authorized and directed to execute letters of instruction, certificates or other documents (i) requesting and authorizing the Trustee to provide notices with respect to the redemption of the Redeemed Bonds to the rating agencies currently providing ratings on the Bonds, to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System, and to the holder of record of the Redeemed Bonds, (ii) directing the Trustee as to the deposit of funds to be provided by the Division of Energy for the redemption of the Redeemed Bonds, (iii) directing the Trustee as to the application of the funds to be provided by the Division of Energy for the redemption of the Redeemed Bonds, (iv) effectuating the timely termination of investment instruments held by the Trustee, and (v) providing for the discharge or termination of the Indenture and certain other documents entered into in connection with the issuance of the Bonds. The Secretary or Assistant Secretary is hereby authorized and directed to attest to such documents, certificates and instruments, as may be necessary to carry out and comply with the intent of this Resolution.

Section 4. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Authority with respect to the redemption of the Redeemed Bonds pursuant to the terms of the Indenture. All of the acts of the members, officers, agents, directors and employees of the Authority which are in conformity with the intent and purposes of

this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 5. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 22nd day of January, 2014.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #5A
MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE

Issue:

Update on the Missouri Market Development Program

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

Some amount of staff time has been spent this past summer and fall working with EIERA attorneys to update the program's applicant documentation process, the financial assistance application itself, and to review all project document status. These efforts have not only improved our file content, but will enhance the legality of our program documents and security interest in the equipment we help to purchase.

The 2013 partnership with Bridging the Gap and RecycleMatch to offer a free access statewide materials exchange in Missouri has been a success on many levels. Clearly we are driving traffic to the site, with more than 21,000 clicks on material listings. The Midwest Materials Exchange has also facilitated a 209% increase in the Kansas City ByProduct Synergy initiative, with approximately 80 companies attending quarterly meetings where additional matches are made. However, the cost of licensing the custom website from RecycleMatch has increased and we believe the value of the materials currently listed on the exchange is not always a good match for potential users. I am working with staff at Bridging the Gap and a potential new partner on alternative material exchange formats and hope to present a concept to the board at the meeting.

The General Assembly Joint Interim Committee on Solid Waste has conducted two hearings since September. The focus of this committee is on the management of the state's solid waste management districts, but Ms. Massey has been asked to testify at both of the hearings.

KT:ge

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #5B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR BLUEBIRD COMPOSTING, LLC

Issue:

Bluebird Composting, LLC, located in Fulton, requested \$87,375 toward the purchase of equipment costing \$116,000 that would enable the company to expand its collection and processing of food waste and other organic materials.

Action Needed:

Consideration of the funding recommendations for the Bluebird Composting, LLC project and authorization of the director or her designee to enter into an agreement on behalf of the Authority.

Staff Recommendation:

Staff recommends awarding Bluebird Composting, LLC \$75,000, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Bluebird Composting, LLC, located in Fulton, requested \$87,375 toward the purchase of equipment costing \$116,000 that would enable the company to expand its collection and processing of food waste and other organic materials. Bluebird Composting was established in 2012 and with two employees is currently composting approximately one ton of food waste daily on a twenty-five acre site just outside of Fulton. The company founder is a life-long farmer with both academic and practical knowledge of composting and sustainable agriculture. Bluebird Composting is working with the Fulton State Hospital, Westminster and William Woods colleges and a Columbia elementary school, collecting materials from these sites on a daily basis. Bluebird Composting is working to grow its business to include additional schools and facilities within a fifty mile radius of its base. Bluebird Composting sells a premium compost product in both bulk and bags and some additional soil products from its Fulton location and through several area vendors. With this project, Bluebird Composting anticipates recovering 2,400 tons of material each year and creating two to three full time plus one to two part time employee positions.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, unanimously recommends removing a box truck costing \$15,000 from the proposal's equipment list and awarding this project \$75,000, not to exceed 75% of the cost of the equipment. This is the highest amount for which the proposal is eligible.

For Fiscal Year 2014, the Missouri Market Development Program budget includes \$469,042 for direct financial assistance projects. At the time of this meeting, \$92,000 has been awarded to financial assistance projects in the current fiscal year.

KT:ge

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #5C
MISSOURI MARKET DEVELOPMENT PROGRAM
CONSIDERATION OF THE MIDWEST MATERIALS EXCHANGE PROJECT

Issue:

Bridging the Gap is requesting to enter into a partnership agreement with the EIERA to effectuate a proposal by PlanetReuse that will continue the Midwest Materials Exchange, which expired at the end of 2013, and expand its ability to facilitate materials reuse.

Action Needed:

Consideration of the Bridging the Gap proposal and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff recommendation:

Staff recommends that the Board authorize the Director or her designee to enter into the partnership agreement.

Staff Contact:

Kristin Tipton, Development Director

Background:

The 2013 partnership with Bridging the Gap and RecycleMatch to offer a free access statewide materials exchange in Missouri has been a success on many levels. Clearly we are driving traffic to the site, with more than 21,000 clicks on material listings. The Midwest Materials Exchange has also facilitated a 209% increase in the Kansas City ByProduct Synergy initiative, with approximately 80 companies attending quarterly meetings where additional matches are made. However, the cost of licensing the custom website from RecycleMatch has increased and we believe the value of the materials currently listed on the exchange is not always a good match for potential users.

After researching several possible alternatives, staff met with Bridging the Gap and Planet Reuse, LLC to develop a concept by which the Midwest Materials Exchange could be migrated to the PlanetReuse online platform. PlanetReuse is a Kansas City based company that works regionally and nationally to provide materials brokering and consulting services, primarily for construction and demolition materials. The addition of industrial byproducts and recyclable commodities to the range of services on its popular website suggests many opportunities for facilitating the use of these materials.

Among other enhancements to the exchange, the PlanetReuse platform would enable social media integration to include Twitter and Facebook and the ability for Midwest Materials Exchange users to access the site via mobile Apps from iTunes or Google. PlanetReuse is also willing to work with the EIERA and Bridging the Gap to offer "working sessions" similar to those developed by Bridging the Gap for the Kansas City ByProduct Synergy project, or other events, statewide. The EIERA logo would be added as a "partner" to the footer across all PlanetReuse web pages and would be included in a marketing campaign to announce the new feature.

Under the new agreement, Bridging the Gap will continue to provide overall database administration and work with the EIERA and PlanetReuse to implement new strategies to promote the use of materials once considered to be waste. The total cost of this agreement would be \$17,500 for 2014. Of this amount, the cost of migrating the Midwest Materials Exchange database to the PlanetReuse site and upgrading the services offered will be \$15,000. Staff also believe it would be useful to print some small promotional items with Midwest Material Exchange information to be distributed at conferences and speaking engagements at a cost of no more than \$2,500. For Fiscal Year 2014, the Missouri Market Development Program budget includes \$25,000 for Business Initiatives. This would be the source of funds for this partnership agreement.

The attachments include detailed information about what the partnership will provide.

KT:ge

Attachments

January 16, 2014

Kristin Allan Tipton
EIERA
PO Box 744
Jefferson City, MO 65102

Dear Kristin,

Bridging The Gap has appreciated the opportunity to work with the EIERA to offer a free access statewide materials exchange in 2012 and 2013. The Midwest Materials Exchange has helped BTG grow the Kansas City By-Product Synergy program to a level at which we now have approximately 80 regional businesses attending quarterly meetings and developing additional material matches. With more than 21,000 clicks on materials listings in the past year, the Midwest Materials Exchange is drawing traffic and creating additional opportunities to increase the use of recovered materials in our state.

In order to continue the Midwest Materials Exchange in 2014 and to expand its range of services, Bridging The Gap would like to enter into a partnership agreement with the EIERA to effectuate the PlanetReuse, LLC proposal on which all of us have collaborated. In this new agreement, BTG will work with the EIERA and PlanetReuse to implement new strategies to promote the use of materials once considered to be waste. The total cost of this agreement would be \$17,500.

The cost of migrating the Midwest Materials Exchange database to the PlanetReuse site and upgrading the services offered will be \$15,000 for 2014. BTG also suggests printing a business-card sized "handout" with Midwest Material Exchange information to be distributed at conferences and speaking engagements at a cost of no more than \$2,500.

Thank you for considering the continuation of our partnership.
Sincerely,



Noelle Morris
Programs Director



Bridging The Gap

Board of Directors

Bob Berkebile
BNIM Architects

Melicent Boysen
Initiatives Worldwide

Bill Craig, Chair
Lakemary Center

Steve DiGiacinto
Hallmark Cards, Inc

Doug Dietrich
Burns & McDonnell

Amy Hargroves
Sprint

Tom Jacobs
Mid-America Regional Council

James Joerke
Johnson County, Kansas

Kay Johnson, Vice-Chair
Attorney

Willow Lundgren
Planet ReStore

Roland Maliwat
Kansas City Power & Light

Brad Nies
General Services Administration

Mary Ramm
RubinBrown LLP

1427 W 9th Street STE 201
Kansas City, MO 64101
816 561-1087

www.bridgingthegap.org
Founded 1992



January 13, 2014

EIERA
ATTN: Kristin Allan Tipton
425 Madison Street, 2nd Floor
Jefferson City, MO 65101

RE: EIERA/Bridging the Gap's Midwest Material Exchange Proposal

Thank you for the opportunity to present our proposal. We are excited about the opportunity to work with the Environmental Improvement and Energy Resources Authority (EIERA) and Bridging the Gap (BTG).

PlanetReuse (PR) is a Kansas City, Missouri-based company that is a facilitator and champion of material reuse. Over the past six years we have worked locally, regionally and nationally to provide material brokering and consulting services.

Our new online marketplace and mobile app aim to make material exchange more accessible to buyers and sellers of reclaimed, surplus and used materials. Sellers use the PR Seller App for smartphones to post materials to the national PlanetReuse Marketplace (PRM). Sellers can also use the app to post items to their own website and social media quickly and easily.

While we have strong, established relationships with organizations and businesses that are actively engaged in the reuse and reclaimed industry full-time, we are excited to further enable the reuse economy through a partnership with EIERA.

Waste presents a promising and challenging market opportunity. Solid Waste Management Districts (SWMD), Missouri Recycling Association (MORA), recycling businesses and other state agencies are all entities that will benefit from an easy-to-use marketplace designed just for them. By expanding the network of relationships online, EIERA will be instrumental in guiding the acceptance and growth of the marketplace for maximum environmental impact. We also look forward to the opportunity to introduce our many friends in the fast growing reuse industry to the services and assistance of EIERA.

Proposed Services:

PlanetReuse Marketplace (PRM) *powered by InvenQuery* will provide services to provide a platform for the continuation and growth of EIERA/BTG's Midwest Material Exchange (MME) while: 1) making it easier for Sellers to post items, 2) utilizing social media to help spread the word about listings, and 3) actively driving buyers and sellers to a common marketplace. To do so, we propose the following phased approach to allow the current PRM platform expansion to provide the desired services:

Phase 1 (within 48 hours of acceptance of proposal):

PRM will provide the following:

1. Midwest Material Exchange (MME) "exchange landing page" with logo, contact information, mission statement and other contact information (similar to the attached). EIERA and BTG logos will be added to the page. This exchange landing page can be used immediately to redirect currently disabled MME website URL. We will work with BTG contact to set this page up to assure "partnership" look and feel as requested.
2. Ability to post unlimited listings to PRM and MME exchange landing page by a single BTG administrator from both the mobile app and the PRM administrative console.
3. Social media integration to allow items to be created on the mobile application and to be posted directly to designated Twitter and Facebook pages (accounts for each based on each unique user device) for additional exposure for item listings.
4. Ability for BTG admin to create accounts for other MME users under the MME umbrella to allow login by others to post listings from the mobile application to the MME landing page.
5. Assistance to help replicate existing listings from MME's previous system, estimated to be 74 listings.
6. EIERA logo added as a "partner" to the footer across all PR web pages.
7. MME listings that contain "Contact Seller" button for Buyers to reach out directly to the Seller contact with carbon copy to the BTG administrator.
8. Marketing to announce new partnership with EIERA/BTG and the MME within the first 30 days of acceptance of proposal in the PR newsletter with over 14,000 local, regional and national contacts.
9. Form with button allowing EIERA/BTG/MME to send out a link to its newsletter distribution allowing users to enter pertinent information necessary for account set-up.
10. Ability to place a widget on other websites, such as www.bridgingthegap.org, to show the items in the MME marketplace. Items on the MME page will populate to the widget, posting and removing items in real-time. When a buyer selects an item, they will be brought to PRM for Contact Seller feature.

11. Initial kick-off meeting will be set up to review and discuss additional features and timing as lined out in Phase 2 below.

Phase 2 (within eight weeks of acceptance of proposal):

PRM will provide the following:

1. Sequence, "access code," and/or form coordination with BTG administrator for a fast and easy way to allow an *unlimited number of users* to sign up for an account "at no cost" as part of the MME.
 - a. Note: standard pricing for users of the seller app and marketplace is \$49/month, plus 4% of online sales (i.e. for every 100 MME users, this is a value of over \$4,900/month).
2. Ability for MME users to download PR Seller App from iTunes or Google Play to their smartphones, log in to an account created by BTG administrator and post listings.
3. Ability for advertisement space to be sold by EIARA and BTG on the PRM website with shared revenue opportunity. Ads will be located on MME webpage and on listings posted by MME users.
4. Ability for buyers coming to PRM site to select and purchase items through the website on items using "flat" shipping rates to the continental US only.
5. MME users will have access to their mobile application admin features including the ability to manage their store details and their listings.
6. PRM team will host and facilitate meetings to help scope out features described in Phase 2 to help document requirements.

Term:

February 1, 2014 through January 31, 2015.

Pricing:

For Services and Term stated above, we propose an annual fee of \$15,000. This amount is roughly 50% less than the standard, monthly pricing and will allow for services to be provided throughout the duration of the Agreement.

Additional Items and Meetings:

1. To help define additional features beyond Phase 1 and 2, we propose setting up meetings to gather facts, compile feedback and work through additional requirements. We know this will be a valuable component to the partnership to building out a substantial, vibrant and scalable exchange, but without a defined scope we are unable to include them in this initial proposal.

We foresee this being an active dialog throughout the Term and will set aside time on how best to propose this (with hourly rates, etc. as needed), to make our services everything that the EIARA would like them to become, while making sure to not overcommit to feature development.

2. We would also like to help in “working sessions” in various areas of the state and other activities/events/media where possible. With discussions along the way, depending on timing and costs, we can work up a proposal for components with costs associated with these and look forward to working as a partner in outreach and marketing endeavors.

We look forward to the opportunity to work with the EIERA and BTG in expanding our current services to create an amazing marketplace that will help the state of Missouri, and beyond, facilitate reuse and recycling and drastically increase landfill diversion.

Please let me know when we can set up the next call to run through next steps in more detail and putting together the Agreement to get things moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Benjamin", with a long horizontal flourish extending to the right.

Nathan Benjamin
Founder + CEO

midwest material exchange



MME is an online marketplace for Missouri and its border states.

ADDRESS:
1427 W. 9th Street, Suite 201, Kansas City, Missouri 64101

WEBSITE:
<https://www.bridgingthegap.org>

PHONE:
(816) 561-1887

EMAIL:
roelle.morris@bridgingthegap.org

















Search the Marketplace

PRODUCT TYPE

- Commercial (422)
- Residential (17)

CATEGORY

- Appliances (16)
- Architectural (2)
- Bath (3)
- Building Materials (173)
- Doors (22)
- Flooring (37)
- Furniture (55)
- Heating & Cooling (19)
- Kitchen (3)
- Lighting & Ceiling Fans (24)
- Plumbing (15)
- Sustainable Products (3)
- Windows (9)
- Wood (177)

			
Antique Granite Cobblestones	100 Year Old Barn/Gainery	100 Year Old Reclaimed Redwood	120 year old Farm House Assorted Reclaimed Building Materials
			
1906 Longleaf Pine building reclaimed	1906 reclaimed white oak	1920's St. Louis antique brick	19th century residential entry doors
			
2 1/4" T&G Factory Maple Flooring	2'x2" and 2'x4" Ceiling Tile	24x36 office/classroom buildings - cement bathroom / 5-8 years old	3 1/2" Factory Maple Flooring
			

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #6A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE

Issue:

Update on the Missouri Brownfields Revolving Loan Fund

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

The MRBLF has received a subgrant application from Habitat for Humanity of Springfield, Missouri, Inc. and a funding recommendation will be presented at this meeting.

The last quarter of the calendar year has been a very active one for the program. Project updates are as follows:

- Remains, Inc. is making interest payments on its loan from the program and is in the process of selecting a contractor to perform the cleanup work at the former ACME Battery plant. The preparation of procurement documents for this project involved a significant amount of staff time.
- Cleanup work is complete at the former Carousel Building located in Eldon that is currently owned by the Lake of the Ozarks Council of Local Governments and a final report has been submitted to MDNR. Although additional unanticipated work was required by BVCP, this project was completed earlier than scheduled and at a price less than originally anticipated.
- A contractor has been selected for cleanup at the Wittenberg Warehouse, part of the former Porter Oil Site currently owned by the Land Reutilization Authority of the City of St. Louis.

- Samples pulled from long-term groundwater monitoring wells on the Ranken Technical College show continued positive attenuation positively and we are hopeful that cleanup can be considered complete at this site in the near future.
- Samples pulled from long-term groundwater monitoring wells at the Russellville site have also shown continued positive attenuation, but BVCP has requested one additional downstream well be placed. At this point, the contractor believes this can be accomplished within the project budget.
- SMI/SNF Landlord, LLC continues to repay its loan from the program as scheduled.
- A Certificate of Completion was finally received for project at the former prison site with the City of Chillicothe.

KT:ge

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #6B
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE SPRINGFIELD HABITAT FOR HUMANITY PROJECT

Issue:

Habitat for Humanity of Springfield, Missouri, Inc., a Missouri non-profit corporation has submitted a hazardous substance application to the MBRLF, requesting \$30,000 to complete remediation at 1909 North Park Avenue in Springfield.

Action Needed:

Consideration of the funding recommendation for the Springfield Habitat for Humanity project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff recommendation:

Staff recommends that the Board approve a subgrant of up to \$50,000 for this project.

Staff Contact:

Kristin Tipton, Development Director

Background:

Habitat for Humanity of Springfield, Missouri, Inc. submitted a subgrant application to the program requesting fund to remediate lead contaminated property on which the organization intends to build ten new homes.

The former 1909 North Park property owner was a commercial builder who acquired the property in 1974 for future development. Having been retired for many years, and a supporter of the Habitat organization, the property owner offered the property as a donation to Habitat. After completing due diligence, the property was accepted by the local Springfield affiliate.

The 2.55 acre property is not improved and records indicate that the property has been undeveloped since the late 1800's. The lead contamination is likely the result of off-site runoff from an adjacent railroad property. Utilities, including water, gas, electricity and sewer are available at the property and the local zoning board and City planners are favorable to rezoning the commercial property to residential once it is remediated. Springfield Habitat intends to develop the north side of the property for residential housing and the south side as a storm water retention basin.

This cleanup will remove a health risk that is easily accessible to surrounding residential neighborhoods and subcontracted construction jobs will be created during construction of the ten new homes.

Staff reviewed the application and found the applicant and site to meet all eligibility criteria for the program. Site and applicant eligibility have been confirmed by EPA.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$50,000 for this project.

KT:ge

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #6C
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
REMAINS, INC. PROJECT

Issue:

Update on the project with Remains, Inc. to clean up the former ACME Battery Plant.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

Bids have been returned for the cleanup of the former ACME Battery Plant owned by Remains, Inc. and a contractor has been selected.

The EIERA awarded a \$350,000 loan to Remains, Inc. to clean the property. The bid price for the cleanup is approximately \$630,000. Several factors contribute to the difference in the contract price over the original estimate. These include more stringent cleanup standards; work required in the Remediation Action Plan not considered in the estimate; the age of the original estimate; and the presence of many "unknowns" with regard to site contamination.

In order to proceed with the cleanup, Remains, Inc. would like to increase their loan amount from the Authority to \$630,000. They have had extensive conversations with the selected contractor and are hopeful that the total cost will be less than this amount, but want to make sure they have access to the funds if needed.

Our current loan is secured with a second mortgage on the entire property parcel, with a current face value of \$500,000. A May 2012 appraisal on the property estimated a value of \$1,250,000 once the cleanup and redevelopment is complete. Remains Inc. is currently paying interest on loan draws and will continue to do so until eighty-four principal payments begin on April 1, 2015.

I have asked Remains, Inc. to provide updated financial information to us which we hope to have at the time of the meeting. We have also requested that a Remains, Inc. representative attend the meeting and they are attempting to adjust conflicting travel schedules to do so.

Staff, with assistance from our Financial Advisor, will review the Remains, Inc. updated financial information for credit worthiness and will explore what security measures might be needed prior to asking the board to increase the loan amount.

The former ACME Battery plant is notorious in Missouri for its extensive lead contamination, and also includes asbestos and an underground storage tank. Remains, Inc. has already cleaned half of the property, allowing them to base their textile recycling operation on a portion of the property. This cleanup would enable them to develop the rest of the parcel to expand their business operations.

KT:ge

-

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #7
FY14 Budget Revisions
Updated Material

Issue:

At the half-way point of Fiscal Year 2014, it is apparent that the budget needs to be revised in a few areas.

Action Needed:

Consideration and approval of a revised FY14 budget.

Staff Recommendation:

Staff recommends that the Board approve revisions to the FY14 budget.

Staff Contact:

Karen Massey

Background:

Attached you will find copies of the Authority's Fiscal Year 14 Budgets, our estimated December 30, 2013 actual revenues and expenses and revised budget proposals. Line items that have been changed are highlighted. Below is a summary of the proposed changes for each of our three budget areas.

Authority

The Issuance Fee Revenue line has been increased to reflect the 2013A Refunding revenues. At this time, we believe it is unlikely there will additional issuance revenue during the fiscal year.

Most of the expense items changed are due to our move. Increases in utility costs and office maintenance (janitorial services) are needed because we remained in our previous location one month longer than expected. Rent is decreasing because we originally put our security deposit in this expense category when it should have been in asset category not reflected on the budget. Moving costs are lower to reflect actual amounts expended.

We are also asking that the audit expense be increased to reflect the actual fees incurred and that the advertising budget be increased to accommodate an upcoming Request for Proposals.

Missouri Market Development Program

Changes to the MMDP budget are a result of increased legal fees and the amount of legal review required during the year. We simply underestimated the amount of attorney time we would need this year. With the new legal fee schedule and time needed, the amounts had to be increased substantially. To accommodate those increases, the Direct Financial Assistance line item was decreased.

Brownfields

No changes are needed.

KM:ge

Attachments

Agenda Item #8
FY13 Audit Review

Issue:

The Fiscal Year 2013 audit is completed and our Auditor will present it at the meeting.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Karen Massey

Background:

In mid-September the Authority's auditing firm, Williams Keepers LLC, was onsite to perform our annual audit. Both the auditors and our staff did a good job getting the audit work done in the midst of our move.

We received the final audit, which is enclosed, last month. I draw your attention to the Management's Discussion and Analysis, beginning on page 4, which re-caps the year's fiscal activities including our financial position compared to the previous year. The actual Financial Statements begin on page 11.

Beginning on page 45 of the materials are the Single Audit Reports required of any federal grant recipient that spends \$500,000 or more in federal funds in a year (BRLF Grant) expended during the year. No deficiencies in internal controls were identified that would be considered a material weakness and no instances of non-compliance with grant requirements were identified.

The next to last section contains the Communication of Audit Results. There were no audit findings and only one adjustment noted. That adjustment was a change to how BRLF loan repayments are reflected on the financial statements. In previous years, repayments were not booked as receivables. The Auditor wanted that changed to more accurately reflect the Authority's financial position.

I am pleased with the Audit process and results. As always, I appreciate the learning opportunity the process affords. Please feel free to call prior to the meeting with any questions.

KM:ge

Attachment

State Environmental Improvement and Energy Resources Authority
310th Board Meeting
January 22, 2014

Agenda Item #9A
Clean Water Fee Study Agreement

Issue:

The Department of Natural Resources has asked the Authority enter into and manage a contract for a study of the Department's Clean Water Fees. The University of North Carolina (UNC) has been identified as an independent party with experience in providing similar services to other entities.

Action Needed:

Authorization of the director or her designee to negotiate and enter into an agreement with the School of Government of the University of North Carolina at Chapel Hill to perform a study of the Missouri clean water fee structure.

Staff recommendation:

Staff recommends that the Board hire the University of North Carolina to perform the study and authorize the director to negotiate and enter into an agreement similar to the attached document.

Staff Contact:

Karen Massey

Background:

As discussed at the last Authority meeting, recent legislation gave the Missouri Clean Water Commission the authority to establish clean water fees for permitting and other work performed by the MDNR. The process, which can be repeated every two years, allows MDNR to perform a comprehensive review of the of the fee structure and, with stakeholder agreement, provide a recommendation regarding the structure to the Clean Water Commission.

MDNR and certain stakeholders would like an independent, third party to conduct a study of the fee structure as part of the upcoming review cycle. MDNR asked the Authority to provide assistance in these efforts and at the last Authority meeting, the Board authorized staff to negotiate and enter into an MOU or similar document with DNR to provide this assistance.

The services we have agreed to provide MDNR include locating and contracting with a qualified consultant experienced in water fee issues to deliver an analysis of the department's water permit fee structure. In exchange for these services, MDNR will pay our staff time, overhead and out of pocket expenses, including the consultant fee related to the Clean

Water Fee Study activities. To meet their needs, DNR has asked that the study be complete near the end of the fiscal year, June 30, 2014.

The consultant needs to be qualified, experienced and able to deliver the study in an expedited timeframe. Further, they can have no association, relationship or other connection to either MDNR or those involved in the clean water fee structure or process that would diminish the consultant's ability to render impartial or objective assistance or advice. Through our relationships with other States' SRF professionals and EPA, authority staff identified a limited number of organizations that appeared to have the qualifications and experience desired. Of those, the University of North Carolina seems to best meet the project needs. They have performed similar rate studies for other entities. The staff to be assigned our project are housed in UNC's Environmental Finance Center and consistently receive excellent reviews by state and federal regulators and finance professionals who have been clients or are familiar with their work. We have identified no conflict that would impact their ability to provide impartial advice. A very important factor staff considered is UNC's status as a governmental entity. Missouri procurement law allows Agencies to enter into contracts for the provision of good or services with governmental entities without a competitive bid process. Staff does not believe that MDNR's schedule can be accommodated if these services are bid. Based upon these factors, Staff is comfortable recommending that the School of Government of the University of North Carolina at Chapel Hill be retained to conduct the Clean Water Fee Study.

Attached you will find a draft agreement setting forth the terms under which we would retain UNC for this project. We have drafted the agreement in consultation with MDNR, UNC and General Counsel. All are comfortable with its general content and we are finalizing language and other minor details.

The study will consist of a written report on the revenue requirements for the Clean water program, a description of the fee structures of other Missouri agencies and peer states, alternate cost allocation methods and two models. The first model is a basic revenue requirement model containing the reasonable costs of the programs and factors influencing those costs. The other model will show discrepancies between the existing fee structure and modeled revenue requirement needs to compare alternative cost allocation methods. The final element of the study will be an outline of a fee communication plan. We are in the process of refining the work plan to include a due date for each deliverable component as well as clarifying what information MDNR will provide the consultant. Those provisions will be inserted into the highlighted portion of Section 2. Additionally, you will notice two highlighted areas in Section 4.A relating to Compensation. We are firming up the cost of the services, but are not expected to exceed \$45,000. MDNR has been involved in these discussions and agrees that this is a reasonable price for the services provided.

Staff and General Counsel will be available at the meeting to answer your questions.

KM:ge

Attachment

Attachment "A"

**Agreement Between
State Environmental Improvement and Energy Resources Authority
And
School of Government at the University of North Carolina at Chapel Hill**

This Agreement ("Agreement") is made as of January 30, 2014, by and between the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and governmental instrumentality of the State of Missouri (the "Authority") and the School of Government at the University of North Carolina at Chapel Hill ("Consultant").

WHEREAS, the Authority is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, Revised Statutes of Missouri, as amended and Appendix B(1) thereto, to provide for the conservation of the air, land and water resources of the state by the prevention or reduction of the pollution thereof and proper methods of disposal of solid waste or sewage and to provide for the furnishing of water facilities and resource recovery facilities and to provide for the development of the energy resources of the State of Missouri, to provide for energy conservation and to provide for energy efficiency projects and increased energy efficiency in the State, and to further such programs the authority is authorized to acquire and construct, and finance projects and to issue bonds and notes and make loans to pay the costs thereof; and

WHEREAS, the Authority is granted and may exercise all powers necessary or appropriate to carry out and effectuate its purposes, including but not limited to entering into contracts and agreements necessary or convenient for the purpose of its powers or to carry out its purposes and to employ managers and other employees and retain or contract with architects, engineers, accountants, financial consultants, attorneys and such other persons, firms or corporations who are necessary in its judgment to carry out its duties, and to fix compensation thereof; and

WHEREAS, the Authority has agreed to provide certain services to the Missouri Department of Natural Resources ("MDNR") relating to Clean Water Fees, including, but not limited to, providing the MDNR with a written report containing information regarding the revenue requirements of the Clean Water program, a comparison of other fee structures and allocation methods as well as other matters; and

WHEREAS, the Consultant, a governmental entity, has experience analyzing fees, charges, rates and services relating to clean and drinking water efforts; and

WHEREAS, the Authority and Consultant desire to enter into this Agreement for the provision of a Clean Water Fee Study.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

[Type text]

1. ENGAGEMENT. The Authority hereby engages the Consultant as a consultant of and to the Authority and Consultant accepts such engagement retention of for the Term (as defined in Section 3) of this Agreement, upon the terms and conditions herein set forth.
2. DUTIES. During the Term of this Agreement, Consultant shall serve the Authority by providing analysis and review of the fee and cost structure of MDNR's clean water efforts resulting in a MDNR Clean Water Fee Study. The Study will include a written report on the revenue requirements for the Clean Water program, a basic revenue requirement model (an Excel model containing the reasonable costs of the program and factors influencing those costs), a description of fee structures of other Missouri agencies and peer states, alternative cost allocation methods, a simplified spreadsheet model (an Excel model showing discrepancies between the existing fee structure and modeled revenue requirement needs to compare alternative cost allocation methods) and a fee communication plan outline. <<<Add details on deliverables, timeframes and what MDNR will be responsible for providing here>>>>
3. TERM. The term of this agreement shall commence on the date stated above and terminate on November 1, 2014.
4. COMPENSATION.
 - A. Compensation for Services Rendered to the Authority. Consultant will receive payment of up to \$ _____ (40 or 45K) upon receipt of the deliverables in a form acceptable to the Authority. <<<<depending upon how specific deliverables pan out, we can break the compensation down by deliverable here>>>> This amount includes all applicable expenses and overhead allocations.
 - B. Substantiation and Payment of Program Compensation. Consultant will invoice the Authority for services provided under this Agreement. The Authority shall use its best efforts to pay Consultant for services performed pursuant to this Agreement within thirty days of receipt by the Authority of an invoice accompanied by substantiation of compensation satisfactory to the Authority.
5. PERSONNEL. Key personnel assigned by the Consultant include Jeff Hughes and Glenn Barnes. It is also contemplated that a graduate student research assistant will be assigned to the projects. Consultant may designate other key personnel to provide services upon approval of the Authority.
6. GENERAL COMPLIANCE WITH LAWS. The Consultant shall at all times comply with all federal, state and local laws, ordinances, rules and regulations that govern or may affect the performance of this Agreement or employees connected in any manner whatsoever with such performance.
7. COVENANT AGAINST CONTINGENT FEES. The Consultant hereby warrants that it has not employed or retained any person, partnership or corporation, other than a bona fide employee or agent working for Consultant, to solicit or secure this Agreement, and it has not paid or agreed to pay any person, partnership or corporation any fee or other consideration contingent upon the making of this Agreement. For the breach or violation of this Section, the Authority may elect to either terminate this Agreement without notice and without liability or recover the full amount of such prohibited fee or consideration or both.

[Type text]

8. TERMINATION. This Agreement may be terminated by the Authority immediately for cause shown and without cause by either party with thirty (30) days prior written notice of termination to the other party.
9. NONDISCRIMINATION IN EMPLOYMENT. Those provisions of Title VI of the Civil Rights Act of 1964 providing that no person in the United State shall, on the grounds of race, color, sex, religion or national origin, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination under this Agreement, are hereby incorporated into this Agreement by reference.
10. EMPLOYMENT OF MISSOURI STATE EMPLOYEES. No person who during the performance of this Agreement is employed by or under contract with the State of Missouri or any department, commission, agency or branch thereof, whose duties as such employee or consultant include matters relating to or affecting the subject matter of this Agreement, shall while so employed by or under contract with the State, be employed by the Consultant and/or receive any compensation from the Consultant for any work or other purpose related in any way to the performance of this Agreement by Consultant.
11. EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED. Consultant acknowledges approval of this Agreement requires compliance with Section 285.530, Revised Statutes of Missouri regarding enrollment and participation in the federal work authorization program with respect to all persons performing services under this Agreement. Consultant represents and warrants that it is in compliance with Section 285.530, Revised Statutes of Missouri at the time of execution of this Agreement and has provided a sworn affidavit in the form attached as "Exhibit A" and supporting documentation affirming participation in a qualified work authorization program as evidence thereof.
12. REPORT OF CONFLICTS OF INTEREST. The Consultant shall promptly report to the Authority any proposed or existing relationship which might reasonably be construed as an organizational conflict of interest which would diminish such Consultant's capability to render impartial or objective assistance and advice. The Authority shall promptly make a determination where the proposed relationship would constitute an organizational conflict of interest. If determined by the Authority that an organizational conflict of interest exists and the consultant enters into the proposed contractual relationship, the Authority may, in its sole discretion, terminate this Agreement without further notice to Consultant.
13. LIABILITY. In the event of claims against either party by a third party arising out of the services under this agreement, the party whose actions gave rise to the claim shall be responsible for the defense of the claim and any ultimate liability therefore; provided, however, that neither party may waive the other's claims of sovereign immunity or similar defenses.
14. OWNERSHIP AND USE OF DATA AND DOCUMENTS. Any deliverables under this Agreement shall be the property of the Authority and the Consultant shall not distribute or reproduce for profit or allow others to profit therefrom. The Consultant may use, publish and distribute the results of such work for its own internal and noncommercial education, instruction and research purposes. Consultant may publish papers regarding the deliverables and information relating to the Agreement; provided, however, that the Authority is given thirty (30) days to review such papers prior to any publication thereof, to protect proprietary or confidential information. The

[Type text]

Authority must respond to the Consultant within thirty (30) days of receipt, otherwise the publication may occur.

- 15. RECORDS RETENTION. Consultant shall retain all records, documents and other matters relating to the services provided and compensation provided under the Agreement for a period of at least three years following the term of the Agreement set forth in Section 3 above.
- 16. ASSIGNMENT. This Agreement may not be assigned or transferred without the prior written consent of the authority and the consultant.
- 17. AMENDMENTS. Any subsequent alteration, amendment, change or addition to this Agreement shall be reduced to writing and duly executed by all parties hereto before the same shall become effective and binding.
- 18. CONTACTS.

Authority

Karen L. Massey
Director
PO Box 744
425 Madison, Second Floor
Jefferson City, MO 65102
(573)751-4919

Karen.massey@eiera.mo.gov

Consultant

Brad Volk
Associate Dean for Administration
Knapp-Sanders Building, CB# 3330
Chapel Hill, NC 27599-3330
(919)843-2553

vold@sog.unc.edu

- 19. EXECUTION IN COUNTERPARTS AND ELECTRONIC SIGNATURE. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Authority and by the Consultant and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. A manual signature on this Agreement, an image of which shall have been transmitted electronically, will constitute an original signature for all purposes. The delivery of copies of this Agreement, including executed signature pages, by electronic transmission will constitute effective deliver of this Agreement for all purposes.
- 20. SIGNATORY WARRANTY. Each party executing this Agreement warrants that he/she is authorized to do so on behalf of the party for whom he/she signs.

IN WITNESS WHEREOF, the Authority and Consultant have executed this Agreement as of the date first above written.

STATE ENVIRONMENTAL IMPROVE-
MENT AND ENERGY RESOURCES
AUTHORITY

By _____
Karen L. Massey

SCHOOL OF GOVERNMENT AT THE
UNIVERSITY OF NORTH CAROLINA,
CHAPEL HILL

By _____
for Michael R. Smith, Dean

**311th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
Jefferson City Office
425 Madison Street, 2nd Floor
Jefferson City, Missouri**

**February 11, 2014
10:00 a.m.
Telephone Meeting
(866) 906-9888
Access Code 1703606#**

1. Call to Order
2. Authorization for the Director or her Designee to Negotiate and Enter Into an Agreement on Behalf of the Authority with Wichita State University Relating to the Assessment of the Financial Capability of Communities to Address Wastewater Infrastructure Needs
3. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Marcus Rowe, Administration and Project Mgr.
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

Dave Brown
Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
311th Board Meeting
February 11, 2014

Agenda Item #2

Issue:

The Department of Natural Resources has asked the Authority to enter into and manage a contract for the development of a decision making tool to assess the financial ability of Missouri communities to meet their future water and wastewater infrastructure needs. Wichita State University has experience developing such tools and could provide these services to Missouri.

Action Needed:

Authorization of the director or her designee to negotiate and enter into an agreement with Wichita State University to develop a tool to help MDNR assess the financial ability of Missouri communities to meet their future water and wastewater infrastructure needs.

Staff recommendation:

Staff recommends that the Board hire Wichita State University to develop the assessment tool and authorize the director to negotiate and enter into an agreement for those services.

Staff Contact:

Karen Massey

Background:

Missouri communities are facing more stringent federal drinking water and wastewater treatment requirements. These requirements are having a financial impact on all systems and can be particularly challenging to smaller, rural communities many of which are steadily declining in population. In recognition of the financial impact of these federal requirements, in 2011 the Missouri General Assembly passed a law (§644.145 RSMo.) requiring MDNR to make a finding of affordability when issuing new water quality (wastewater) permits for publically owned treatment works.

Since that time, MDNR staff has worked with stakeholders and developed an affordability analysis process. The length of time by which a community has to meet their water quality permit standards is determined by the result of this analysis. The analysis takes into consideration the estimated costs of the project, community size, age of population, population growth/decline, household income, property tax revenues, investment in other environmental improvements, impact on distressed populations, and other factors. Based on these factors, MDNR determines whether there is a high, medium or low financial burden for most individual customers or households. The level of burden is used to determine the length of time the community has to meet permit requirements. Prior to these determinations, five years was generally the maximum amount of time given for a community to come into compliance. After the affordability determination requirement,

communities with a high burden have been given up to ten years to comply. During this time, MDNR works with the community to help find ways to meet the requirements while lessening the immediate financial burden: alternative, less expensive treatment options are explored; centralization may be considered; or rate increases may be phased in gradually. The affordability determination requirement does not relieve the community from its requirement to meet the environmental standards; it simply provides a reasonable basis for an extended time frame to do so.

Based on its experience in implementing the affordability determination process and feedback from stakeholders, MDNR now wishes to refine the method by which it makes affordability determinations. The State of Nebraska is in the final stages of developing their AWIN (Assessing Wastewater Infrastructure Needs) Sustainability Model. AWIN is a probability model that determines the sustainability risk of a community's ability to pay for infrastructure needs in the future by analyzing population trends, economic status and resources. MDNR has reviewed Nebraska's AWIN model and, after discussions with the Nebraska environmental regulators, feel that it could serve as a basis for the development of a Missouri specific model that would enhance MDNR's affordability process, particularly for small, rural communities.

The Environmental Finance Center at Wichita State University, located in the Hugo Wall School of Public Affairs, developed the AWIN model for Nebraska. This effort was accomplished in two phases. The first phase identified future changes in rural populations as the critical factor for the sustainability of a community and ability to pay for infrastructure improvements. Analysis of research was performed to determine what indicators were statistically significant in predicting changes in rural populations. Phase two incorporated those and other factors into a model to help Nebraska evaluate a community's ability to pay for infrastructure needs in the future. Additionally, the model was tested on a select number of communities to validate the model's accuracy and a survey was developed to capture community information not available from known data sources accounted for in the model.

Similar to the work we are performing on the Water Quality Fee Study, MDNR has asked us provide contract management and other services related to a Missouri AWIN project and their affordability efforts. In exchange for these services, MDNR will pay our staff time, overhead rate and out of pocket expenses, including consultant fees.

Staff is requesting authorization to negotiate and enter into an agreement with Wichita State University to provide a Missouri specific AWIN model covering both drinking and wastewater. The specific scope of work is still being negotiated, but would include updating, tailoring and expanding the Nebraska AWIN research to provide Missouri specific information and data sources; revising the Nebraska model by incorporating Missouri data used to analyze the sustainability risk of our communities' ability to pay for future drinking water and wastewater infrastructure needs; testing the validity of the model; developing a supplemental survey instrument; and training on the model's use. These deliverables would be completed within one year and the preliminary cost is not expected to exceed \$60,000. At the time of the Board Meeting, we should have more complete time and cost information. The other terms of the contract will be consistent with those contained in the UNC agreement.

KM:ge

**312th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**Hawthorn Bank, Hawthorn Room
3600 Amazonas Drive
Jefferson City, Missouri**

**March 20, 2014
10:00 a.m.**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 310th Meeting of the Authority Held January 22, 2014, in Jefferson City, Missouri
 - Approval of Minutes from the 311th Meeting of the Authority Held February 11, 2014, in Jefferson City, Missouri
3. Energy Redemption Update
4. Project Updates
5. Selection of Financial Advisor
6. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Consideration and Approval of the Funding Recommendation for the Remains, Inc. Project and Authorization for the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority.
 - C. Other
7. Strategic Measures Discussion
8. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other
9. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action,

State Environmental Improvement and Energy Resources Authority
312th Board Meeting

Agenda Item #3

Update on Redemption of Energy Efficiency Leveraged Loan Program Bonds, Series 2004

Issue:

At its January, 2014 meeting, the Board authorized redeeming the Series 2004 Energy bonds. That redemption has not yet occurred as staff is waiting on the rating agency's review to determine whether the redemption would adversely impact the Series 2006 bonds.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Karen Massey

Background:

At the January Board Meeting, authorization was given to redeem the remaining outstanding Energy Efficiency Leveraged Loan Program (EELLP) bonds issued in 2004. The EELLP finance team has prepared all necessary documentation and is ready to proceed with the redemption once Moody's has completed their review of the 2006 bonds. The 2006 bonds will remain outstanding and the review is to determine whether the 2004 redemption will impact the security of the latter series.

It is anticipated that the review will be completed before the end of the month and the redemption will move forward at that time. Following the results of the review, staff will instruct the Trustee Bank to provide notice to the bondholders that the bonds are being called. The redemption will take place no less than 30 days following bondholder notice.

We do not anticipate that the redemption will cause any rating impact on the remaining outstanding series of bonds; however, given the changes in rating criteria over the past few years Moody's is analyzing the 2006 bonds more thoroughly and in different ways than has been done in the past. We are hopeful that we will have the results of the review by the time of the meeting.

Thank you.

KM:ge

State Environmental Improvement and Energy Resources Authority
312th Board Meeting
March 20, 2014

Agenda Item #4
Project Updates

Issue:

Update on the Water Quality Fee Study, water and wastewater affordability efforts and Natural Resource Damages projects.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Karen Massey

Background:

Since the last meeting, staff has made a great deal of progress in these three areas.

Water Quality Fee Study: The Agreement with the University of North Carolina was finalized and signed as authorized at the January EIERA Board Meeting. The consultant and staff met with MDNR staff and leadership March 4-6 to gather information necessary for the study. The consultant's next steps include research regarding the fee structures of similar programs and developing the spreadsheet models into which the financial data (provided by MDNR) will be incorporated. These models will be tools to assess the revenue requirements and alternative cost allocation methods relating to MDNR's water quality efforts. In our discussions with MDNR, it was determined that the most recent financial data necessary will be provided to the consultant later than anticipated. As such, it is likely that the project will not be completed by our goal of August 30; however, there should be no problem completing the project within the contract term.

Water and Wastewater Infrastructure Affordability Efforts: Our work in the area of affordability has evolved into two separate, yet related, projects. The first is a review of MDNR's statutorily required Affordability Determination Process, the second is the AWIN (Assessing Water Infrastructure Needs) Sustainability Model project with Wichita State University.

In reviewing MDNR's affordability process, Marcus, Joe and I have been in a number of meetings with MDNR permit writing staff and stakeholders regarding the process by which MDNR evaluates the financial burden placed on small communities by new wastewater

permit requirements. We have reviewed numerous permits and communications with the communities regarding the affordability determination process as well as data provided by the Missouri Public Utility Alliance (MPUA). EIERA staff also hosted a meeting between the permit staff and MPUA to discuss concerns and suggestions regarding the process. That meeting went well and a number of process improvements were agreed to. At this time, EIERA staff is working on a report containing a summary of that meeting and our conclusions regarding the process. Overall, we feel that the permitting staff did a very good job putting together a process in the amount of time and resources provided and in balancing environmental and economic concerns. Issues exist relating to the appropriateness of the cost estimating tool for small communities, the manner of communication with the communities and the consistency of the results; however, we still need additional information to determine whether the inconsistent results are due to information not contained in the permit, are from process revisions over time or other factors which could include our misinterpretation of the data. We hope to finalize our work in this area in the next couple of weeks.

In our other area of affordability work, the Agreement with Wichita State University regarding the Missouri AWIN model has been negotiated and is in its final stages of approval at the University. The WSU Environmental Finance Center staff team has begun updating their Nebraska research and will next gather Missouri specific data and information. It is anticipated that the bulk of the work will be finished and the preliminary community sustainability model completed by early fall. Model validation and a supplemental survey to capture unique community characteristics will be concluded and the model finalized by the end of the year. From our business planning efforts, you may recall Kristin's interest in working with rural community development. Given her interest and the project's direct tie thereto, Kristin will be the EIERA staff lead for the AWIN project.

Natural Resource Damages: As authorized at the June 2013 EIERA Meeting, we have agreed to a Scope of Work with MDNR relating to the acquisition and restoration of upland habitat properties in Jasper and Newton Counties by the Missouri Prairie Foundation. Another Scope of Work regarding acquisition of properties for restoration by Webb City is awaiting MDNR approval. For each of these projects, we have agreed to help MDNR in three areas: contract drafting assistance, real estate transaction facilitation and as a paying agent. Our hands-on experience with contract drafting/management and our access to real estate legal expertise has provided the technical staff at MDNR and the Fish and Wildlife Service (FWS) much needed assistance in moving these projects forward. It is likely that the contract between MDNR/FWS and the Prairie Foundation will be signed later this month and the first land acquisitions finalized before the end of the fiscal year. The Webb City project is likely follow a few months thereafter.

Staff will be able to provide additional information and answer any questions at the meeting.

Thank you.

KM:ge

State Environmental Improvement and Energy Resources Authority
312th Board Meeting
March 20, 2014

Agenda Item #5
Financial Advisor Selection

Issue:

Proposals of firms wishing to serve as the Authority's Financial Advisor have been received and are in the process of being evaluated.

Action Needed:

Selection of a Financial Advisor for the Authority and the authorization of the Director, or her designee, to negotiate and enter into an agreement therewith on behalf of the Authority.

Staff Recommendation:

A recommendation will be given when the evaluation process is completed.

Staff Contact:

Karen Massey

Background:

Proposals were received in response to the Authority's Request for Proposals to Serve as Financial Advisor which was released as authorized at the Authority's January meeting. The process is proceeding according to the approved schedule and more information will be provided when the evaluations are concluded.

Thank you.

KM:ge

State Environmental Improvement and Energy Resources Authority
312th Board Meeting
March 20, 2014

Agenda Item #6B
Missouri Brownfields Revolving Loan Fund
Remains, Inc. Project

Issue:

Remains, Inc. has requested the Missouri Brownfields Revolving Loan Fund increase its loan amount from \$350,000 to \$630,000

Action Needed:

Consideration of the funding recommendation for the Remains, Inc. project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff Recommendation:

Staff recommends that the Board approve an increase in the amount of the loan awarded to Remains, Inc. from \$350,000 to \$630,000, keeping the same terms as previously negotiated.

Staff Contact:

Kristin Tipton, Development Director

Background:

At the last meeting of the Authority staff presented an update on the Remains, Inc. project describing how the bid price for cleanup is approximately \$630,000, a substantial increase over the amount estimated at the time Remains, Inc. made application to the program. Kelly Stewart, Remains, Inc. owner, also attended the meeting and discussed his business operations with the members.

Remains, Inc. submitted updated financial information which has been reviewed by staff and by Kathleen Barney, a former bank lender now employed by the Missouri Development Finance Board. Ms. Barney prepared Attachment "A", which includes financial ratios typically used by lenders when considering loans.

The MBRLF Prudent Lending Practices Attachment "B" did not adopt any specific target ratios, but rather require staff, in consultation with the EIERA's Financial Advisor or other resource professionals, analyze four areas: 1) whether the potential participant can be reasonably expected to satisfy current and long-term obligations as they become due; 2) whether the participant can reasonably be expected to continue as a viable economic interest in light of all financial circumstances; 3) whether they believe the participant can be reasonably

expected to comfortably service the loan; and 4) whether additional security above and beyond the subordinated deed of trust would be prudent and advisable.

Ms. Barney commented on the participant's Sources and Uses chart, which shows lines of credit used to service our loan, noting that this is highly unusual. Remains, Inc. responded that the lines of credit were indicated only to show that our loan could be serviced if they were unable to achieve conventional financing following cleanup. The Remains, Inc. application included a letter from their bank that the bank would be favorable to making such a loan once the property is clean, but would not commit to doing so prior to cleanup. After preparing the ratios, Ms. Barney advised staff that while the liquidity ratios are still positive even if the lines of credit are drawn, the cash flows do not work if the lines of credit are used. At this time, it is not anticipated that the lines of credit will be drawn.

Ms. Barney also noted that when the time comes for Remains to secure conventional financing; the Authority will have some control given the fact of its superior deed of trust. Ms. Barney's conclusion was that the financials tend to indicate that the company is in a good position and should be able to service our loan along with other debts.

The MBRLF Review Team, consisting of representatives from the Authority, the Missouri Department of Natural Resources Brownfield Voluntary Cleanup Program and the Missouri Department of Economic Development also met and reviewed the project and updated financial information. The Review Team unanimously recommends that the Authority increase the loan amount to Remains, Inc. to \$630,000 with the same terms.

Our current loan is secured with a second mortgage on the entire property parcel, with a current face value of \$500,000. A May 2012 appraisal on the property estimated a value of \$1,250,000 once the cleanup and redevelopment is complete. Remains Inc. is currently paying interest on loan draws and will continue to do so until eighty-four principal payments begin on April 1, 2015.

KT:ge

Attachments

Remains, Inc.

Current Ratio Before New Debt	Books & Records	
	Balance Sheet 12.31.13	Books & Records + Bank Stmts (1)
Cash	285,179.000	458,795.000
Accounts Receivable	144,247.000	144,247.000
Inventory	99,541.000	99,541.000
Total Current Assets	528,967.000	702,583.000
Total Current Liabilities	126,653.000	126,653
Current Ratio	4.18	5.55

Current Ratio after Cash Injection Proposed on Sources & Uses	Books & Records	
	Balance Sheet 12.31.13 (2)	Books & Records + Bank Stmts
Cash		458,795.000
Less: Cash Injection on Sources		-344,300.000
Accounts Receivable		144,247.000
Inventory		99,541.000
Total Current Assets		358,283.000
Total Current Liabilities		126,653
Lines of Credit		250,000
Total Adjusted Current Liabilities		376,653
Current Ratio		0.95

(1) Bank statements were submitted with Remains, Inc. named as owner with cash balances that exceed the amount shown on balance sheet. PNC account ending in 5466 in Remains' name but shown on Mr. Stewart's personal financial statement.

(2) Not calculated since all cash in Remains, Inc. bank accounts are not shown on balance sheet

Remains, Inc.

	Books & Records 12.31.13	Books & Records 12.31.13 Incl. Bldg Value from Personal Financial Stmt. (3)
Debt to Worth Ratio Before New Debt		
Total Liabilities	292,329	292,329
Net Worth	306,915	706,915
Debt to Worth Ratio	0.95	0.41
Debt to Worth Ratio-New debt as Proposed in Sources and Uses		
Total Liabilities	292,329	292,329
EIERA Loan	630,720	630,720
Lines of Credit Debt	250,000	250,000
Total Revised Liabilities	<u>1,173,049</u>	<u>1,173,049</u>
Net Worth	306,915	706,915
Debt to Worth Ratio	3.82	1.66

(3) Building occupied by Remains is shown on personal financial statement rather than business. Deed submitted in application has title going to Remains, Inc. & EIERA existing loan docs are to Remains, Inc.

Remains, Inc.

Debt Service Coverage Ratio Assuming New Debt at Interest Only

	2013	2012
Traditional Cash Flow	147,560	448,570
Add: Interest Expense	6,926	12,689
Depreciation	0	8,568
Adjusted Traditional Cash Flow	154,486	461,259
P & I Existing Equipment Loan	50,928	50,928
Interest on EIERA Loan	18,921	18,921
7% Interest of US Bank Line	7,000	7,000
3.6% Interest on PNC Line	5,400	5,400
Total Debt Interest Only Debt Svc	82,249	82,249
Debt Service Coverage Ratio	1.88	5.61

Debt Service Coverage Ratio Assuming P & I

Traditional Cash Flow	147,560	448,570
Add: Interest Expense	6,926	12,689
Depreciation	0	8,568
Adjusted Traditional Cash Flow	154,486	461,259
P & I Existing Equipment Loan	50,928	50,928
EIERA Loan	99,757	99,757
7% Interest of US Bank Line	7,000	7,000
3.6% Interest on PNC Line	5,400	5,400
Total Debt Interest Only Debt Svc	163,085	163,085
Debt Service Coverage Ratio	0.95	2.83



Missouri Brownfields Revolving Loan Fund

Prudent Lending Practices Guidelines

Overview

The Environmental Improvement and Energy Resources Authority (EIERA) is the recipient from the United States Environmental Protection Agency (EPA) of a Brownfields Revolving Loan Fund. Funding may be provided for the cleanup of both hazardous substances and petroleum contaminated sites. EIERA will offer both loans and subgrants. No more than 40% of the cleanup funds may be awarded in subgrants. The maximum principal amount of a subgrant may not exceed \$100,000 per site, without a waiver from EPA, and may be made only to entities which would be eligible recipients of an EPA Brownfields Grant which own fee simple title to the properties which meet the definition of Brownfields (or excluded but eligible for a property-specific funding determination) to be cleaned up/remediated including political subdivisions, indian tribes and qualifying non-profit organizations. There is no maximum principal amount for loans and eligible borrowers may include for-profit enterprises that meet the Brownfields Law criteria.

Loan/Subgrant Application and Approval Process

Applications will be taken on a first-come, first-served basis. Applicants will complete a Pre-Application which EIERA staff will review to determine if the Applicant, Property and Project meet all program eligibility requirements. Eligible Applicants will then be invited to complete a Full Application. Applicants will be made aware that eligible costs do not include administrative costs.

Credit Worthiness/Financial Evaluation Procedures

In light of the foregoing and for purposes of determining the financial need, credit worthiness and sufficiency of collateral security, each potential Participant shall submit for EIERA's review a completed "Full Application for Credit Analysis and Financial Evaluation" with all requested documentation.

EIERA's staff may waive receipt of certain requested information exercising reasonable discretion. Upon receipt of a completed Full Application, the EIERA staff may undertake additional investigation including obtaining credit reports from recognized credit reporting agencies. EIERA staff, in consultation with its Financial Advisor or other resource professionals shall review all such information and undertake the following:

1. The EIERA staff/Financial Advisor shall perform such analysis as is reasonably prudent to make an informed decision as to the potential Participant's ability to pay existing and anticipated debts (including the proposed financial assistance) as they become due. This analysis may include performing liquidity ratios such as a "current ratio" (a comparison of Participant's current assets to current liabilities) and an "acid test" (a comparison of Participant's most liquid assets to its most liquid liabilities). EIERA does not adopt any specific target ratio. Rather the staff shall, in consultation with the EIERA's financial advisor or other resource professionals, advise as to whether or not they believe the potential Participant can be reasonably expected to satisfy current and long-term obligations as they become due.
2. Staff/Financial Advisor may also perform analyses aimed at testing the potential Participant's chances for long-run solvency such as an "equity ratio" (a comparison of the potential Participant's equity to debt). EIERA does not adopt any specific target ratio. Rather, in consultation with the EIERA's financial advisor or other resource professionals, EIERA staff shall advise as to whether or not they believe the potential Participants can reasonably expected to continue as a viable economic enterprise in light of all financial circumstances.
3. The staff/Financial Advisor shall consider the potential Participant's current and anticipated cash flow in light of the proposed project.
4. The staff/Financial Advisor shall consider the potential Participant's ability to service the Project debt service by reviewing the anticipated net operating income and considering the potential "debt coverage ratio". EIERA does not adopt any specific debt coverage target. Rather, in consultation with the EIERA's financial advisor or other resource professionals, the staff shall advise as to whether they believe the potential Participant can be reasonably expected to comfortably service the Loan.
5. The staff shall/Financial Advisor consider the Applicant's equity interest in the Property and the proposed completed Project when considering the "loan to value" aspects of the proposed loan. EIERA does not adopt any specific "loan to value" target ratio. Rather, in consultation with the EIERA's financial advisor or other resource professionals, the staff shall advise as to whether or not additional security above and beyond the subordinated deed of trust would be prudent and advisable.

Upon completion of such review, EIERA staff/Financial Advisor shall make its written recommendation, including a written summary of findings, to the Application Evaluation Team. If the Application Evaluation Team recommends proceeding with the Loan or Subgrant, EIERA staff will then bring a resolution to the EIERA Board requesting approval of the Loan or Subgrant. EIERA staff and legal counsel will work with the Participant to execute the documents to the loan or subgrant may be funded.

Standard Repayment Terms and Conditions

It is anticipated that the typical (standard) loan will be evidenced by a promissory note bearing interest at a rate of three percent (3%) per annum with one payment per month with a term of five years secured by collateral that may include, but not limited to: personal guaranties, security agreements covering personal property and deeds of trust. Given EIERA's collateral position, EIERA will generally not secure a lender's policy of title insurance covering a second deed of trust.

The Application Review Team may recommend deviation from the standard terms and conditions described above in order to justify, as prudent, the making of a Loan to the Participant where doing so would advance important social, environmental and redevelopment goals. Deviation from the standard may include one or more of the

following: lower interest rate, longer term, periods of “stand-still” (interest continues to accrue but payments held in abeyance), requirements for additional security or a “due upon sale” provision whereby the principal plus accrued interest (or pro-rata portions thereof) is not due and payable until the later of the sale of the subject property or a specific date.

Unlike a loan, a subgrant will contain clauses declaring the grant terms have been met in the event the Participant shall complete the proposed Project (including the receipt from the Missouri Department of Natural Resources of a “No further Action” letter with respect to the known contamination within the agreed time schedule). As would be expected, the Subgrantee would not be expected to make payments during the construction period.

Collection Procedures

Borrowers who miss a payment are sent a letter by the EI ERA notifying them that they are in danger of default on their loan. If payment is still not made at 60 days a second letter is sent to the Borrower. Once the loan is 90 days delinquent, the matter is turned over to EI ERA Legal Counsel and a notice of acceleration is sent to the Borrower requiring payment of the loan balance in full. If the Borrower fails to contact the EI ERA, a petition is drafted and filed in Circuit Court.

State Environmental Improvement and Energy Resources Authority
312th Board Meeting
March 20, 2014

Agenda Item #7
Strategic Measures

Issue:

Approximately one year has passed since Staff began measuring items for use in the Scorecard. We feel it is time to look at those measures to determine if they are achieving what we expected.

Action Needed:

Brief discussion of the measures, our current performance in relation to the measures and potential adjustments.

Staff Recommendation:

Staff recommends that they continue to evaluate the measures, adjust the measurement process as necessary and, at the end of this fiscal year, make recommendations to the Board regarding Scorecard revisions.

Staff Contact:

Karen Massey

Background:

Now that we have been in the measurement phase for about a year, it has become obvious to staff that while a few are fine, some of our measures aren't working, others are working in unexpected ways and some need adjustment. There are also some that we haven't implemented-either due to lack of time or our inability to find a reasonable method.

Attached you will find a copy of the Scorecard for the quarter ended December 31, 2013. At the meeting we will answer any questions you have regarding our performance and discuss why we are at certain levels. As we do so, we will ask for the Board's thoughts regarding the effectiveness of each. Below is a list of some of the measures and Staff's initial thoughts.

Client Dollars Saved: Some issues, overall a good measure. Adjust target.

Positive Environmental Impacts: Not finding an appropriate measurement tool given our resource limitations and variety of projects. Need to find a proxy measure.

Survey Targeted Groups: Delete. Work on communication plan to better understand what we want to achieve here.

Focus Group Results: Delete, too costly and time consuming. Again, get communication plan in place to determine need.

Number of Applications for Assistance: Revisit the word “Applications” in light of new areas we've been providing services.

Total Authority Revenue Increased: Adjust target.

Diversification of Revenues Increased: Delete the word “increased.”

Decrease True Costs of Service: Delete the word “decrease.” Adjust target.

Number of Unaddressed Significant Audit Findings: Delete the word “unaddressed.”

Timeliness of Critical Documents: Evaluate what is being counted, due dates, etc.

Critical Documents with Errors: Similar to timeliness.

Improve Workflow Processes: Delete.

Project Information on Website by Deadline: Remove as a measure, but address in communication plan.

The items listed above are just to give you a flavor of our thoughts. We appreciate the chance to talk to the Board about how you perceive the Scorecard measures and their usefulness to you. With your input, we hope to come back to you near the end of the fiscal year with revisions to the Scorecard for your consideration.

Thank you.

KM:ge

Attachment

EIERA Balanced Scorecard							12/31/2013
Top 8 KPI							↑ Performance Meets or Exceeds Target Expectations To Date
Middle 9 KPI							↔ Performance Neutral To Date
Bottom 8 KPI							↓ Performance Below Target Expectations To Date
Improve Client Results							
	Measured	2013	YTD	Target	Rank	Progress	
Client dollars saved	6/30/2014	\$31,672,156	\$48,700,011	\$25,000,000		↑	
Total dollar amount of projects funded	6/30/2014	\$89,198,556	\$91,519,196	\$40,000,000		↑	
Positive environmental impacts	TBD	-	-	-		NA	
Improve Client Satisfaction							
		Baseline	YTD	Target	Rank	Progress	
Client satisfaction ratings improved	12/31/2014	-	-	-		NA	
Number of EIERA client referrals increased	9/30/2014	-	-	-		NA	
Build Awareness of EIERA's Value							
		2013	YTD	Target	Rank	Progress	
Survey targeted groups	9/30/2014	-	-	-		NA	
Comparison of Focus Group results	9/30/2015	-	-	-		NA	
# web hits	6/30/2014	50,549	2,777	10,000		↓	
# of applications for financing	6/30/2014	12	3	15		↓	
Create Sustainable Funding Model/Enhance Financial Strength							
		2013	YTD	Target	Rank	Progress	
Total Authority revenue increased	6/30/2014	643,783	367,687	1,300,000		↓	
Diversification of revenues increased (<25%)	6/30/2014	49%	45%	25%		↓	
Decrease true costs of services	6/30/2014	-	-	-		NA	
Financial Accountability Excellence							
		Previous	YTD	Target	Rank	Progress	
# of unaddressed significant audit findings	12/31/2013	0	0	0		↑	
Enhance Partnerships and Relationships							
		Baseline	YTD	Target	Rank	Progress	
Partner Interest in working with the EIERA	6/30/2014	-	-	-		NA	
Continuous Quality Improvement							
		Previous	YTD	Target	Rank	Progress	
Timeliness of critical documents by deadline	6/30/2014	95%	84%	95%		↓	
% of final critical documents with errors (< 5%)	6/30/2014	4%	3%	5%		↑	
Improve workflow processes (SOP) per year	12/31/2013	3	5	5		↑	
Communications Practices improved							
		Previous	YTD	Target	Rank	Progress	
# contacts generating results	6/30/2014	-	-	-		NA	
Meeting materials on website by deadline	6/30/2014	75%	100%	95%		↑	
Project Information on Website by deadline	12/31/2013	-	0	90%		↓	
Increase Board involvement							
		Baseline	YTD	Target	Rank	Progress	
Survey on Board informed input	6/30/2014	-	-	-		NA	
Leads provided by Board which are pursued	9/30/2014	-	-	-		NA	
Increase Staff capacity							
		Previous	YTD	Target	Rank	Progress	
Reduce inefficient use of staff time	3/31/2014	20	25	16		↓	
% of identified gaps addressed	6/30/2014	-	-	50%		NA	
% of staff training plans completed	9/30/2014	-	100%	80%		↑	

**313th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**Governor Office Building
200 Madison Street, Room 315
Jefferson City, Missouri**

**May 20, 2014
10:00 a.m.**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 312th Meeting of the Authority Held March 20, 2014, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Enter Into an Omnibus Supplemental Indenture with Respect to the State Revolving Funds Programs Bonds, and Authorizing the Authority to Take Certain Other Actions in Connection with the Actions Authorized by the Omnibus Supplemental Indenture
 - B. Other
4. Project Updates
5. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the EcoTec Surfaces, LLC, Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Consideration of the Funding Recommendation for the QRS, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - D. Consideration of the Funding Recommendation for the Avenue of Life, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - E. Consideration of the Funding Recommendation for the EXT Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - F. Update on Lake Area Industries Project
6. Review of FY14 Third Quarter Financials
7. Other Business

State Environmental Improvement and Energy Resources Authority
313th Board Meeting
May 20, 2014

Agenda Item #3A
STATE REVOLVING FUND

Issue:

The State Revolving Fund program has experienced several unanticipated prepayment requests in the last few years. This Omnibus Supplemental Indenture will allow the Authority and Missouri Dept. of Natural Resources (MDNR) to better manage remaining reserve funds and mitigate any potential negative impact to the Authority's underlying bonds that remain outstanding.

Action Needed:

Consideration of a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to enter into an Omnibus Supplemental Indenture with Respect to the State Revolving Funds Programs Bonds, and Authorizing the Authority to Take Certain Other Actions in Connection with the Actions Authorized by the Omnibus Supplemental Indenture.

Staff Recommendation:

Staff recommends the approval/adoption of the resolution authorizing the Omnibus Supplemental Indenture.

Staff Contact:

Joe Boland

Background:

Despite extremely low interest rates provided through the SRF program, the MDNR continues to receive requests to prepay SRF loans or underlying participant bonds. Historically, as each situation arises the Authority has brought to the Board a special supplemental indenture for the applicable series of bonds. In order to avoid this piecemeal response to prepayments, Authority Bond Counsel, Gilmore and Bell, proposed an omnibus supplemental indenture.

The omnibus supplemental indenture (OSI) serves as an amendment to each of the outstanding series of Authority bonds and would implement the following:

- Authorize the Trustee to establish separate accounts and subaccounts within the funds and accounts established under each Indenture or otherwise segregate moneys within the funds and accounts as the Trustee may deem necessary or convenient, or as the Trustee is instructed in writing by the Authority.

- Establish at the direction of the Authority, by an Officer's Certificate, a master reserve account to hold moneys re-allocated from a participant's reserve account.
- Authorize the Authority, by an Officer's Certificate, to direct the Trustee about the application of prepayment funds as necessary or convenient for the preservation of the current ratings on the Programs bonds and/or, in consultation with DNR, the efficient administration of the Programs.

JB:ge

Attachments

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ENTER INTO AN OMNIBUS SUPPLEMENTAL INDENTURE WITH RESPECT TO THE STATE REVOLVING FUNDS PROGRAMS BONDS, AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ACTIONS AUTHORIZED BY THE OMNIBUS SUPPLEMENTAL INDENTURE

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998 and July 31, 2009, the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program" and, collectively with the Clean Water SRF Program, the "SRF Programs") and has stated its intent to issue its bonds or notes to finance projects pursuant to the SRF Programs, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, Section 8.1 of each of the Bond Indentures under which SRF Programs bonds have been issued authorizes the Authority and the applicable bond trustee to enter into indentures supplemental to the Indenture without the consent of, or notice to, any of the bondholders to cure any ambiguity or formal defect or omission; and

WHEREAS, the Authority, in consultation with the Missouri Department of Natural Resources, desires to have the flexibility to take actions which are necessary or convenient to provide for the efficient accounting of funds, to assure debt service coverage for Bonds is maintained, to assure that the credit ratings on applicable Bonds are not adversely affected by the redemption of bonds of Public Entities and Participants, and to minimize the impact of the redemption of the bonds of Public Entities and Participants on the Clean Water SRF Program and the Drinking Water SRF Program, as applicable; and

WHEREAS, the Authority has determined to amend the SRF Programs bond indentures; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable that the Authority enters into certain documents and take certain other actions in connection with the Authority's entry into the documents as herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Authorization of Omnibus Supplemental Indenture. The Authority is hereby authorized to enter into the document Omnibus Supplemental Indenture dated as of May 1, 2014, with UMB Bank, N.A. and UMB Bank & Trust, N.A. (the "Supplemental Indenture"), in substantially the form presented and reviewed by the Authority at this meeting (a copy of which Supplemental Indenture shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing the Supplemental Indenture, such officers' signatures thereon being conclusive evidence of their approval thereof.

Section 2. Execution of Supplemental Indenture. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority.

Section 3. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including amendment of any federal tax certificate, and to carry out, comply with and perform the duties of the Authority with respect to the Supplemental Indenture.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 20th day of May, 2014.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

Attachment "B"

OMNIBUS SUPPLEMENTAL INDENTURE

Dated as of May 1, 2014

between

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

and

UMB BANK, N.A. and UMB BANK & TRUST, N.A.,
as Trustees

Relating to the

State Revolving Funds Programs of
the State of Missouri

OMNIBUS SUPPLEMENTAL INDENTURE

THIS OMNIBUS SUPPLEMENTAL INDENTURE (this “Omnibus Supplemental Indenture”), made and entered into as of May 1, 2014, by and between the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), organized and existing by, under and pursuant to the laws of the State of Missouri, and UMB BANK & TRUST, N.A., a national banking association, and UMB BANK, N.A., a national banking association, each as Trustee (each a “Trustee”):

RECITALS:

1. Pursuant to Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended, thereto (the “Act”) the Authority has issued its bonds (“Bonds”) pursuant to the bond indentures (the “Indentures”) as described in Exhibit A to this Omnibus Supplemental Indenture, each between the Authority and the applicable Trustee, and the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the “Clean Water SRF Program”) and the Missouri Leveraged State Drinking Water Revolving Fund Program (the “Drinking Water SRF Program”).

2. Section 8.1 of the Indentures authorize the Authority and the Trustee to enter into indentures supplemental to the Indentures without the consent of, or notice to, any of the bondholders to cure any ambiguity or formal defect or omission.

3. Section 8.3 of the Indentures provides that before the Authority and the Trustee enter into a supplemental indenture there shall have been delivered to the Authority, the Trustee, the Missouri Department of Natural Resources (“DNR”) and others, an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the applicable bond indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the applicable bonds from gross income for federal income tax purposes.

4. Bonds of the participating public entities (each a “Public Entity” or “Participant” as described in the applicable Indenture) have been redeemed in whole or in part from time to time and the Authority expects additional redemptions to occur in the future.

5. The Authority, in consultation with the Missouri Department of Natural Resources, desires to have the flexibility to take actions which are necessary or convenient to provide for the efficient accounting of funds, to assure debt service coverage for Bonds is maintained, to assure that the credit ratings on applicable Bonds are not adversely affected by the redemption of bonds of Public Entities and Participants, and to minimize the impact of the redemption of the bonds of Public Entities and Participants on the Clean Water SRF Program and the Drinking Water SRF Program, as applicable.

6. The Authority has requested that the Indentures be amended and supplemented as set forth in this Omnibus Supplemental Indenture.

AGREEMENT:

Section 1. Definitions. Section 1.1 of the Indentures is amended by inserting the following:

“Authorized Officer” means the Chairman, Vice Chairman, Secretary, Director or Deputy Director of the Authority.

“Master Reserve Account” means a Master Reserve Account established in the Reserve Fund by the Trustee upon receipt of an Officer’s Certificate.

“Officer’s Certificate” means a certificate signed by an Authorized Officer of the Authority.

Section 2. Accounts and Subaccounts. The Indenture section relating to the establishment of funds and accounts is amended by inserting the following at the end of that section:

The Trustee is authorized to establish separate accounts and subaccounts within the funds and accounts established under this Indenture or otherwise segregate moneys within the funds and accounts as the Trustee may deem necessary or convenient, or as the Trustee is instructed in writing by the Authority in an Officer’s Certificate.

Section 3. Reserve Fund. The Indenture section relating to the Reserve Fund is amended by inserting the following provision, as a paragraph to be designated upon creation of a Master Reserve Account, with changes as set forth in the Officer’s Certificate:

() The Master Reserve Account is established in the Reserve Fund upon the Trustee’s receipt of an Officer’s Certificate. On each Interest Payment Date or other date on which interest earnings on the Master Reserve Account are received, the Trustee will transfer the Master Reserve Account earnings received to the Debt Service Fund for application to debt service on the Bonds. The principal amount of the Master Reserve Account will be released in part on the dates and in the amounts as set forth in an Officer’s Certificate.

Section 4. Application of Funds. The Trustee will apply funds received upon the redemption of bonds of Public Entities and Participants as set forth in an Officer’s Certificate.

Section 5. Exhibits. The exhibits to an Indenture are amended by the delivery of an Officer’s Certificate with a replacement exhibit or replacement pages in connection with implementing any deposit to a Master Reserve Account and the application of funds received upon the redemption of bonds of Public Entities and Participants.

Section 6. Ratification of Indenture. The Indentures shall remain in full force and effect as amended, modified and supplemented by this Omnibus Supplemental Indenture.

Section 7. Effective Date. This Omnibus Supplemental Indenture shall be effective as of January 1, 2014.

IN WITNESS WHEREOF, the Authority and the Trustees have caused this Omnibus Supplemental Indenture to be executed on their behalf by their duly authorized representatives, all as of the date first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By _____
Chairman

UMB BANK & TRUST, N.A., as Trustee

By _____
Vice President

UMB BANK, N.A., as Trustee

By _____
Vice President

EXHIBIT A

AMENDED BOND INDENTURES

Bond Indenture dated as of June 1, 1992, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1992A;

Bond Indenture dated as of August 1, 1993, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1993A;

Bond Indenture dated as of August 1, 1994, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1994A;

Bond Indenture dated as of November 1, 1994; as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1994B;

Bond Indenture dated as of April 1, 1995, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – City of Kansas City Project) Series 1995B;

Bond Indenture dated as of June 1, 1995, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – Multiple Participant Series) Series 1995C and the Capital Appreciation Water Pollution Control Revenue Bonds (State Revolving Fund Program – City of Cape Girardeau Project) Series 1995D;

Bond Indenture dated as of October 15, 1995, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – Multiple Participant Series) Series 1995E;

Bond Indenture dated as of April 1, 1996, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – City of Kansas City Project) Series 1996A;

Bond Indenture dated as of April 1, 1996, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – Multiple Participant Series) Series 1996B;

Bond Indenture dated as of June 1, 1996, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1996D;

Bond Indenture dated as of December 1, 1996, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – Multiple Participant Series) Series 1996E;

Bond Indenture dated as of June 1, 1997, relating to the Water Pollution Control Revenue Refunding Bonds (State Revolving Fund Program – Multiple Participant Series) Series 1997A;

Bond Indenture dated as of April 1, 1997, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – City of Kansas City Project) Series 1997B and the Water Pollution Control Revenue Bonds (State Revolving Fund Program – City of Kansas City Project) Series 1997C;

Bond Indenture dated as of June 1, 1997, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1997D;

Bond Indenture dated as of December 1, 1997, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – Master Trust) Series 1997E;

Bond Indenture dated as of December 1, 1997, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – Master Trust) Series 1997F;

Bond Indenture dated as of April 1, 1998, as amended, relating to the Water Pollution Control Revenue Bonds (State Revolving Fund Program – Master Trust) Series 1998A;

Bond Indenture dated as of December 1, 1998, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 1998B;

Bond Indenture dated as of June 1, 1999, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 1999A;

Bond Indenture dated as of December 1, 1999, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 1999B;

Bond Indenture dated as of April 1, 2000, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2000A;

Bond Indenture dated as of November 1, 2000, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2000B;

Bond Indenture dated as of April 1, 2001, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001A;

Bond Indenture dated as of June 1, 2001, relating to the Water Pollution Control Revenue Refunding Bonds (State Revolving Funds Programs – Master Trust) Series 2001B;

Bond Indenture dated as of November 1, 2001, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C;

Bond Indenture dated as of May 1, 2002, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2002A;

Bond Indenture dated as of November 1, 2002, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Fund Programs – Master Trust) Series 2002B;

Bond Indenture dated as of January 1, 2003, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2003A;

Bond Indenture dated as of April 1, 2003, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2003B;

Bond Indenture dated as of November 1, 2003, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2003C;

Bond Indenture dated as of March 1, 2004, relating to the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2004A;

Bond Indenture dated as of May 1, 2004, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2004B;

Bond Indenture dated as of December 1, 2004, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2004C;

Bond Indenture dated as of May 1, 2005, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005A;

Bond Indenture dated as of November 1, 2005, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C;

Bond Indenture dated as of April 1, 2006, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2006A;

Bond Indenture dated as of November 1, 2006, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2006B;

Bond Indenture dated as of April 1, 2007, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2007A;

Bond Indenture dated as of November 1, 2007, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2007B;

Bond Indenture dated as of October 1, 2008, as amended, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2008A;

Bond Indenture dated as of February 1, 2010, relating to the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2010A;

Bond Indenture dated as of November 1, 2010, relating to the Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2010B;

Bond Indenture dated as of November 1, 2011, relating to the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2011A; and

Bond Indenture dated as of November 1, 2013, relating to the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A.

State Environmental Improvement and Energy Resources Authority
313th Board Meeting
May 20, 2014

Agenda Item #4
PROJECT UPDATES

Issue:

Update on the Redemption of the 2004 Energy Efficiency Bonds, Water Quality Fee Study, MDNR Affordability Determination Efforts, Natural Resource Damage Restoration Projects, Water and Wastewater Affordability Efforts, and Missouri Brownfields Revolving Loan Fund

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Karen Massey and Kristin Tipton

Background:

Redemption of Series 2004 Energy Efficiency Leveraged Loan Bonds

Since the last meeting of the Authority, Moody's completed their surveillance review of the remaining energy bonds and noted no need to change the AA rating. Following the review, documents were finalized and notice was given to bondholders that the outstanding 2004 Energy Bonds will be called on May 15 as authorized by the Board at the January meeting. Staff was pleased to be able to offer this opportunity to the Division of Energy which produced savings and eased administration of their energy efficiency loans.

Water Quality Fee Study

The Environmental Finance Center at the University of North Carolina continues to carry out their activities under the Agreement with the Authority. At this time they are finalizing their review of various other fee structures and are developing the spreadsheet models relating to MDNR's revenue requirements and cost allocation methods. The project is proceeding according to plan and should be completed within the agreed upon timeframes.

Review of MDNR Affordability Determination Efforts

Staff has completed their review of MDNR's Affordability Determination Process and is working to complete the report of our efforts. The report should be complete prior to the Authority

meeting. As you may recall, in certain water quality permits MDNR is required to make a determination of whether the cost of infrastructure upgrades to meet new water quality standards are affordable. MDNR uses the affordability determinations as a factor in determining how long a community will be given to meet the water quality standards. After discussing the process with MDNR staff and stakeholders and reviewing numerous water quality permits, we found that, overall, MDNR created a sound process which complies with the statutory requirements. We did find a number of errors in the determinations themselves; however, those errors did not appear to impact the conclusions reached. We also found a fair degree of inconsistency between the compliance schedules given to communities with similar affordability determination outcomes. As MDNR pointed out in our initial meeting, we agree that the cost estimating tool available to MDNR is not well suited to technologies commonly used by small communities. Finally, we also found that the language used in the permit and other documents tends to be misinterpreted or not understood by the communities. Overall, while there is room for improvement, the process is meeting the statutory requirements and MDNR is doing a good job trying to identify and accommodate affordability issues for smaller communities.

Natural Resource Damage Restoration Projects

The Project Work Plans (Scope of Work) for both the Missouri Prairie Foundation and Webb City projects have been approved and signed by MDNR. Pursuant to the Work Plan, Authority Staff has prepared and submitted draft contracts between MDNR and the project participants. The Prairie Foundation contract has been reviewed and approved by MDNR and submitted to the Missouri Prairie Foundation for signature. Once the Prairie Foundation signs the agreement, they are likely to move quickly on their first property acquisition. MDNR is reviewing the Webb City contract and anticipates it will be given to the City for signature later this month. Lewis, Rice and Fingersh prepared a draft conservation easement form and staff has been working with MDNR on various terms within the document. Staff has also been working on a procedural and guidance document relating to the upcoming real estate transactions where program participants will purchase property to be restored, maintained and protected. Finally, we have developed financial and activity reporting templates and the first Quarterly Progress Report has been submitted to MDNR.

Water and Wastewater Infrastructure Affordability Efforts

The Agreement with Wichita State University regarding the Missouri AWIN model has been executed. The WSU Environmental Finance Center staff team is in the process of gathering Missouri specific data and information for the model. Authority and DNR staff have agreed to the list of communities that will populate the model, which will include all with a population of less than 10,000 but will exclude St. Louis, St. Charles, Jackson, Clay and Green Counties. It is still anticipated that the bulk of the work will be finished and the preliminary community sustainability model completed by early fall.

Missouri Brownfields Revolving Loan Fund

The EPA recently announced an opportunity to compete for supplemental brownfield revolving loan money and staff submitted a request for \$500,000 in hazardous substance

funds. The MRBLF has received a loan pre-application from the Lebanon Industrial Development Authority. Additional documents are required before this project can move forward.

Project updates are as follows:

- The MBRLF environmental consultant is working on the ABCA for the Habitat for Humanity of Springfield, Missouri Inc. site.
- Remains, Inc. is making interest payments on its loan from the program and its contractor is finalizing the Remediation Action Plan with BVCP. Signing of our amended agreement to increase the loan size to Remain has been delayed due to an incorrectly executed transfer of property to the company by the St. Louis Land Reutilization Authority.
- A Certificate of Completion was received for the former Carousel Building located in Eldon that is currently owned by the Lake of the Ozarks Council of Local Governments. The property will be transferred to a developer who is ready to begin work on the property.
- Oil cleanup is substantially complete at the Wittenberg Warehouse, part of the former Porter Oil Site currently owned by the Land Reutilization Authority of the City of St. Louis.
- Fourth quarter samples were pulled from long-term groundwater monitoring wells on the Ranken Technical College site and although the contractor reported to BVCP that sampling levels are adequate for site closure, BVCP requested an additional quarter of monitoring.
- As requested by BVCP, a fourth monitoring well was installed at the former Alliance Medical Warehouse site in Russellville and all four wells were sampled. Due to a slight increase in the benzene concentration in well #2, BVCP requested two additional groundwater sampling events at the site during the 2nd and 3rd quarters. The contractor on this project has thus far agreed to perform the sampling within the original contract cost, barring unexpected difficulties that could possibly increase costs.
- SMI/SNF Landlord, LLC continues to repay its loan from the program as scheduled.

KM/KT:ge

State Environmental Improvement and Energy Resources Authority
313th Board Meeting
May 20, 2014

Agenda Item #5B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR ECOTEC SURFACES, LLC

Issue:

EcoTec Surfaces, LLC requested \$50,000 toward the purchase of equipment costing \$62,000 that would enable the company to increase production of solid surface counter tops made from urethane, soy oil, and recycled automotive glass.

Action Needed:

Consideration of the funding recommendations for the EcoTec Surfaces, LLC. project.

Staff Recommendation:

Staff recommends awarding EcoTec Surfaces, LLC \$46,875, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

EcoTec Surfaces, LLC, located in Kansas City, requested \$50,000 toward the purchase of equipment costing \$62,000 that would enable the company to increase production of solid surface counter tops made from urethane, soy oil, and recycled automotive glass. This "first of its kind" product can be color matched to meet designer specifications and as it contains more than fifty-percent renewable and recycled materials, can typically offer a builder twice the LEED points of competitors. The product also weighs twenty-percent less than acrylic solid surfaces, making it attractive for the boating industry, easier on installers, and will save on transportation costs. The company began operation in 2009 as EcoTec Solid Surfaces and in 2012 was named one of the top 100 new companies by "This Old House" magazine. Supply and capital problems caused production to stall and the company was reorganized as EcoTec Surfaces in 2013. Targeting commercial, rather than residential markets, the company is currently in negotiations with a large convenience store operator for countertop replacement in multiple stores. EcoTec Surfaces LLC anticipates diverting 272 tons from the waste stream annually and creating 16 new full time jobs with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, unanimously recommends awarding this project \$46,875, not to exceed 75% of the cost of the equipment. This is the highest amount for which the proposal is eligible.

KT:ge

State Environmental Improvement and Energy Resources Authority
313th Board Meeting
May 20, 2014

Agenda Item #5C
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR QRS, INC.

Issue:

QRS, Inc. requested \$250,000 toward the purchase of equipment costing \$557,000 that would enable the company to recover post-consumer mixed plastics residuals.

Action Needed:

Consideration of the funding recommendations for the QRS, Inc. project.

Staff Recommendation:

Staff recommends tabling the QRS, Inc. application until DNR has made a determination about whether permits are required.

Staff Contact:

Kristin Tipton, Development Director

Background:

QRS, Inc, located in St. Louis, requested \$250,000 toward the purchase of equipment costing \$557,000 that would enable the company to recover post-consumer mixed plastics residuals that Material Recovery Facilities (MRFs) are not targeting or are unable to recover. Single stream collection systems typically recover between 80-90% of materials, sending unrecovered residuals directly to landfills. QRS, Inc. has developed technology to recover 85% of the material left in this residual stream, having conducted two years of study with extensive full production trials in Europe. QRS, Inc. operates in five major markets and has recently secured a St. Louis facility where this \$6,120,000 project will be implemented. The company intends to source material from all areas of the state that have household collection programs in place and will pick up the residual materials at a cost neutral to the supplier. The materials will be sized, sorted, washed, ground and dedusted before being packaged for reuse in manufacturing. Marketing of the end product will be performed by St. Josephs Plastics, a successful MMDP participant. QRS, Inc. anticipates diverting 2,080 tons from the waste stream annually and creating up to 30 new full time positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, strongly supports this project. DNR staff participating in the committee,

however, advised that language in the application suggests the business may require a solid waste processing permit. The committee recommends tabling the QRS, Inc. application until DNR has made a determination about whether permits are required.

KT:ge

State Environmental Improvement and Energy Resources Authority
313th Board Meeting
May 20, 2014

Agenda Item #5D
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR AVENUE OF LIFE, INC.

Issue:

Avenue of Life, Inc. requested \$75,000 toward the purchase of equipment costing \$94,550 that will enable the not-for-profit to recover materials from mattresses and box springs and process them into feedstocks.

Action Needed:

Consideration of the funding recommendations for the Avenue of Life, Inc. project.

Staff Recommendation:

Staff recommends tabling the Avenue of Life, Inc. application until additional information could be obtained from the applicant.

Staff Contact:

Kristin Tipton, Development Director

Background:

Avenue of Life, Inc., located in Kansas City, requested \$75,000 toward the purchase of equipment costing \$94,550 that will enable the not-for-profit to recover materials from mattresses and box springs and process them into feedstocks. Avenue of Life was established in 2013 to serve as a catalyst in the Kansas City area to break the cycle of poverty through community development. The organization's leadership team previously developed the largest local day care center for the homeless and currently provides a range of programs and services to meet the needs of disadvantaged and at-risk people. The mattress recycling initiative is supported by the Mid America Regional Council (MARC) and will be implemented with the collaboration of St. Vincent de Paul of Lane County, Oregon, the leading mattress recycler in the nation. Currently there are no mattress recyclers in the Kansas City area. The organization has acquired a facility to process the mattresses and box springs and commitments from several businesses and organizations to supply mattresses and purchase recovered materials. Avenue of Life, Inc. anticipates diverting 1,677 tons from the waste stream annually and creating seven new full time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development,

and the Authority, strongly support this project. The application, however, requested funding for some items of equipment which are not eligible through the program. The committee recommends that staff meet with the applicant and discuss options for moving the project forward.

KT:ge

State Environmental Improvement and Energy Resources Authority
313th Board Meeting
May 20, 2014

Agenda Item #5E
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR EXT, INC.

Issue:

EXT, Inc. requested \$94,858.67 toward the refurbishment of inoperable equipment that would enable the company to increase recycling capacity and plastic sheet production

Action Needed:

Consideration of the funding recommendations for the EXT, Inc. project.

Staff Recommendation:

Staff recommends awarding EXT, Inc. \$75,000, not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

EXT, Inc., located in Excelsior Springs, requested \$94,858.67 toward the refurbishment of inoperable equipment that would enable the company to increase recycling capacity and sheet production. The cost of refurbishing the granulator and sheet extrusion machine is \$142,288. EXT, Inc., a successful past program participant, has been producing plastic sheets and thermoformed parts from recovered materials since 1974. The company manufactures products for a wide array of industries including transportation, display, packaging, and lawn and garden. By refurbishing inoperable equipment, the company can increase production capacity of products containing primarily High Impact Polystyrene and High Density Polyethylene sourced from many areas in the state. EXT, Inc. manufactures with near zero processing waste and approximately 90% of its products contain recycled materials. The company is one of only a small handful of companies in the United States that recycles material, extrudes sheets and then thermoforms the sheets into finished products. The Program has had a long-time policy of including as eligible for funding projects that create a new product, use a different type of feedstock, or increase diversion. This project will not only substantially increase the company's diversion, but will also enable it to accept materials for which it currently does not have capacity. EXT's product line is diverse and constantly changing – because many of their products are made from the sheets produced by this equipment, it is likely that new and different products will result from this project. Additionally,

plastics has been a material focus for the program in recent years. EXT, Inc. anticipates diverting an additional 609 tons from the waste stream annually and creating 11 new full time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, unanimously recommends awarding this project \$75,000, not to exceed 50% of the cost of the equipment. This is the highest amount for which the proposal is eligible.

KT:ge

State Environmental Improvement and Energy Resources Authority
313th Board Meeting
May 20, 2014

Agenda Item #5F
MISSOURI MARKET DEVELOPMENT PROGRAM
UPDATE ON PROJECT WITH LAKE AREA INDUSTRIES

Issue:

Equipment problems have stalled the MMDP project with Lake Area Industries.

Action Needed:

None.

Staff Recommendation:

N/A

Staff Contact:

Kristin Tipton, Development Director

Background:

At its December 5, 2012 meeting the EI ERA awarded Lake Area Industries (LAI) \$20,715 towards the purchase of a foam densifier for a project to recover the vast amounts of Styrofoam that remain in nuisance dumpsites throughout the Lake area since the 2008 decision by Ameren UE to require all boat dock foam to be converted to encapsulated floats. Lake Area Industries (LAI) is a sheltered workshop that has operated for thirty years and currently employs fifty-five people with disabilities. There are currently no operations that successfully process this type of foam, but a vendor for the equipment assured LAI that he would make his machine work. After much retrofitting of the original machine, including a replacement, it was determined that a more robust and more expensive machine was required. At its September 12, 2013, meeting, the EI ERA increased the award to LAI to \$39,000 to cover 75% of the cost of this third machine. The vendor invested a substantial amount of time on this machine also, including a complete rebuild, but it is still not suitable for the operation. In the interim, LAI acquired the services of a volunteer retired engineer who has identified and tested an alternate machine that is capable of processing the foam. The original vendor has refused to refund the purchase price of the inoperable machine. LAI is considering legal steps to sue the vendor for a refund, but obviously this does not help move the project forward in the near future. Tiffany Riemann, Executive Director for LAI will make a short presentation at the meeting to update the members on the status of the project and possible solutions for moving forward.

KT:ge

State Environmental Improvement and Energy Resources Authority
313th Board Meeting
May 20, 2014

Agenda Item #6
REVIEW OF FY14 THIRD QUARTER FINANCIALS

Issue:

Summary of FY14 Third Quarter Financials

Action Needed:

None

Staff Recommendation:

None

Staff Contact:

Marcus Rowe

Background:

In reviewing the financial statements dated March 31, 2014, the Authority is within budget and is showing improved diversification with regards to project income. More specifically, the Authority started recouping costs associated with the Natural Resource Damages (NRD) initiative, and also has been assisting on the Series 2004 Energy Bond redemption. The NRD project income increases the "other income" category to 3% of total income through March 31, 2014. The Series 2004 Bond Energy redemption work will provide additional income to this category with this project nearing completion. Looking forward, this figure could rise a bit more since the EI ERA is working on multiple NRD projects simultaneously. These new activities are important for the EI ERA's income diversification, and hopefully the value the Authority adds to these projects will be well received and lead to more special projects in the future.

Personnel costs and operating costs are well below projections through March 31, 2014, and overall the Authority is on pace to maintain its budget goals.

Through March 31, 2014, both Brownfields and Market Development program spending are lower than projected. This should be changing in the Fiscal Year 2015 as previously approved Brownfields projects pick up momentum and we anticipate the approval of several new Market Development projects.

The financial assessment for the quarter is positive and we will be making every effort to keep heading in this direction moving forward.

A follow up to the efforts in auditing the Weatherization funds did turn up a couple of items, but fortunately they were minor adjustments that the Division of Energy had to make in terms of funds available. This was a very time consuming but positive exercise that showed that the procedures in place have worked very well to provide an accurate accounting of weatherization funds.

MR:ge

Attachment

**ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES
AUTHORITY AND NRD STATEMENT
FINANCIAL STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2014**

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To the Board of Directors
Environmental Improvement and Energy Resources
Jefferson City, MO

I have compiled the accompanying balance sheet of Environmental Improvement and Energy Resources— authority and NRD funds as of March 31, 2014 and 2013, and the related statements of operations for the year ending March 31, 2014. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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Firm's Signature

April 30, 2014
Report Date

**ENVIRONMENTAL IMPROVEMENT & ENERGY
RESOURCES AUTHORITY
AUTHORITY AND NRD BALANCE SHEET
As of March 31, 2014 and 2013**

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
CURRENT ASSETS		
CASH IN BANK - CHECKING	9,750.52	10,000.00
CASH IN BANK - MONEY MARKET	586,712.49	668,047.00
CASH IN BANK - PAYROLL	1,581.55	4,871.81
CASH IN BANK - DSP INITIATIVE CTB	0.00	72,042.99
SAVINGS ACCT - HAWTHORN 3278 (C	21.01	0.00
ACCOUNTS RECEIVABLE	69,886.77	0.00
DUE FROM AUTHOR/MD	58,055.93	32,311.26
DUE FROM BROWNFIELDS	30,946.97	42,605.30
PREPAID ITEMS	0.00	2,814.00
SWMF RECEIVABLE	5,000.00	0.00
Total Current Assets	\$ 761,955.24	\$ 832,692.36
FIXED ASSETS		
FIXED ASSETS	101,374.02	101,374.02
ACCUMULATED DEPRECIATION	<u>(101,013.95)</u>	<u>(100,911.05)</u>
Net Fixed Assets	\$ 360.07	\$ 462.97
INVESTMENTS		
CERTIFICATES OF DEPOSIT	2,710,660.17	2,709,993.06
GNMA INVESTMENT	7,720.23	8,546.54
ACCRUED INTEREST	<u>570.00</u>	<u>73.00</u>
Total Investments	\$ 2,718,950.40	\$ 2,718,612.60
OTHER LONG TERM ASSETS		
TOTAL ASSETS	<u>\$ 3,481,265.71</u>	<u>\$ 3,551,767.93</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	956.95	2,514.85
PAYROLL TAXES PAYABLE	(53.17)	16.32
ACCRUED EXPENSES	<u>44,436.91</u>	<u>49,355.91</u>
Total Current Liabilities	\$ 45,342.69	\$ 51,887.08
NET WORTH		
FUND BALANCE	<u>3,435,923.02</u>	<u>3,499,880.85</u>
Total Net Worth	<u>3,435,923.02</u>	<u>3,499,880.85</u>
Total Liabilities & Net Worth	<u>\$ 3,481,265.71</u>	<u>\$ 3,551,767.93</u>

**ENVIRONMENTAL IMPROVEMENT AND RESOURCES AUTHORITY
AUTHORITY AND NRD OPERATIONS STATEMENT**

	<u>3 Months Ended March 31, 2014</u>	<u>9 Months Ended March 31, 2014</u>	<u>ANNUAL</u>	<u>VARIANCE</u>
REVENUE				
EIERA EXP. (MKT DEV)	\$ 2,500.00	\$ 7,500.00	\$ 10,000.00	2,500.00
EIERA STAFF SUPPORT (MKT DEV)	8,750.00	26,250.00	35,000.00	8,750.00
NRD REIMBURSEMENT	8,067.79	8,067.79	0.00	(8,067.79)
SRF REIMBURSEMENT	61,818.98	117,709.31	150,000.00	32,290.69
APPLICATION FEES	0.00	2,500.00	2,500.00	0.00
ISSUANCE FEES	0.00	170,604.08	170,604.00	(0.08)
INVEST. INCOME	3,633.97	12,255.48	10,000.00	(2,255.48)
GAIN (LOSS) ON SALE OF EQUIPMENT	0.00	792.00	0.00	(792.00)
MISC. INCOME	5.00	1,692.27	200.00	(1,492.27)
TOTAL REVENUE	84,775.74	347,370.93	378,304.00	30,933.07
PERSONAL SERVICES:				
PER DIEM	100.00	150.00	850.00	700.00
OFFICE SALARIES	59,252.65	163,849.35	290,000.00	126,150.65
TAXES AND FRINGE	24,892.83	66,320.98	100,000.00	33,679.04
TRAVEL EXPENSE	115.83	1,613.64	10,500.00	8,886.36
TRAVEL EXPENSE BOARD	389.20	503.68	2,300.00	1,796.32
TOTAL PERSONAL SERVICES	\$ 84,750.51	\$ 232,437.63	\$ 403,650.00	\$ 171,212.37
PROFESSIONAL SERVICES				
LEGAL FEES & EXPENSES (GEN)	5,753.00	12,097.92	14,820.00	2,722.08
LEGAL FEES & EXPENSES (SRF GEN)	969.00	4,633.50	22,800.00	18,166.50
ACCOUNTING FEES	2,575.00	7,905.00	11,000.00	3,095.00
AUDIT FEES	0.00	21,344.20	21,500.00	155.80
MISC PROFESSIONAL FEE EXP	4,700.00	7,700.00	50,000.00	42,300.00
TOTAL PROFESSIONAL SERV.	\$ 13,997.00	\$ 53,680.62	\$ 120,120.00	\$ 66,439.38
OPERATING EXPENSES:				
EQUIP. MAINT.	0.00	0.00	500.00	500.00
TELEPHONE	265.97	1,291.33	3,000.00	1,708.67
OFFICE SUPPLIES/PRINTING	915.98	3,042.93	5,500.00	2,457.07
POSTAGE & SHIPPING	254.26	725.16	1,400.00	674.84
MEMBERSHIP DUES	325.00	3,630.00	3,550.00	(80.00)
CONF/REGIS. FEES	0.00	340.00	2,000.00	1,660.00
PUB. & SUBSCRIPT.	0.00	0.00	400.00	400.00
TRAINING	0.00	405.00	1,000.00	595.00
BOARD MEETING EXPENSE	79.48	130.87	500.00	369.13
MISC. & ADMIN.	83.50	142.17	300.00	157.83
ADVERT/LEGAL NOTICES	2,989.02	2,989.02	3,000.00	10.98
OFFICE MAINT.	0.00	933.00	1,000.00	67.00
RENT	7,500.00	23,134.84	28,000.00	4,865.16
UTILITIES	0.00	1,569.81	1,600.00	30.19
INSURANCE	516.00	533.00	800.00	267.00
PARKING	0.00	400.00	400.00	0.00
MOVING EXPENSE	31.82	13,675.12	15,000.00	1,324.88
EQUIP. PURCHASE	0.00	0.00	2,000.00	2,000.00
COMPUTER EQUIP PURCH	0.00	878.00	1,000.00	122.00
WORKERS' COMP CONTINGENCY	0.00	0.00	4,500.00	4,500.00
TOTAL OPERATING EXPENSES	\$ 12,961.03	\$ 53,820.25	\$ 75,450.00	\$ 21,629.75
PROJECT ASSISTANCE				
BRLF MATCH (TRANSFER OUT)	4,164.98	18,606.37	285,996.00	267,389.63
TOTAL PROJECT ASSIST.	\$ 4,164.98	\$ 18,606.37	\$ 285,996.00	\$ 267,389.63
NET REV. OVER (UNDER) EXP	\$ (31,097.78)	\$ (11,173.94)	\$ (506,912.00)	\$ (495,738.06)

SEE ACCOUNTANT'S COMPILATION REPORT

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES

BROWNFIELDS STATEMENT

FINANCIAL STATEMENT

FOR THE PERIOD ENDING MARCH 31, 2014

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To the Board of Directors
Environmental Improvement and Energy Resources
Jefferson City, MO

I have compiled the accompanying balance sheet of Environmental Improvement and Energy Resources – brownfields fund as of March 31, 2014, and the related statements of operations for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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Firm's Signature

April 30, 2014
Report Date

MO ENVIRON. IMPROVE. & ENERGY RESOURCES

BROWNFIELDS COMBINED GRANTS BALANCE SHEET

As of March 31, 2014

March 31, 2014

CURRENT ASSETS		
CASH IN BANK - CB MMF		10,247.95
ACCOUNTS RECEIVABLE		<u>20,933.02</u>
Total Current Assets	\$	31,180.97
FIXED ASSETS:		
Total Fixed Assets	\$	0.00
TOTAL ASSETS	\$	<u>31,180.97</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE		234.00
DUE TO AUTHORITY		<u>30,946.97</u>
Total Current Liabilities	\$	31,180.97
NET WORTH		
TOTAL LIABILITIES & NET WORTH	\$	<u>31,180.97</u>

ENVIRONMENTAL IMPROVEMENT AND RESOURCES AUTHORITY
BROWNFIELDS OPERATIONS STATEMENT
For the Year Ending March 31, 2014

	TOTAL BROWNFIELDS	BROWNFIELDS BUDGET	VARIANCE
REVENUE			
BROWNFIELDS REIMBURSEMENT	90,450.49	1,432,062.00	1,341,611.51
LOAN REPAYMENT	30,729.77	40,896.00	10,166.23
BRLF MATCH TRANSFER IN (EIERA)	<u>18,606.37</u>	<u>285,996.00</u>	<u>267,389.63</u>
TOTAL REVENUE	\$ 139,786.63	\$ 1,758,954.00	\$ 1,619,167.37
PROGRAM EXPENSES			
OFFICE SALARIES	31,003.60	188,915.00	157,911.40
TAXES AND FRINGE BENEFITS	13,826.68	89,866.00	76,039.32
TRAVEL EXPENSE	474.66	38,247.00	37,772.34
OFFICE SUPPLIES/PRINTING	0.00	1,100.00	1,100.00
CONTRACTUAL	2,767.00	154,001.00	151,214.00
LOANS AND SUBGRANTS	<u>91,694.13</u>	<u>1,286,825.00</u>	<u>1,195,130.87</u>
TOTAL PROGRAM EXP	\$ 139,786.07	\$ 1,758,954.00	\$ 1,619,167.93
NET REV. OVER (UNDER) EXP	\$ <u>0.56</u>	\$ <u>0.00</u>	\$ <u>(0.56)</u>

SEE ACCOUNTANT'S COMPILATION REPORT

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES
MARKET DEVELOPMENT STATEMENT
FINANCIAL STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2014

thompson & thompson c.p.a., p.c.

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To the Board of Directors
Environmental Improvement and Energy Resources
Jefferson City, MO

I have compiled the accompanying balance sheet of Environmental Improvement and Energy Resources – market development fund as of March 31, 2014 and 2013, and the related statements of operations for the year ending March 31, 2014. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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Firm's Signature

April 30, 2014
Report Date

**ENVIRONMENTAL IMPROVEMENT & ENERGY
RESOURCES AUTHORITY
MARKET DEVELOPMENT BALANCE SHEET
As of March 31, 2014 and 2013**

	March 31, 2014	March 31, 2013
CURRENT ASSETS		
HAWTHORN BK MKT DEV 161721	322,329.15	155,351.21
SWMF RECEIVABLE	<u>92,648.20</u>	<u>233,548.91</u>
Total Current Assets	\$ 414,977.35	\$ 388,900.12
FIXED ASSETS		
FIXED ASSETS	17,736.73	17,736.73
ACCUMULATED DEPRECIATION	<u>(16,520.13)</u>	<u>(16,215.93)</u>
Net Fixed Assets	\$ 1,216.60	\$ 1,520.80
INVESTMENTS		
Total Investments	\$ 0.00	\$ 0.00
TOTAL ASSETS	<u>\$ 416,193.95</u>	<u>\$ 390,420.92</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	666.36	567.27
DUE TO AUTHORITY	58,055.93	32,311.26
PAYROLL TAXES PAYABLE	<u>0.00</u>	<u>1.19</u>
Total Current Liabilities	\$ 58,722.29	\$ 32,879.72
NET WORTH		
FUND BALANCE	<u>357,471.66</u>	<u>357,541.20</u>
Total Net Worth	357,471.66	357,541.20
Total Liabilities & Net Worth	<u>\$ 416,193.95</u>	<u>\$ 390,420.92</u>

SEE ACCOUNTANT'S COMPILATION REPORT

**ENVIRONMENTAL IMPROVEMENT AND RESOURCES AUTHORITY
MARKET DEVELOPMENT STATEMENT**

	<u>3 Months Ended</u> <u>March 31, 2014</u>	<u>9 Months Ended</u> <u>March 31, 2014</u>	<u>ANNUAL BUDGET</u>	<u>VARIANCE</u>
REVENUE				
SOLID WASTE MANAGEMENT	\$ 92,648.20	\$ 457,587.90	\$ 1,503,906.00	\$ (1,046,318.10)
INVEST. INCOME	<u>60.87</u>	<u>196.72</u>	<u>0.00</u>	<u>(196.72)</u>
TOTAL REVENUE	\$ 92,709.07	\$ 457,784.62	\$ 1,503,906.00	\$ 1,046,121.38
ADMINISTRATIVE:				
PAYROLL AND FRINGE	\$ 16,454.40	\$ 55,457.44	\$ 95,000.00	\$ 39,542.56
LEGAL FEES/ EXPENSES	0.00	4,252.50	7,000.00	2,747.50
TRAVEL EXPENSES	86.66	448.95	1,000.00	551.05
ACCOUNTING FEES	360.00	1,080.00	1,800.00	720.00
MEMBERSHIPS	0.00	295.00	2,000.00	1,705.00
CONFERENCE/REGISTRATION F	0.00	670.00	1,000.00	330.00
EIERA SALFRINGES	8,750.00	26,250.00	35,000.00	8,750.00
DIRECT COSTS	49.03	578.36	1,200.00	621.64
EIERA EXPENSES	2,500.00	7,500.00	10,000.00	2,500.00
TRAINING	<u>0.00</u>	<u>0.00</u>	<u>800.00</u>	<u>800.00</u>
TOTAL ADMINISTRATIVE	\$ 28,200.09	\$ 96,532.25	\$ 154,800.00	\$ 58,267.75
BUSINESS ASSISTANCE:				
LEGAL FEES/EXPENSES	\$ 1,875.00	\$ 10,792.75	\$ 16,000.00	\$ 5,207.25
TRAVEL EXPENSE	107.29	515.03	2,500.00	1,984.97
PUBLICATION DESIGN/PRODUCT	0.00	0.00	1,000.00	1,000.00
BUSINESS INITIATIVES	7,500.00	11,250.00	25,000.00	13,750.00
DIRECT FIN ASSIST	4,816.76	93,816.76	454,042.00	360,225.24
ENCUM DIR FIN ASST PRIOR YEA	<u>49,054.05</u>	<u>210,112.57</u>	<u>766,539.00</u>	<u>556,426.43</u>
TOTAL BUSINESS ASSIS.	\$ 63,353.10	\$ 326,487.11	\$ 1,265,081.00	\$ 938,593.89
TECHNICAL ASSISTANCE:				
TECHNICAL ASSIST. ENCUMBER	\$ 1,125.00	\$ 14,025.00	\$ 14,025.00	\$ 0.00
TECHNICAL ASSISTANCE	0.00	0.00	25,000.00	25,000.00
CONTRACT SERV. MO ENTERPRI	0.00	4,848.54	25,000.00	20,151.46
MACOG	<u>0.00</u>	<u>15,725.00</u>	<u>20,000.00</u>	<u>4,275.00</u>
TOTAL TECH. ASSIS.	\$ 1,125.00	\$ 34,598.54	\$ 84,025.00	\$ 49,426.46
NET REV. OVER (UNDER) EXP	\$ 30.88	\$ 166.72	\$ 0.00	\$ (166.72)

SEE ACCOUNTANT'S COMPILATION REPORT

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES

WEATHERIZATION STATEMENT

FINANCIAL STATEMENT

FOR THE PERIOD ENDING MARCH 31, 2014

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To the Board of Directors
Environmental Improvement and Energy Resources
Jefferson City, MO

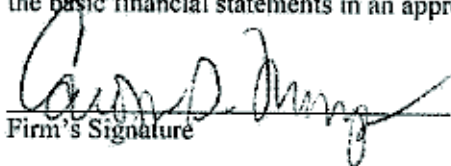
I have compiled the accompanying balance sheet of Environmental Improvement and Energy Resources – weatherization fund as of March 31, 2014, and the related statements of operations for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The management's has elected to omit budgetary information for this fund required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic or historical context.


Firm's Signature

April 30, 2014
Report Date

**ENVIRONMENTAL IMPROVEMENT & ENERGY
RESOURCES AUTHORITY
WEATHERIZATION BALANCE SHEET
As of March 31, 2014**

March 31, 2014

CURRENT ASSETS		
CTB WEATHERIZATION 160105		<u>2,695,882.24</u>
Total Current Assets	\$	2,695,882.24
INVESTMENTS		
Total Investments	\$	0.00
TOTAL ASSETS	\$	<u>2,695,882.24</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE		<u>175.00</u>
Total Current Liabilities	\$	175.00
NET WORTH		
FUND BALANCE		<u>2,695,707.24</u>
Total Net Worth	\$	2,695,707.24
TOTAL LIABILITIES & NET WORTH	\$	<u>2,695,882.24</u>

ENVIRONMENTAL IMPROVEMENT AND RESOURCES AUTHORITY
WEATHERIZATION OPERATIONS STATEMENT
For the Year Ending March 31, 2014

	AMERENUE ELECTRIC	AMERENUE GAS	LACLEDE GAS	LIBERTY UTILITIES	TOTAL
REVENUE					
WEATHERIZATION PAYMENTS	1,140,000.00	263,000.00	950,000.00	105,000.00	2,458,000.00
INVEST. INCOME	<u>607.35</u>	<u>417.91</u>	<u>523.89</u>	<u>113.21</u>	<u>1,662.36</u>
TOTAL REVENUE	\$ 1,140,607.35	\$ 263,417.91	\$ 950,523.89	\$ 105,113.21	\$ 2,459,662.36
PROGRAM EXPENSES					
WEATHERIZATION AGENCIES	<u>1,086,583.00</u>	<u>251,100.00</u>	<u>989,881.00</u>	<u>57,348.00</u>	<u>2,384,912.00</u>
TOTAL PROGRAM EXP	\$ 1,086,583.00	\$ 251,100.00	\$ 989,881.00	\$ 57,348.00	\$ 2,384,912.00
ADMIN. EXPENSES					
ACCOUNTING FEES	<u>789.65</u>	<u>537.36</u>	<u>563.85</u>	<u>144.14</u>	<u>2,035.00</u>
TOTAL ADMIN EXP	\$ 789.65	\$ 537.36	\$ 563.85	\$ 144.14	\$ 2,035.00
NET REV. OVER (UNDER) EXP	<u>\$ 53,234.70</u>	<u>\$ 11,780.55</u>	<u>\$ (39,920.95)</u>	<u>\$ 47,621.07</u>	<u>\$ 72,715.36</u>

SEE ACCOUNTANT'S COMPILATION REPORT

**314th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
EIERA Conference Room
Jefferson City, Missouri
July 10, 2014
10:00 a.m.**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 313th Meeting of the Authority Held May 20, 2014, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Other
4. Project Updates
5. Regulatory Update
6. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the Avenue of Life, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Consideration of the Funding Recommendation for the QRS, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - D. Other
7. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Authorization to Amend the Funding Agreement with Habitat for Humanity of Springfield, Missouri, Inc., Project
 - C. Other
8. Consideration and Approval of Fiscal Year 2015 Budgets
9. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)

- B. Next Meeting Date
- C. Other

- 10. Election of Officers
- 11. Closed Meeting Pursuant to Section 610.021 (1), (3) and (11) RSMo. (as needed)
- 12. Adjournment of Closed Meeting and Return to Open Meeting
- 13. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Marcus Rowe, Administration and Project Manager
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

David Brown
Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
314th Board Meeting
July 10, 2014

Agenda Item #5
REGULATORY UPDATE

Issue:

A number of federal rulemakings and initiatives have recently become effective or are underway. This memo is to update the Board on the status of three areas in which staff is working.

Action Needed:

None.

Staff Recommendation:

N/A

Staff Contact:

Joe Boland or Karen Massey

Background:

Post Issuance Compliance

State Revolving Fund

To address certain U.S. Treasury (IRS) recommendations, the Board approved Post Issuance Tax Compliance Procedures for the State Revolving Fund (SRF) program bonds on July 25, 2013. One of the requirements of these policies is the completion of an annual compliance checklist by the borrowers or participants. This checklist is designed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement for the relevant bond issue.

The Authority began this effort in the fall of 2013 by notifying all 95 participants that were affected by the 2013A refunding and requesting that they fill out and return the annual checklist. Two follow-up notifications were sent to those that were non-responsive. All but 17 of this group of participants have submitted their annual checklist.

Staff is currently working with bond counsel to determine the next priority group of SRF participants that will receive the checklist.

Private Activity Bonds

A similar policy was adopted in late 2012 for Private Activity Bonds (PABs). There are currently 12 private activity bond (PAB) issues outstanding represented by nine conduit borrowers. All nine PAB borrowers have been notified and are in the process of submitting their checklists.

Municipal Advisor Rule

The Securities and Exchange Commission, as required by the Dodd-Frank Wall Street Reform and Investor Protection Act, adopted rules related to municipal advisors that became effective on July 1. The rules define who is a municipal advisor (those advisors who provide advice to municipal entities with respect to financial products or the issuance of municipal securities), contain registration requirements and, among other items, impose fiduciary duties upon municipal advisors. The Authority's municipal advisor is our Financial Advisor, Columbia Capital Management. The Act and rules make it clear that other finance professionals, such as underwriters, do not have a fiduciary duty to the issuer and cannot act as both an underwriter and municipal advisor relating to the issuance of bonds. They are also prohibited from offering advice except under specific exemptions.

The Authority and Staff have always worked closely with the underwriters on our various finance teams and accepted proposals for the issuance of bonds (primarily refunding proposals). These activities, which are beneficial to our programs, can continue provided that specific conditions exist which qualify for an exemption to the general rule. The Authority's exception under which these activities can continue is known as the IRMA (Independent Registered Municipal Advisor) Exemption. Under this exemption we must notify the underwriter that the Authority is represented by an IRMA (Columbia Capital) and will rely upon its advice. The underwriter must notify us (and our IRMA) that they are not a municipal advisor and do not have a fiduciary duty to the Authority. Once this is accomplished, in a more formal and detailed way than summarized here, we can then discuss items specific to our programs and bonds with the underwriter involved.

Staff has worked with our General Counsel and IRMA to draft appropriate notices of the Authority's reliance upon the IRMA Exemption. The notice was placed on our website and sent directly to the underwriters with which we have agreements.

Municipalities Continuing Disclosure Cooperative Initiative (MCDC)

The SEC has announced the MCDC which will allow issuers and underwriters, each independently, to self-report any material failure to meet continuing disclosure requirements or the omission of such failures in an official statement. Self-reports are due before September 10, 2014, and must be completed on a questionnaire with information about the securities involved, the parties to the transaction, information relating to the circumstances of the matter and a statement that the issuer intends to consent to the settlement terms imposed by the SEC under the initiative. Under those terms, issuers must establish policies, procedures and training relating to continuing disclosure; comply with existing continuing disclosure requirements within 180 days; cooperate in any subsequent investigations; disclose the settlement in official statements for five years; and provide the SEC with a compliance certificate on the one year anniversary of the settlement. In return, the SEC will recommend that issuers pay no civil penalties.

Authority staff is in the process of cataloging all continuing disclosure requirements for the various bond issues (SRF, Energy and PAB). Upon completion, they will work with General Counsel and the various transaction underwriters (which are each undertaking independent efforts and analyzing whether and what they will self-report) to determine what, if any, continuing disclosure failures occurred, whether those failures were material and if any failures

should have been disclosed in official statements. The results will be reported to the Board at the September meeting and, if material failures are identified, authorization to self-report will be sought. Due to the self-reporting deadline, the September Authority meeting will need to be rescheduled to a date prior to the 10th.

KM:ge

State Environmental Improvement and Energy Resources Authority
314th Board Meeting
July 10, 2014

Agenda Item #6B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR AVENUE OF LIFE, INC.

Issue:

Avenue of Life, Inc. requested \$75,000 toward the purchase of equipment costing \$94,550 that will enable the not-for-profit to recover materials from mattresses and box springs and process them into feedstocks.

Action Needed:

Consideration of the funding recommendations for the Avenue of Life, Inc. project.

Staff Recommendation:

A funding recommendation will be made at the meeting.

Staff Contact:

Kristin Tipton, Development Director

Background:

Avenue of Life, Inc., located in Kansas City, requested \$75,000 toward the purchase of equipment costing \$94,550 that will enable the not-for-profit to recover materials from mattresses and box springs and process them into feedstocks. Avenue of Life was established in 2013 to serve as a catalyst in the Kansas City area to break the cycle of poverty through community development. The organization's leadership team previously developed the largest local day care center for the homeless and currently provides a range of programs and services to meet the needs of disadvantaged and at-risk people. The mattress recycling initiative is supported by the Mid America Regional Council (MARC) and will be implemented with the collaboration of St. Vincent de Paul of Lane County, Oregon, the leading mattress recycler in the nation. Currently there are no mattress recyclers in the Kansas City area. The organization has acquired a facility to process the mattresses and box springs and commitments from several businesses and organizations to supply mattresses and purchase recovered materials. Avenue of Life, Inc. anticipates diverting 1,677 tons from the waste stream annually and creating seven new full time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, strongly support this project, but upon initial review, recommended that the

application be tabled until additional information could be obtained from the organization. Staff has since met with the organization and the Solid Waste Management District in which it located and discussed the project in detail. The Steering Committee will make a funding recommendation at its July 7 meeting. The funding recommendation will be presented at the Authority's meeting.

KT:ge

State Environmental Improvement and Energy Resources Authority
314th Board Meeting
July 10, 2014

Agenda Item #6C
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR QRS, INC.

Issue:

QRS, Inc. requested \$250,000 toward the purchase of equipment costing \$557,000 that would enable the company to recover post-consumer mixed plastics residuals.

Action Needed:

Consideration of the funding recommendation for the QRS, Inc. project.

Staff Recommendation:

A funding recommendation will be made at the meeting.

Staff Contact:

Kristin Tipton, Development Director

Background:

QRS, Inc, located in St. Louis, requested \$250,000 toward the purchase of equipment costing \$557,000 that would enable the company to recover post-consumer mixed plastics residuals that Material Recovery Facilities (MRFs) are not targeting or are unable to recover. Single stream collection systems typically recover between 80-90% of materials, sending unrecovered residuals directly to landfills. QRS, Inc. has developed technology to recover 85% of the material left in this residual stream, having conducted two years of study with extensive full production trials in Europe. QRS, Inc. operates in five major markets and has recently secured a St. Louis facility where this \$6,120,000 project will be implemented. The company intends to source material from all areas of the state that have household collection programs in place and will pick up the residual materials at a cost neutral to the supplier. The materials will be sized, sorted, washed, ground and dedusted before being packaged for reuse in manufacturing. Marketing of the end product will be performed by St. Josephs Plastics, a successful MMDP participant. QRS, Inc. anticipates diverting 2,080 tons from the waste stream annually and creating up to 30 new full time positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, strongly supports this project. Upon initial review, DNR staff participating in the committee advised that language in the application suggests the business may require a

solid waste processing permit. The committee tabled the QRS, Inc. application until DNR made a determination about whether permits are required. In the time since this review, QRS, Inc. has been able to locate a market for the additional material that might have required the permit. The Steering Committee will meet on July 7 to discuss the project and a funding recommendation for QRS, Inc. will be presented at the Authority's meeting.

KT:ge

State Environmental Improvement and Energy Resources Authority
314th Board Meeting
July 10, 2014

Agenda Item #7B

MISSOURI BROWNFIELDS REVOLVING LOAN FUND

CONSIDERATION OF THE SPRINGFIELD HABITAT FOR HUMANITY PROJECT REQUEST FOR INCREASE

Issue:

The ABCA prepared for the Habitat for Humanity of Springfield, Missouri, Inc. project estimates a cleanup cost substantially higher than the previously approved award amount.

Action Needed:

Consideration of the increase in funding recommendation for the Springfield Habitat for Humanity project and authorization for the director or her designee to amend the agreement on behalf of the Authority.

Staff recommendation:

Staff recommends that the Board approve increasing the subgrant from \$50,000 to \$85,000.

Staff Contact:

Kristin Tipton, Development Director

Background:

At its January meeting, the EIERA awarded Habitat for Humanity of Springfield, Missouri, Inc. a \$50,000 subgrant to remediate lead contaminated property on which the organization intends to build ten new homes. The project was to remove metals from the soil, most likely on the site due to runoff from an adjacent rail corridor.

Our environmental consultant, Seagull Environmental Technologies, Inc. prepared the Analysis of Brownfield Cleanup Alternatives (ABCA) for this project and determined that some site drainage correction, not anticipated in the original application, will be a key component of the remediation. Through discussions with several area contractors, Seagull estimates the cleanup cost to exceed \$80,000.

Habitat for Humanity of Springfield, Missouri, Inc. does not have another funding source to cover this cost.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, reviewed this request and unanimously recommends that the Board approve an increase in the subgrant to \$85,000 for this project.

KT:ge

State Environmental Improvement and Energy Resources Authority
314th Board Meeting
July 10, 2014

Agenda Item #8
ADOPTION OF FISCAL YEAR 2015 BUDGETS

Issue:

The Authority needs a budget for Fiscal Year 2015 which began on July 1, 2014.

Action Needed:

Consideration and adoption of FY15 Budgets for the Authority, Market Development Program and Brownfields Revolving Loan Fund.

Staff recommendation:

Staff recommends that the attached budgets be adopted.

Staff Contact:

Karen Massey, Kristin Tipton and Marcus Rowe

Background:

Attached you will find the FY14 adopted budgets, the anticipated final FY14 expenditures and FY15 proposed budgets.

Authority

Revenues for the Authority came in approximately 17% above the predicted budgeted amount. The greatest increase came from the issuance fees, as the budgeted amount of \$150,000 was exceeded by \$20,604, an increase of almost 14%. Investment income surpassed expectations with a slight uptick in interest rates. The increase in SRF reimbursements were a direct result of the Authority taking on additional projects such as the water fee study, the water affordability assessment and AWIN. Another new project is the Natural Resource Damages, which began reimbursements to the Authority in the 4th quarter, and there were no initial estimates in the budget.

Authority expenses came in approximately 45% under budget. A significant portion of that amount was the BRLF match funds which were committed as if the entire grant would be expended during FY14, however a little over 10% was actually paid out. Categories that went over budget included audit fees, advertising, office maintenance and utilities. The single audit expenses contributed to the audit overage. Advertising missed its projections as the costs for advertising the Financial Advisor RFP exceeded the budgeted amount. Office maintenance and utilities ran high due to the delay in getting moved into the new office. Professional fees, SRF legal fees, staff travel and staff salaries all came in well under their projected figures. While overall, the Authority is still operating at a net loss, that amount has decreased significantly over the past few years. Last year's loss was \$1,491,356, of which approximately \$1.2 million was attributable to the State Park Initiative. So by comparison, last year's loss due to

operations was approximately \$283,707, while the FY14 loss was reduced to roughly \$77,158, nearly a 73% reduction.

The FY15 budget reflects a number of revenue sources, including issuance revenue based on a \$75 million SRF bond transaction. DNR is projecting the need for \$130 million in additional funding to meet all of its project needs in clean water. We are being more conservative in our projections.

During Fiscal Year 2011, the Authority adopted a policy required by GASB 54 which categorized all Authority Funds. Certain funds are Restricted and have enforceable limits on how they may be spent (Market Development and Brownfields grant funds), others are committed by action of the Board for specific purposes and finally, the majority of the Authority funds are Unassigned and may be used for any appropriate purpose. The Authority FY15 Budget contains a line item of \$256,216 for the cost share (match) required under the Brownfields grant. These funds were, and will remain, committed for use only as match for the federal Brownfields grant.

Market Development

Through the State appropriations process, DNR received authorization to reimburse the Market Development Program approximately \$1.6 million between July 1, 2014, and June 13, 2015.

The most significant change to the Market Development Program Budget for Fiscal Year 2015 is the elimination of the Technical Assistance Projects line item. Because there was no demand for this service in Fiscal Year 2014, these funds were redirected to the Business Assistance Direct Financial Assistance category. Should appropriate and attractive technical assistance projects be presented to the program in the new year, staff may request that some funds be restored to the Technical Assistance Projects category. Other budget items are similar to previous years, adjusted for actual increases or decreases in costs. The program strives to budget for basic operating costs and then provide for the largest possible amount to remain available for Direct Financial Assistance to businesses that develop and expand markets for recovered materials in Missouri.

Brownfields

The top table of the Brownfields budget reflects our estimate of the funds remaining in the current grant (both federal funds and Authority match) as well as the anticipated loan repayments for FY15. EPA does not require us to submit a budget for loan repayments. They must be expended before federal and match funds, but can be used for any allowable expenses. The budget document is staff's best estimate of where those funds will be needed, although timing of expenses could require they be deployed in other budget categories. We will not, however, exceed the total proposed budget amounts without prior authorization. The second table reflects the estimated FY14 expenses.

MR:ge

Attachment

**FY 15 Budget Proposed Budget
Authority**

Attachment "A"

	FY14 Budget	Estimated Year End	Variance	Proposed FY15
REVENUES/REIMBURSEMENTS				
EIERA Exp (MMDP)	\$ 10,000	\$ 10,000	\$ -	\$ 12,000
EIERA Staff Support (MMDP)	\$ 35,000	\$ 35,000	\$ -	\$ 33,000
SRF Reimbursement	\$ 150,000	\$ 158,404	\$ (8,404)	\$ 150,000
NRD Reimbursement	\$ -	\$ 9,475	\$ (9,475)	\$ 15,000
Energy Bond Redemption Reimbursement	\$ -	\$ 12,458	\$ (12,458)	\$ -
Application Fees	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Issuance fees	\$ 150,000	\$ 170,604	\$ (20,604)	\$ 150,000
Investment Income	\$ 10,000	\$ 16,130	\$ (6,130)	\$ 12,000
Misc. Income	\$ 200	\$ 2,484	\$ (2,284)	\$ 200
TOTAL REVENUES	\$ 357,700	\$ 417,055	\$ (59,355)	\$ 374,700
EXPENSES				
Personal Services				
Per Diem	\$ 850	\$ 200	\$ 650	\$ 600
Office Salaries	\$ 290,000	\$ 222,742	\$ 67,258	\$ 270,000
Payroll Taxes & Fringe	\$ 100,000	\$ 92,864	\$ 7,136	\$ 100,000
Travel Expense Staff	\$ 10,500	\$ 6,350	\$ 4,150	\$ 10,000
Travel Expense Board	\$ 2,300	\$ 704	\$ 1,596	\$ 1,500
Total Personal Services	\$ 403,650	\$ 322,859	\$ 80,791	\$ 382,100
Professional Services				
Legal Fees & Exps (General)	\$ 14,820	\$ 11,585	\$ 3,235	\$ 14,000
Legal Fees & Exps (SRF Misc.)	\$ 22,800	\$ 6,600	\$ 16,200	\$ 12,000
Legal Fees & Exps (Other Projects)	\$ -	\$ 3,791	\$ (3,791)	\$ 5,000
Accounting Fees	\$ 11,000	\$ 10,840	\$ 160	\$ 15,000
Audit Fees	\$ 18,000	\$ 21,344	\$ (3,344)	\$ 17,500
Misc. Professional Fees	\$ 50,000	\$ 22,706	\$ 27,294	\$ 40,000
Total Professional Services	\$ 116,620	\$ 76,865	\$ 39,755	\$ 103,500
Operating Expenses				
Equipment Maintenance	\$ 500	\$ -	\$ 500	\$ 500
Telephone	\$ 3,000	\$ 1,935	\$ 1,065	\$ 2,500
Office Supplies & Printing	\$ 5,500	\$ 4,525	\$ 975	\$ 5,500
Postage & Shipping	\$ 1,400	\$ 996	\$ 404	\$ 1,200
Membership Dues	\$ 3,550	\$ 3,630	\$ (80)	\$ 4,000
Conference Registration	\$ 2,000	\$ 965	\$ 1,035	\$ 2,000
Subscriptions	\$ 400	\$ -	\$ 400	\$ 200
Training	\$ 1,000	\$ 713	\$ 287	\$ 1,100
Board Meeting Expense	\$ 500	\$ 150	\$ 350	\$ 500
Misc & Administrative	\$ 300	\$ 181	\$ 119	\$ 300
Advertising	\$ 1,000	\$ 2,989	\$ (1,989)	\$ 2,500
Office Maintenance	\$ 200	\$ 933	\$ (733)	\$ 200
Rent	\$ 33,469	\$ 30,635	\$ 2,834	\$ 30,000
Utilities	\$ 1,050	\$ 1,570	\$ (520)	\$ -
Insurance	\$ 800	\$ 533	\$ 267	\$ 700
Parking	\$ 400	\$ 400	\$ -	\$ -
Moving Expense	\$ 20,000	\$ 13,675	\$ 6,325	\$ 1,000
Equipment Purchases	\$ 2,000	\$ -	\$ 2,000	\$ 1,000
Computer Purchases	\$ 1,000	\$ 878	\$ 122	\$ 2,000
Workers Comp Contingency	\$ 4,500	\$ -	\$ 4,500	\$ 4,500
Total Operating Expense	\$ 82,569	\$ 64,708	\$ 17,860	\$ 59,700
Project Assistance				
BRLF Match (Transfer Out)	\$ 285,996	\$ 29,780	\$ 256,216	\$ 256,216
Total Project Assistance	\$ 285,996	\$ 29,780	\$ 256,216	\$ 256,216
TOTAL EXPENSES	\$ 888,835	\$ 494,213	\$ 394,622	\$ 801,516
Net Increase (Decrease) in Funds	(\$531,135)	(\$77,158)	(\$453,977)	(\$426,816)

**FY 15 Proposed Budget
Missouri Market Development Program**

REVENUES	FY14 Budget	Estimated Year End	Variance	Proposed FY15
Solid Waste Management Fund	\$ 1,503,906	\$ 832,790	\$ 671,116	\$ 1,600,000
Investment Income	\$ -	\$ 235	\$ (235)	\$ -
TOTAL REVENUES	\$ 1,503,906	\$ 833,025	\$ 670,881	\$ 1,600,000
 EXPENSES				
Administrative				
Program Salary/Fringe	\$ 95,000	\$ 72,249	\$ 22,751	\$ 80,000
Travel	\$ 1,000	\$ 471	\$ 529	\$ 1,000
Legal Expenses & Fees	\$ 2,000	\$ 4,367	\$ (2,367)	\$ 5,000
Accounting Fees	\$ 1,800	\$ 1,440	\$ 360	\$ 1,800
Membership Fees	\$ 2,000	\$ 1,295	\$ 705	\$ 2,000
Conference/Registration Fees	\$ 1,000	\$ 1,595	\$ (595)	\$ 1,200
EIERA Salary & Fringe	\$ 35,000	\$ 35,000	\$ -	\$ 33,000
Direct Costs	\$ 1,200	\$ 1,190	\$ 10	\$ 1,200
EIERA Expenses	\$ 10,000	\$ 10,000	\$ -	\$ 12,000
Training	\$ 800	\$ -	\$ 800	\$ 400
Total Administrative	\$ 149,800	\$ 127,606	\$ 22,194	\$ 137,600
 Business Assistance				
Legal Expenses & Fees	\$ 16,000	\$ 19,294	\$ (3,294)	\$ 20,000
Travel	\$ 2,500	\$ 1,180	\$ 1,320	\$ 2,500
Promos/Publication Design & Production	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -
Direct Financial Assistance	\$ 469,042	\$ 164,000	\$ 305,042	\$ 937,447
Direct Financial Assistance-Encumbered	\$ 766,539	\$ 474,862	\$ 291,677	\$ 401,453
Business Initiatives	\$ 25,000	\$ 11,250	\$ 13,750	\$ 100,000
Total Business Assistance	\$ 1,280,081	\$ 670,585	\$ 609,496	\$ 1,462,400
 Technical Assistance				
Technical Assistance Projects	\$ 25,000	\$ -	\$ 25,000	\$ -
Technical Assistance-Encumbered	\$ 14,025	\$ 14,025	\$ -	\$ -
Contract Services - MO Enterprise	\$ 25,000	\$ 4,849	\$ 20,151	\$ -
Contract Services - MACOG	\$ 20,000	\$ 15,725	\$ 4,275	\$ -
Total Technical Assistance	\$ 84,025	\$ 34,599	\$ 49,426	\$ -
TOTAL EXPENSES	\$ 1,513,906	\$ 832,790	\$ 681,116	\$ 1,600,000

**FY15 Budget
Brownfields Revolving Loan fund**

FY15	Estimated	Anticipated	Propsed
Revenues:	Grant Balance	Loan Repayments	Budget
Federal Reimbursement	\$ 1,286,060	\$ -	\$ 1,286,060
EIERA Match	\$ 256,216	\$ -	\$ 256,216
Loan Repayments	\$ -	\$ 40,896	\$ 40,896
TOTAL REVENUES	\$ 1,542,276	\$ 40,896	\$ 1,583,172

Expenses:			
Office Salaries	\$ 180,533	\$ 20,000	\$ 200,533
Payroll Taxes & Fringe	\$ 77,669	\$ -	\$ 77,669
Travel	\$ 17,986	\$ -	\$ 17,986
Supplies	\$ 1,100	\$ -	\$ 1,100
Contractual	\$ 144,832	\$ -	\$ 144,832
Grant/Loans	\$ 1,120,157	\$ 24,896	\$ 1,145,053
TOTAL EXPENSES	\$ 1,542,277	\$ 44,896	\$ 1,587,173

FY14	FY14	Estimated	Variance
REVENUES:	Budget	Year End	
Federal Reimbursement	\$ 1,432,062	\$ 146,003	\$ 1,286,060
Loan Repayments	\$ 40,896	\$ 40,981	\$ (85)
EIERA Match	\$ 285,996	\$ 29,780	\$ 256,216
TOTAL REVENUES	\$ 1,758,954	\$ 216,764	\$ 1,542,191

EXPENSES:			
Office Salaries	\$ 188,915	\$ 40,088	\$ 148,826
Payroll Taxes & Fringe	\$ 89,866	\$ 18,077	\$ 71,789
Travel	\$ 38,247	\$ 476	\$ 37,771
Supplies	\$ 1,100	\$ -	\$ 1,100
Contractual	\$ 154,001	\$ 10,070	\$ 143,931
Grant/Loans	\$ 1,286,826	\$ 148,053	\$ 1,138,773
TOTAL EXPENSES	\$ 1,758,954	\$ 216,764	\$ 1,542,190

State Environmental Improvement and Energy Resources Authority
314th Board Meeting
July 10, 2014

Agenda Item #10
ELECTION OF OFFICERS

Issue:

By-laws require elections of Officers at first meeting of the Authority held after June 1st each year.

Action Needed:

Election of Officers.

Staff Recommendation:

None.

Staff Contact:

Karen Massey

Background:

The By-Laws of the Authority state that the election of Officers take place at the first meeting of the Authority held after June 1st of each year. Article II, Section 1 states that the officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Other than the Chair and Vice Chair, any two of more offices may be held by the same person.

If you wish to review the By-laws, Article III contains the duties of each office.

KM:ge

Attachment

Attachment "A"

BYLAWS OF THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

ARTICLE I

Section 1

Name of the Authority: The name of the Authority shall be "State Environmental Improvement and Energy Resources Authority."

Section 2

Seal of the Authority: The seal of the Authority shall consist of two concentric circles and shall bear the inscription "State Environmental Improvement and Energy Resources Authority, Missouri, Corporate Seal, 1973."

Section 3

Office of the Authority: The principal office of the Authority shall be located in the State of Missouri at such place as the Authority may from time to time designate by resolution. In the absence of establishment of a permanent principal office, the Authority may, by resolution, establish a temporary principal office at such place as it shall designate. The Authority may also have office at such other place or places within the State of Missouri as it may from time to time designate by resolution.

ARTICLE II

Section 1

Officers: The officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Such assistant officers as may be deemed necessary may be elected or appointed by the Authority. The powers and duties of such assistant officers shall be as provided herein and as provided from time to time by resolutions of the Authority. Any two or more offices (except the offices of Chair and Vice Chair) may be held by the same person.

Section 2

Chair: The Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

Section 3

Vice-Chair: The Vice-Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

Section 4

Secretary: The Secretary shall be elected by the Authority. The Secretary need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Secretary may be combined with that of Treasurer.

Section 5

Treasurer: The Treasurer shall be elected by the Authority. The Treasurer need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Treasurer may be combined with that of Secretary.

Section 6

Election and Term of Office: The officers of the Authority shall be elected by the members of the Authority at the first meeting of the Authority held after June 1st of each year. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his/her successor has been duly elected and qualified or death or until resignation or removal in the manner hereinafter provided. Each officer shall be eligible for re-election to such office.

Section 7

Removal: Any officer, employee or agent elected or appointed by the Authority may be removed by the Authority whenever in its judgment the best interest of the Authority would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 8

Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by election by the members of the Authority for the unexpired portion of the term.

ARTICLE III

The respective officers of the Authority shall have the following authority, powers and duties.

Section 1

The Chair: The Chair shall be chief executive officer of the Authority and shall preside at all meetings of the Authority and shall perform all duties commonly incident to the position of presiding officer of a board, commission, or corporation and shall have authority without impairment of any authority specifically granted by the Authority to other persons, to sign all contracts, instruments, documents and official orders of the Authority. The Chair shall have general supervision over the business and affairs of the Authority, subject to the direction of the Authority, and shall perform such other and further duties as the Authority, by formal resolution, may from time to time provide.

Section 2

Vice-Chair: The Vice-Chair shall perform duties and have the authority of the Chair during the absence or disability of the Chair, and shall preside at the meetings of the Authority when and while the Chair shall vacate the chair. The Vice-Chair shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

Section 3

Secretary: The Secretary shall keep the official records and seal of the State Environmental Improvement and Energy Resources Authority and shall certify, when required, to copies of records. The Secretary shall attend all meetings of the Authority and keep a full and true record of its proceedings, which shall include the date, time, place, members present, members absent, and a record of votes taken indicating the vote as cast by each member present, all as required by Section 610.020.6 of the Revised Statutes of Missouri and such other information as the Secretary deems appropriate. The Secretary shall issue all official notices and prepare all papers and reports for the meetings of the Authority. The Secretary shall perform such other duties as the Authority may assign from time to time. If the Secretary is absent or unable to act, then the Assistant Secretary, if one has been appointed, shall perform all duties of the Secretary including but not limited to the execution and delivery of any instruments, documents, or papers of the Authority. The Assistant Secretary shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

Section 4

Treasurer: The Treasurer shall have supervision of the funds, securities, receipts and disbursements of the Authority, cause all monies and other valuable effects of the Authority to be deposited in its name and to its credit in such depositories as shall be selected by the Authority or pursuant to authority conferred by the Authority, cause to be kept at the office of the Authority correct books of account, proper vouchers and other papers pertaining to the corporation's business, render to the Chair of the Authority, whenever requested, an account of the financial condition of the Authority and of his/her transactions as Treasurer, and, in general, perform all duties and have all powers incident to the office of Treasurer and perform such other duties and have such other powers as from time to time may be assigned by the By-laws, the Chair, or the Authority.

Section 5

Assistant Officers: The powers and duties of such assistant officers as shall be elected or appointed by the Authority shall be as provided from time to time by resolutions of the Authority.

ARTICLE IV

Section 1

Director: The Director, under the direction of the Chair, or the Authority, shall have general supervision over and be in administrative charge of all the activities of the Authority, and, in addition, shall perform all the duties incident to this position and office. Except as otherwise provided by resolution of the Authority, the Director shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any Authority funds from whatever source derived, and whenever the Chair is required to sign vouchers, requisitions and other instruments made by the Authority, the Director shall approve the same for submission to the Chair for signature. The Director shall assist the Secretary or Treasurer in the performance of their duties and shall have the full power to act in the place and instead of the Secretary at any time as may be directed by the Chair, the Secretary or the Authority. The Director shall act as or appoint an employee of the Authority to act as custodian who will be responsible for the maintenance of the Authority's records and said

Custodian will make said records available for inspection and copying by the public, all pursuant to the requirements of Section 610.023, 610.024 and 610.026 of the Revised Statutes of Missouri and the Director shall be responsible for seeing that the Authority complies with the other requirements of the Missouri open meetings and records law as set out in Chapter 610 of the Revised Statutes of Missouri.

Section 2

General Counsel: The General Counsel shall, as directed by the Director or Authority, recommend legal directives with respect to Authority activities, advise the Director, officers and members of the Authority as to all legal matters relating to the administration, operations and financing of the Authority and as to the laws governing the acquiring and constructing of projects, and the issuing of bonds and notes as provided to pay the cost of projects. General Counsel shall draft, examine, or approve as to legal compliance all forms, contracts, or other documents necessary for all phases of the Authority's work or purposes and shall coordinate with and assist Bond Counsel in the preparation of all documents related to the sale of Authority obligations and the investment of the proceeds; shall render regular opinions on such matters relating to the Authority as may be requested by the Director, Chair, members, or officers of the Authority. In addition, General Counsel shall perform such other services incident thereto and shall undertake such other duties as from time to time may be assigned by the Director or Chair or the Authority.

Section 3

Appointment: The Director and General Counsel shall be appointed and/or retained by the Authority on such terms as the Authority shall specify and shall serve at the pleasure of the Authority.

Section 4

Additional Personnel: The Director with approval from the Authority may from time to time employ such other personnel as may be necessary to exercise the Authority's powers, duties and functions as prescribed by law. Persons so appointed shall serve at the pleasure of the Director and Authority. The selection and compensation of such personnel shall be determined by the Authority based on the Authority personnel and compensation policies subject to the laws of the State of Missouri. The Authority may also from time to time retain or contract for the services of architects, engineers, accountants, attorneys, bond counsel, financial consultants, and such other persons, firms or corporations necessary to carry out its duties and to fix the compensation thereof.

ARTICLE V

Section 1

Regular Meetings: A regular meeting of the Authority for the transaction of all business as may properly come before the meeting shall be held not less frequently than once each quarter of the calendar year at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible by the public, as is designated in the notice of the regular meeting. The Chair in consultation with the Authority members may fix the regular meeting date, hour and place, and, each member shall be notified at least one (1) week prior to the date fixed for the regular meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by

mail, notice shall be deemed adequate if deposited in the United States mail one (1) week prior to the meeting date).

Section 2

Special Meetings: In addition to the regular meetings of the Authority held pursuant to Section 1 of this Article V, the Chair may when necessary call a special meeting for the transaction of all business as may properly come before the meeting, or the Chair shall call a special meeting when requested to do so by any two members. Notice of special meetings shall be given at least five (5) days before the date set for the meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by mail, notice shall be deemed adequate if deposited in the United States mail five (5) days prior to the meeting date). The special meeting shall be held at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible to the public and at such time as is reasonably convenient to the public, which shall be designated in the notice of the special meeting. At any special meeting any business shall be in order, whether or not stated in the notice of the meeting.

Section 3

Public Notice of Meetings: In addition to the notice of meetings sent to members of the Authority as provided above, at least 24 hours prior to an Authority meeting, a notice of the meeting shall be prominently posted in the office of the Authority in a part of the office accessible by the public and designated for posting such notices and such notice shall also be made available to the press and the public as requested and shall be published in such publications of the state as are normally utilized by state agencies to publish notice of agency meetings. The notice shall include the time, date and place of the meeting and shall state whether or not the meeting is to be an open or closed meeting and shall state the tentative agenda for the open meeting, all as required by Section 610.020 of the Revised Statutes of Missouri.

Section 4

Quorum: Three (3) members of the Authority shall constitute a quorum and the affirmative vote of three (3) members shall be necessary and sufficient for any action by the Authority. The Chair shall have a vote on all issues.

Section 5

Proxies: Proxies to vote with respect to any matter shall not be allowed or accepted.

Section 6

Register: The Secretary shall maintain a register of the address of each member. Notice by mail, e-mail or other means of electronic communication sent to the address as shown by the Secretary's records shall be effective. Any member who desires to receive notice at a different temporary or permanent address shall notify the Secretary who shall modify the records accordingly.

Section 7

Meeting by Telephone or Other Electronic Means: Members may participate in a meeting of the Authority by means of conference telephone or other electronic means whereby all individuals participating in the meeting, including the public attending the

meeting, can hear each other, and any member participating in a meeting of the Authority in such manner shall be considered present at such meeting for all purposes including for quorum purposes.

ARTICLE VI

Section 1

Contracts: The Authority may authorize the Director, any officer or officers, assistant officer or assistant officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 2

Loans: No loan shall be contracted on behalf of the Authority and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Authority. Such authority may be general or confined to specific instances.

Section 3

Checks, Drafts, or Orders: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority or Director and in such manner as shall from time to time be determined by resolution of the Authority.

Section 4

Deposits: All funds of the Authority not otherwise invested or employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Authority may select.

ARTICLE VII

The Authority, its officers and members shall have such additional and further rights, powers and duties as by law may or hereafter be permitted.

ARTICLE VIII

Section 1

Power to Indemnify in Action, Suits or Proceedings other Than Those by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 RSMo. 1986, as amended or supplemented or any other statute, agreement or otherwise, and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Authority, by reason of the fact that the person is or was a member, officer, director or employee of the Authority against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to

believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

Section 2

Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 RSMo. 1986, as amended or supplemented or any other statute, agreement, or otherwise and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Authority to procure a judgment in its favor by reason of the fact that the person is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority against expenses, including attorney's fees, and amounts paid in settlement actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Authority unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3

Authorization of Indemnification: Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Authority as authorized in the specific case upon a determination that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII. Such determination shall be made (i) by the members by a majority vote of a quorum consisting of members who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested members so directs by independent legal counsel in a written opinion. To the extent, however, that a member, officer, director or employee of the Authority has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, that person shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by that person in connection therewith.

Section 4

Further Indemnification: To the extent determined by the members, the Authority shall have the power to give any further indemnity, to the fullest extent permitted by law, in addition to the indemnity authorized or contemplated by Sections 1, 2 and 3 of this Article VIII to any person who is or was a member, officer, director, employee or agent, or to any person who is or was serving at the request of the Authority as a member, officer, director or employee of the Authority.

Section 5

Good Faith Defined: For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Authority, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe the person's conduct was unlawful, if the person's action is based on the records or books of account of the Authority, or on information supplied to the person by the Director or employees or agents of the Authority in the course of their duties, or on the advice of legal counsel for the Authority or on information or records given or reports made to the Authority by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Authority. The provisions of this Section 5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII.

Section 6

Indemnification by Order of Court: Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any member, officer, director or employee may apply to any court of competent jurisdiction in the State of Missouri for an order requiring the indemnification of such member, officer, director or employee, to the extent otherwise permissible under Sections 1 and 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standards of conduct set forth in Sections 1 and 2 of this Article VIII. Notice of any application for indemnification pursuant to this Section 6 shall be given to the Authority promptly upon the filing of such application.

Section 7

Expenses Payable in Advance: Expenses incurred by a member, officer, director or employee in defending a civil or criminal action, suit or proceeding may be paid by the Authority in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the member, officer, director or employee to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Authority as authorized in this Article VIII.

Section 8

Non-Exclusivity and Survival of Indemnification: The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, Bylaw, agreement, vote of disinterested members or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, it being the policy of the Authority that indemnification of the persons specified in Section 1 and 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 or 2 of this Article VIII but whom the Authority has the power or obligation to indemnify. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to the person who has ceased to

be a member, officer, director or employee and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 9

Insurance: The Authority may purchase and maintain insurance on behalf of any person who is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority as a member, officer, director or employee of the Authority against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the Authority would have the power to indemnify the person against such liability under the provisions of this Article VIII.

Section 10

Right to Hire Counsel: Notwithstanding anything to the contrary in this Article VIII, statute or otherwise, a member, officer, director or employee of the Authority shall retain the right to hire counsel of said person's choosing.

Section 11

Meaning of "Authority" for Purposes of Article VIII: For purposes of this Article VIII, references to "the Authority" shall include, in addition to the resulting Authority, any constituent Authority (including any constituent of a constituent) absorbed in consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its members, officers, directors and employees, so that any person who is or was a member, officer, director or employee of such constituent Authority, or is or was serving at the request of such constituent Authority as a member, officer, director or employee shall stand in the same position to the resulting or surviving Authority as such person would have with respect to such constituent Authority if its separate existence had continued.

ARTICLE IX

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by the Authority at any regular meeting or at any special meeting, after a public hearing has been held on such proposed altered, amended or repealed Bylaws.

**315th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
September 3, 2014
10:00 a.m.**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 314th Meeting of the Authority Held July 10, 2014, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Other
4. Other Financings
 - A. Consideration of a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue Water Facility Refunding Revenue Bonds on Behalf of the Henry County Water Company
5. Municipalities Continuing Disclosure Cooperation (MCDC) Initiative
6. Project Updates
7. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Other
8. Review of Strategic Measures
9. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other
10. Closed Meeting Pursuant to Section 610.021(1), (3) and (11) RSMo. (as needed)
11. Adjournment of Closed Meeting and Return to Open Meeting
12. Adjournment of Open Meeting

State Environmental Improvement and Energy Resources Authority
315th Board Meeting
September 3, 2014

Agenda Item #4
HENRY COUNTY WATER COMPANY
REFUNDING REVENUE BONDS SERIES 2014

Issue:

The Henry County Water Company, Clinton, Missouri, currently has \$8,775,000 in outstanding Tax-Exempt Water Facility Refunding and Improvement Revenue Bonds Series 2004A. They are seeking to refund these outstanding bonds through the Authority to realize further interest savings.

Action Needed:

Consideration of a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to issue Water Facility Refunding Revenue Bonds on behalf of the Henry County Water Company.

Staff Recommendation:

Staff recommends the approval of the resolution authorizing the issuance of approximately \$7,655,000 in Refunding Revenue Bonds on behalf of Henry County Water Company.

Staff Contact:

Joe Boland, Deputy Director

Background:

The Henry County Water Company is a 501c(4) Not-for-Profit corporation that owns the water system serving Clinton, Missouri. It was organized in 1983 and is managed by a five-member board of directors. The system is operated by Alliance Water Resources through a contractual arrangement. The system currently serves approximately 4,500 customers.

In 1996, the Authority issued \$13,000,000 in Water Facility Refunding and Improvement Revenue bonds for the Henry County Water Company. The proceeds were used to partially refund a 1985 issue used to acquire the system and to pay for additional system improvements.

In 2004, the Henry County Water Company refunded the outstanding Series 1996 bonds by issuing \$11,815,000 through the Authority.

To realize further interest savings, the Henry County Water Company has once again requested that the Authority sell private activity bonds to refund the outstanding balance of \$8,775,000 remaining in the 2004 Series. To redeem the outstanding bonds, they plan to issue \$7,665,000 in Refunding Revenue bonds in addition to making a cash payment. The estimated present value savings is approximately \$664,500.

Attached for your review are the Authority resolution and a portion of the Preliminary Official Statement and the anticipated closing schedule. Henry County Water Company's financial advisor, Mr. Robert Schwermann with Ranson Financial Corp., will be present to discuss the project and answer any questions.

JB:ge

Attachments

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY
(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE AND SELL WATER FACILITY REFUNDING REVENUE BONDS SERIES 2014 (HENRY COUNTY WATER COMPANY PROJECT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO A SECOND SUPPLEMENTAL INDENTURE OF TRUST AND A SECOND SUPPLEMENTAL LOAN AGREEMENT IN CONNECTION WITH SAID BONDS; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO EXECUTE AN OFFICIAL STATEMENT RELATING TO SAID BONDS; AND AUTHORIZING THE AUTHORITY TO EXECUTE AND DELIVER VARIOUS DOCUMENTS AND CERTIFICATES AND TO TAKE CERTAIN OTHER NECESSARY ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "**Authority**"), is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, Revised Statutes of Missouri, as amended and Appendix B(1) thereto (the "**Act**"), to issue bonds and/or notes for paying or financing any part of the cost of any project authorized under the Act to be financed, acquired or constructed for the purpose of developing energy resources or preventing or reducing pollution or the disposal of solid waste or sewage or providing water facilities or resource recovery facilities including expenses incurred in acquiring or constructing any facility including land, disposal areas, incinerators, buildings, fixtures, machinery and equipment relating to any such project, including the cost of demolition and removing any existing structures, interest expenses incurred during the construction of any such project, and any other expenses incurred for the engineering, research, legal consulting and other expenses necessary or incidental to determine the feasibility or practicability of any such project and in carrying out the same and to issue bonds to refund any bonds previously issued, and, further, to acquire, construct, reconstruct, enlarge, improve, furnish, equip, maintain, repair, operate, lease, finance and sell or lease such projects to any private person, firm or corporation or to any public body, political subdivision or municipal corporation; and

WHEREAS, the Henry County Water Company (the "**Company**") is a general non-profit corporation organized and existing pursuant to the General Not-For-Profit Corporation Law of the State of Missouri, Chapter 355, Revised Statutes of Missouri, as amended, formed for the purpose of promotion of the common good and general welfare of the City of Clinton, Henry County, Missouri (the "**City**"), and its inhabitants by providing water in sufficient quantities for the use of the inhabitants of the City and the county surrounding the City; and

WHEREAS, at the request of the Company, the Authority made the necessary arrangements for the Company to acquire from the City certain water treatment and distribution facilities within and serving the city and to acquire, construct and install certain extensions and

improvements thereto constituting the Project (the “**Project**”), which are of such character as accomplish the purposes of the Act; and

WHEREAS, pursuant to the Act, the Authority and The Bank of New York Mellon Trust Company, N.A., (successor in interest to Boatmen’s Trust Company) (the “**Trustee**”) executed and entered an Indenture of Trust dated as of May 1, 1996, (as heretofore amended and supplemented, the “**Original Indenture**”), and pursuant thereto, the Authority authorized and issued its Tax-Exempt Water Facility Refunding and Improvement Revenue Bonds, Series 2004-A (Henry County Water Company Project) in the original principal amount of \$11,815,000 (the “**Series 2004A Bonds**”), of which Series 2004A Bonds in the aggregate principal amount of \$8,775,000 remain outstanding and unpaid; and

WHEREAS, pursuant to a Loan Agreement dated as of May 1, 1996 between the Authority and the Company (as heretofore amended and supplemented, the “**Original Loan Agreement**”), the Authority loaned the proceeds of the Series 2004A Bonds to the Company to refund certain then-outstanding Series 1996 Bonds; and

WHEREAS, the Company has submitted a Request for Financing dated August 12, 2014 to the Authority pursuant to which it has requested that the Authority refund its outstanding Series 2004A Bonds (the “**Refunded Series 2004A Bonds**”) through the execution under the Original Indenture of a Second Supplemental Indenture of Trust dated as of October 1, 2014 (the “**Second Supplemental Indenture**”; the Original Indenture, as so supplemented, the “**Indenture**”) of Additional Bonds of the Authority, such Additional Bonds to be designated its Water Facility Refunding Revenue Bonds, Series 2014 (Henry County Water Company Project) (the “**Series 2014 Bonds**”); and

WHEREAS, in consideration of the issuance of the Series 2014 Bonds, the Company, pursuant to the terms of a Second Supplemental Loan Agreement (the “**Second Supplemental Loan Agreement**”) to the Original Loan Agreement between the Authority and the Company (the Original Loan Agreement as so supplemented, the “**Loan Agreement**”), will covenant and agree to make payments thereunder in an amount sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2014 Bonds; and

WHEREAS, payments under the Loan Agreement will be evidenced by a Second Amended and Restated Promissory Note dated as of October 1, 2014 (the “**Note**”) and will be secured by a Deed of Trust and Security Agreement, dated as of May 1, 1996, from the Company for the benefit of the Authority, as beneficiary thereunder (as heretofore amended and supplemented, the “**Original Deed of Trust**”), as amended and supplemented by a Second Deed of Trust Modification Agreement dated as of October 1, 2014, among the Company, the Authority, the Trustee and the mortgage trustee thereunder (the “**Mortgage Modification Agreement**” and, together with the Original Deed of Trust, the “**Deed of Trust**”); and

WHEREAS, the Company’s obligations to the Authority under the Loan Agreement have been assigned to the Trustee under an Assignment dated as of May 1, 1996, which will be amended and supplemented by a Second Supplemental Assignment dated as of October 1, 2014, between the Authority and the Trustee (the “**Second Supplemental Assignment**”); and

WHEREAS, it is proposed that the Series 2014 Bonds be sold to the Underwriters named herein pursuant to a Purchase Contract (the “**Purchase Contract**”) by and among the Authority, the Company and the Underwriters; and

WHEREAS, there have been presented to the Authority the forms of the following documents: (1) Form of Second Supplemental Indenture; (2) Form of Second Supplemental Agreement; (3) Form of Purchase Contract; (4) Form of Deed of Trust; (5) Form of Preliminary Official Statement; and (6) Form of Second Supplemental Assignment; and

WHEREAS, it is necessary for the Authority to authorize the execution and delivery of other certificates, documents and papers and the performance of the acts necessary or convenient in connection with the issuance and sale of the Series 2014 Bonds and implementation of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY (STATE OF MISSOURI), IN MEETING DULY ASSEMBLED, AS FOLLOWS:

Section 1. The Members of the Authority hereby authorize the Company to provide for the sale of bonds of the Authority to be designated “Water Facility Refunding Revenue Bonds, Series 2014 (Henry County Water Company Project)” in an aggregate principal amount not to exceed \$8,000,000 for the purpose of providing funds to refund the Refunded Series 2004A Bonds, and do hereby determine that the proposed issuance of the Series 2014 Bonds is in furtherance of the public purposes set forth in the Act. The Members acknowledge that Ranson Financial Corporation will act as financial advisor to the Company and that Edward D. Jones & Co., L.P. and Piper Jaffray & Co. will act as underwriters (the “**Underwriters**”). Due to the characteristics of the Series 2014 Bonds as herein described, the acceptability in the market and the favorable market conditions, the Authority finds and determines that it is in the best interest of the Authority and the Company to provide for the sale of the Series 2014 Bonds to the Underwriters in a private sale.

Section 2. The Series 2014 Bonds shall mature no later than November 1, 2026, subject to earlier redemption as in said Second Supplemental Indenture provided (or as such provisions may be modified), and have the form, details, call provisions and specifications as set out in the Indenture (or as such provisions may be modified). Interest on the Series 2014 Bonds shall accrue and be payable from the dated date of such Bonds, all in accordance with the provisions of the Indenture at such rate per annum as shall be approved by the Chairman or Vice Chairman of the Authority executing the Second Supplemental Indenture, such execution to be conclusive evidence of the approval of such officer, but at an average rate not to exceed 5.0% per annum.

The Series 2014 Bonds shall be limited obligations of the Authority payable solely out of the payments, revenues and receipts and other amounts received by or on behalf of the Authority pursuant to the Loan Agreement. The Series 2014 Bonds shall not constitute or create an indebtedness, liability or moral obligation of the State of Missouri (the “**State**”), the City or any political subdivision of the State within the meaning of the Constitution or any statute of the State or otherwise and shall never constitute or create a charge against the credit of the Authority

or a charge against the credit or the taxing power of the State, the City or any political subdivision of the State. The issuance of the Series 2014 Bonds shall not directly or indirectly obligate the State, the City or any political subdivision of the State to provide any funds for their payment. Neither the State, the City nor any political subdivision of the State shall in any manner be liable for the performance of any agreement or pledge of any kind which may be undertaken by the Authority nor shall any breach thereof by the Authority create any obligation upon the State, the City or any political subdivision of the State.

Section 3. The following documents submitted to the Authority at this meeting are hereby approved in substantially the forms so presented, and the Chairman or Vice Chairman of the Authority are hereby authorized to execute and attest, respectively, the following documents for and on behalf of and as the act and deed of the Authority with such changes therein as shall be approved by the officers of the Authority executing the same (including, but not by way of limitation, any changes in the redemption provisions which may be appropriate to market the Series 2014 Bonds at a favorable rate of interest), such officers' execution of the same representing conclusive evidence of such approval and the Secretary of the Authority is hereby authorized and directed to attest and affix to the following documents the corporate seal of the Authority:

1. Second Supplemental Indenture;
2. Second Supplemental Loan Agreement;
3. Purchase Contract;
4. Deed of Trust;
5. Preliminary Official Statement;
6. Second Supplemental Assignment.

Section 4. The distribution by the Underwriters of the Preliminary Official Statement relating to the Series 2014 Bonds in substantially the form presented to the Authority at this meeting is hereby in all respects authorized and approved and the proposed use by the Underwriters of a final Official Statement (as such term is defined in the Purchase Contract) (in substantially the same form as the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Series 2014 Bonds) is hereby approved. The Chairman or Vice Chairman of the Authority is authorized to execute and deliver the final Official Statement on behalf of the Authority with such completions thereof and changes therein as shall be approved by the person executing the same with such execution to constitute conclusive evidence of such approval. For the purpose of enabling the Underwriters to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the Authority hereby deems the information regarding the Authority contained in the Preliminary Official Statement under the captions "INTRODUCTION - The Authority," "THE AUTHORITY" and "LITIGATION - The Authority" to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the Authority are hereby authorized, if requested, to provide the Underwriter a letter of certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriters to comply with the requirements of said Rule.

Section 5. The Authority hereby specifically approves the language contained in the Preliminary Official Statement with respect to establishing a book-entry-only system with The Depository Trust Company (“DTC”). To that end, the Chairman or Vice Chairman of the Authority is hereby authorized to execute and deliver to DTC the Letter of Representation as may be required by DTC to establish said book-entry-only system.

Section 6. The Members of the Authority acknowledge instructions will be received from the Company to redeem the Refunded Series 2004A Bonds and hereby find and determine it is necessary and advisable to exercise its right to call for redemption and to redeem and hereby directs the redemption and payment prior to maturity on November 1, 2014 or as soon thereafter as the redemption thereof can be effected, of the Refunded Series 2004A Bonds. Such redemption is conditioned upon and subject to the sale of the Series 2014 Bonds to be issued to provide funds to effect such redemption.

The Authority hereby authorizes the Trustee, as paying agent for the Series 2004A Bonds, to give notice of redemption of the Refunded Series 2004A Bonds to be redeemed as aforesaid and as provided in the Indenture, such notice to be conditioned upon the issuance and delivery of certain Series 2014 Bonds to provide necessary funds to effect such redemption. The Director of the Authority is hereby authorized and directed to give such further notice on the part of the Authority as may be necessary to effect such redemption. The form of the proposed Letter of Escrow Instructions attached to the Second Supplemental Indenture is hereby approved for such purposes.

Section 7. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute, seal and deliver the Series 2014 Bonds in the manner and with the effect provided in the Indenture and the Secretary of the Authority is hereby authorized and directed to attest to such execution. The official seal of the Authority shall be impressed or a facsimile shall be imprinted on the Series 2014 Bonds. If any of the officers who have signed or sealed any of the Series 2014 Bonds shall cease to be such officers of the Authority before the Series 2014 Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Series 2014 Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Series 2014 Bonds had not ceased to be such officer or officers of the Authority; and also any such Series 2014 Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of execution of such Series 2014 Bonds, shall be the proper officers of the Authority, although at the nominal date of such Series 2014 Bonds any such person shall not have been such officers of the Authority.

Section 8. The Chairman, Vice Chairman or Secretary is hereby authorized and directed to execute, attest, seal and deliver any and all documents, agreements and certificates and do any and all things deemed necessary to effect the issuance and sale of the Series 2014 Bonds and the execution and/or delivery of the Second Supplemental Loan Agreement, Mortgage Modification Agreement, the Second Supplemental Indenture, the Purchase Contract, the final Official Statement, the Second Supplemental Assignment and other instruments (including, but not limited to, financing statements and an arbitrage certificate) and to carry out the intent and purposes of this Resolution, including the preamble hereto.

Section 9. Prior to issuance, the Series 2014 Bonds will be rated by a nationally recognized rating agency at an “investment grade” level, and such rating will be prominently included in the Preliminary Official Statement and Official Statement.

Section 10. Bryan Cave LLP, bond counsel, is authorized to proceed to finalize the necessary documents and proceedings to implement the financing, as described above, in compliance with and pursuant to the Constitution and laws of the State.

Section 11. All of the acts of the members, officers, agents, directors and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 12. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 13. This Resolution shall take effect as of the date adopted by the Authority and all resolutions in conflict herewith are repealed to the extent of the conflict.

[The remainder of this page is intentionally left blank.]

Adopted by the State Environmental Improvement and Energy Resources Authority this
3rd day of September, 2014.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By _____
Chairman

ATTEST:

Secretary

[SEAL]

DRAFT 4 – AUGUST 25, 2014

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2014

NEW ISSUE
BOOK-ENTRY ONLYS&P Rating: _____
See "BOND RATING" herein.

In the opinion of Bryan Cave LLP, Kansas City, Missouri, Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS" herein.

**State Environmental Improvement and Energy Resources Authority
(State of Missouri)**

\$7,655,000*

**Water Facility Refunding Revenue Bonds
Series 2014
(Henry County Water Company Project)**

Dated: Date of Delivery**Due: November 1, as shown on the inside cover**

The Water Facility Refunding Revenue Bonds, Series 2014 (Henry County Water Company Project) (the "Bonds") will be issued as fully-registered bonds in the denomination of \$5,000 or any integral multiple thereof, and, when issued will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Principal will be payable at maturity or upon earlier redemption at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, as trustee (the "Trustee"). Semiannual interest will be payable on May 1 and November 1 of each year, beginning on May 1, 2015. See the caption "THE BONDS - Book-Entry Only System."

The Bonds are being issued by the State Environmental Improvement and Energy Resources Authority (the "Authority") pursuant to an Indenture of Trust (as amended and supplemented, the "Indenture") between the Authority and the Trustee. The Bonds are limited obligations of the Authority payable solely from the revenues derived by the Authority under a Loan Agreement (as amended and supplemented, the "Loan Agreement") between the Authority and the Henry County Water Company, a Missouri nonprofit corporation (the "Company"). Payments under the Loan Agreement are evidenced by a Second Amended and Restated Promissory Note, and are secured by a Deed of Trust and Security Agreement (as amended and supplemented, the "Deed of Trust") from the Company for the benefit of the Authority. The Bonds are secured by a pledge and assignment of the Trust Estate (as defined in the Indenture) to the Trustee, in favor of the owners of the Bonds, as provided in the Indenture. No owner of the Bonds has the right to compel any exercise of taxing power by the City of Clinton, Missouri (the "City"), Henry County, Missouri (the "County") or the State of Missouri (the "State") to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness of the Authority, the City, the County or the State or a loan of credit thereof within the meaning of any constitutional or statutory limitation. The Authority has no taxing power. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Bonds are subject to optional and extraordinary redemption prior to maturity as described under the caption "THE BONDS - Redemption Provisions" herein.

The Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters, subject to the prior sale, withdrawal or modification of the offer without notice and subject to the approval of their legality by Bryan Cave LLP, Kansas City, Missouri, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Lewis, Rice & Fingersh, L.C., St. Louis, Missouri, and for the Company by its counsel, Poague, Wall, Cox & Adams, L.L.C., Clinton, Missouri. Certain legal matters will be passed upon for the Underwriters by their counsel, Gilmore & Bell, P.C., St. Louis, Missouri. It is expected that the Bonds will be available for delivery at The Depository Trust Company in New York, New York, on or about October 29, 2014.

Edward D. Jones & Co., L.P.**Piper Jaffray & Co.**

The date of this Official Statement is _____, 2014.

* Preliminary, subject to change.

\$7,655,000*
**State Environmental Improvement
and Energy Resources Authority
Water Facility Refunding Revenue Bonds
Series 2014
(Henry County Water Company Project)**

MATURITY SCHEDULE*
Base CUSIP Number: 60635E

<u>Due (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u>
2015	\$540,000			
2016	590,000			
2017	595,000			
2018	600,000			
2019	610,000			
2020	620,000			
2021	635,000			
2022	650,000			
2023	670,000			
2024	690,000			
2025	715,000			
2026	740,000			

* Preliminary; subject to change.

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

Andy Dalton, Chairman and Member
Ryan Doyle, Vice Chairman and Member
LaRee De Freece, Secretary and Member
Deron L. Cherry, Treasurer and Member

COUNSEL TO THE AUTHORITY

Lewis, Rice & Fingersh, L.C.
St. Louis, Missouri

HENRY COUNTY WATER COMPANY

Board of Directors

Kent Cable, President and Director
Clyde Briggs, Vice President and Director
David Kempker, Secretary/Treasurer and Director
Don Turner, Director
Christy Maggi, Director

General Manager and System Contract Operator

Alliance Water Resources, Inc.
Columbia, Missouri

COUNSEL TO THE COMPANY

Poague, Wall, Cox & Adams, L.L.C.
Clinton, Missouri

**FINANCIAL ADVISOR
TO HENRY COUNTY WATER COMPANY**

Ranson Financial Corp.
Overland Park, Kansas

BOND COUNSEL

Bryan Cave LLP
Kansas City, Missouri

UNDERWRITERS' COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

UNDERWRITERS

Edward D. Jones & Co., L.P.
St. Louis, Missouri

Piper Jaffray & Co.
Leawood, Kansas

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Authority, the Financial Advisor or the Underwriters to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Certain information contained herein has been obtained from the Authority, the Company, DTC, and from other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed to be the representation of, the Underwriters; and except for the information concerning the Authority and the Company, such information is not to be construed as a representation concerning the Authority and the Company. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

In connection with this offering, the Underwriters may effect certain transactions that stabilize the price or yield of the Bonds. Such transactions may consist of bids or purchases for the purposes of maintaining the price or yield of the Bonds. In addition, if the Underwriters over-allot (that is, sell more than the aggregate principal amount of the Bonds set forth on the cover page of this Official Statement) and thereby create a short position in the Bonds in connection with the offering, the Underwriters may reduce that short position by purchasing the Bonds in the open market. In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price or yield of a security to be higher than it might otherwise be in the absence of such purchases. The Underwriters make no representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price or yield of the Bonds. In addition, the Underwriters make no representation that they will engage in such transactions or that such transactions, if commenced, will not be discontinued without notice.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended. The Bonds are being offered in reliance on certain exemptions from registration or qualification contained in such Acts.

In making an investment decision, investors must rely on their own examination of the Authority and the terms of the offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

**CAUTIONARY STATEMENTS REGARDING FORWARD-
LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THE "BONDOWNERS' RISKS" SECTION OF THIS OFFICIAL STATEMENT. NEITHER THE AUTHORITY NOR THE COMPANY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION "INTRODUCTION - Continuing Disclosure Information" HEREIN.

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OFFICIAL STATEMENT

State Environmental Improvement
and Energy Resources Authority
(State of Missouri)

\$7,655,000*
Water Facility Refunding Revenue Bonds
Series 2014
(Henry County Water Company Project)

INTRODUCTION

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page, the inside cover page and appendices, should be considered in its entirety. All capitalized terms used in this Official Statement that are not otherwise defined shall have the meanings ascribed to them in Appendix A hereto.

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and the appendices hereto, is to set forth certain information relating to (a) the State Environmental Improvement and Energy Resources Authority (the "Authority"), (b) the Authority's Water Facility Refunding Revenue Bonds, Series 2014 (Henry County Water Company Project), to be issued in the principal amount of \$7,655,000* (the "Bonds"), (c) the Henry County Water Company (the "Company") and (d) the City of Clinton, Missouri (the "City").

The Authority

The Authority is a body corporate and politic and a governmental instrumentality of the State of Missouri (the "State"), authorized to issue the Bonds pursuant to Sections 260.005 to 260.125, and Appendix B(1) thereto, of the Revised Statutes of Missouri, as amended (the "Act"), and a resolution adopted by the Authority on September 3, 2014. See the caption "**THE AUTHORITY**" herein.

The Company

The Company is a nonprofit corporation duly organized and existing under the laws of the State, including Chapter 355 of the Revised Statutes of Missouri, for the purpose of promoting the public interest of the City by constructing, acquiring, owning, leasing and operating a municipal water utility on behalf of and for the benefit of the City. See the caption "**THE COMPANY**" herein.

The Bonds

The Bonds are being issued by the Authority pursuant to the Act and an Indenture of Trust dated as of May 1, 1996 (the "Original Indenture"), as amended and supplemented by a First Supplemental Indenture of Trust dated as of August 1, 2004 (the "First Supplemental Indenture") and a Second Supplemental Indenture of Trust dated as of October 1, 2014 (the "Second Supplemental Indenture" and, collectively with the Original Indenture and the First Supplemental Indenture, the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri (the "Trustee"), for the purpose of providing funds, together with other available funds, to (a) refund \$8,775,000 outstanding principal amount of Tax-Exempt Water

* Preliminary; subject to change.

Facility Refunding Revenue Bonds, Series 2004-A (Henry County Water Company Project) (the "Refunded Bonds") and (b) pay certain costs of issuance associated with the Bonds. The Refunded Bonds were issued by the Authority pursuant to the Original Indenture and the First Supplemental Indenture. A further description of the Bonds is contained in this Official Statement under the caption "**THE BONDS.**" A further description of the refunding plan and the estimated sources and uses of funds is contained in this Official Statement under the caption "**PLAN OF FINANCING.**"

Security for the Bonds

The Bonds and the interest thereon are limited obligations of the Authority, payable solely from payments, revenues and receipts derived by the Authority under a Loan Agreement dated as of May 1, 1996 (the "Original Loan Agreement"), as amended and supplemented by a First Supplemental Loan Agreement dated as of August 1, 2004 (the "First Supplemental Loan Agreement") and a Second Supplemental Loan Agreement dated as of October 1, 2014 (the "Second Supplemental Loan Agreement" and, collectively with the Original Loan Agreement and the First Supplemental Loan Agreement, the "Loan Agreement"), between the Authority and the Company. Payments under the Loan Agreement are evidenced by a Second Amended and Restated Promissory Note dated as of October __, 2014 (the "Note") and are secured by a Deed of Trust and Security Agreement dated as of May 1, 1996 from the Company for the benefit of the Authority, as beneficiary thereunder (the "Original Deed of Trust"), as amended and supplemented by a Deed of Trust Modification Agreement dated as of August 1, 2004 and a Second Deed of Trust Modification Agreement dated as of October 1, 2014 among the Company, the Authority, the Trustee and the mortgage trustee thereunder (collectively, the "Mortgage Modification Agreement" and, together with the Original Deed of Trust, the "Deed of Trust"). Payments under the Loan Agreement are designed to be sufficient, together with other funds available for such purpose, to pay the principal of, premium, if any, and interest on the Bonds. The Bonds are secured by a pledge and assignment of the Trust Estate by the Authority to the Trustee, in favor of the owners of the Bonds, as provided in the Indenture. The Bonds are not secured by a debt service reserve account.

The Bonds shall not constitute a debt or liability of the Authority, the City, Henry County, Missouri (the "County"), the State or any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the Authority, the City, the County, the State or any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly, or contingently, obligate the City, the County, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The Authority has no taxing power. See the caption "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**" herein.

Pursuant to the Indenture, additional bonds may be issued on a parity with the Bonds payable from the same sources and secured by the same revenues as the Bonds, but only in accordance with and subject to the terms and conditions set forth in the Indenture. See the caption "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**" herein.

Bondowners' Risks

Payment of the principal of and interest on the Bonds is dependent upon revenues to be derived by the Company from the operation of the System (defined herein). Certain risks inherent in the production of such revenues are discussed herein. See the caption "**BONDOWNERS' RISKS**" herein.

Continuing Disclosure Information

The Company will execute a Continuing Disclosure Agreement dated as of October 1, 2014, between the Company and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the "Continuing Disclosure Agreement"), whereby the Company will agree to provide a copy of its audited financial statements, certain operating data and notices of certain events to the Municipal Securities Rulemaking Board, through its EMMA website, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the caption "**SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT**" in *Appendix A* hereto.

The Company has made a similar undertaking with respect to its outstanding revenue bonds to file an Annual Report for each fiscal year of the Company. The Company covenanted to include in its Annual Report the Company's audited financial statements for the previous year in addition to updated information relating to the Company and its operations. The Company did not timely file information relating to the Company and its operations for fiscal year ended December 31, 2009.

Definitions and Summaries of Legal Documents

Definitions of certain words and terms used in this Official Statement and summaries of the Indenture, the Loan Agreement, the Deed of Trust, the Assignment and the Continuing Disclosure Agreement are included in this Official Statement in *Appendix A* hereto. Such definitions and summaries do not purport to be comprehensive or definitive. All references herein to the specified documents are qualified in their entirety by reference to the definitive forms of such documents, copies of which may be viewed at offices of the Trustee at 911 Washington Avenue, 3rd Floor, St. Louis, Missouri 63102, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

THE AUTHORITY

General

The Authority is a body corporate and politic and a governmental instrumentality of the State organized and existing under the laws of the State. Pursuant to the Act, the Authority is authorized to issue the Bonds, to refund its outstanding revenue bonds in whole or in part, and to provide for the security of the Bonds as herein described. To accomplish such actions the Authority is authorized to enter into the Indenture, the Loan Agreement and the Assignment.

The purpose of the Authority is to provide financial assistance to provide for the conservation of the air, land and water resources of the State by prevention or reduction of pollution and by proper methods of disposal of solid waste or sewage and to provide for the furnishing of water facilities. The Act confers upon the Authority the power to acquire, construct, improve and finance facilities for the reduction of pollution or disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue bonds or notes to pay the costs of such facilities and to refund its outstanding revenue bonds in whole or in part. The Authority also has general powers which include the power to make and execute contracts and other instruments necessary or convenient to carry out its purposes. The Authority has no taxing power.

Membership of the Authority

The current members of the Authority, their titles and expiration dates of their terms of office are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Expires⁽¹⁾</u>
Andy Dalton	Chair and member	January 1, 2012
Ryan Doyle	Vice-Chair and member	January 1, 2008
LaRee DeFreece	Secretary and member	January 1, 2011
Deron Cherry	Treasurer and member	January 1, 2007

⁽¹⁾ Members continue to serve until re-appointed or replaced as provided by Missouri law.

Karen L. Massey serves as Director of the Authority. The principal office of the Authority is located at 425 Madison Street, 2nd Floor, P.O. Box 744, Jefferson City, Missouri 65102. The Authority's telephone number is (573) 751-4919.

Other Indebtedness

The Authority has heretofore sold and delivered other bonds and notes secured by instruments separate and apart from the Indenture securing the Bonds. The holders and owners of such bonds and notes have no claim on assets, funds or revenues of the Authority held under the Indenture pursuant to which the Bonds are issued and the owners of the Bonds will have no claim on assets, funds or revenues of the Authority securing other bonds and notes.

With respect to additional indebtedness of the Authority, the Authority intends to enter into separate agreements in the future with entities other than the Company for the purpose of providing financing for other eligible projects and programs. Bonds which may be issued by the Authority for such other entities in the future will be created under separate and distinct bond indentures or resolutions and will be secured by instruments, properties and revenues separate from those securing the Bonds.

PLAN OF FINANCING

The Refunding Plan

The Authority will loan the proceeds of the Bonds to the Company pursuant to the Loan Agreement. The Company will use such proceeds, together with other available funds, to (a) refund all of the outstanding principal amount of Tax-Exempt Water Facility Refunding Revenue Bonds, Series 2004-A (Henry County Water Company Project) (the "Refunded Bonds") and (b) pay certain costs of issuance associated with the Bonds.

Upon the execution and delivery of the Bonds, \$ _____ of the proceeds of the Bonds, together with \$ _____ of other available funds, will be transferred to the Trustee, acting as escrow agent pursuant to a Letter of Escrow Instructions dated October 1, 2014, for deposit in the Series 2004A Account of the Bond Fund (the "Escrow Fund"). The Refunded Bonds will be called for redemption on November 1, 2014, at a redemption price of 100% of the outstanding principal amount thereof, plus accrued interest to the redemption date.

Sources and Uses of Funds

The following table sets forth the estimated sources of funds, including the proceeds of the Bonds (excluding accrued interest), and the uses of such funds in connection with the plan of financing:

Sources of Funds

Principal Amount of Bonds	\$
Net Original Issue Premium	
Transfer from Reserve Fund for the Refunded Bonds	
Company's Contribution	_____
Total Sources of Funds	\$ _____

Uses of Funds

Deposit to Escrow Fund	\$
Deposit to Bond Fund	
Underwriters' Discount	
Other Costs of Issuance	\$ _____
Total Uses of Funds	\$ _____

Attachment "C"

Closing Schedule

Re: EIERA (Henry County Water Company Project)

- August 25 - Circulate Authorizing Resolution with agenda for EIERA meeting
- September 3 - EIERA meets to consider Authorizing Resolution
- September 4 - Rating call with Standard & Poor's
- September 10-11 - Underwriter's Due Diligence Call
- September 12 - Notice to Trustee for Redemption
- September 15 (week of) - Receive S&P rating
- September 16 - Report to City Council on proposed financing
- September 30 - Print POS
- October 1 - Mail Conditional Notice of Redemption to Bondholders
- October 7 - City Council approves issuance
- October 13-14 (week of) - Offer Bonds
 - Henry County Water Company meeting approval
 - Sign BPA
- October 20 - Print Final OS
- October 29 - Close Series 2014 Bonds
- November 1 - Redeem Series 2004 Bonds

State Environmental Improvement and Energy Resources Authority
315th Board Meeting
September 3, 2014

Agenda Item #7A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE

Issue:

Update on the Missouri Brownfields Revolving Loan Fund

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

Staff received notification that the MBRLF was awarded \$400,000 in hazardous substance supplemental funding after submitting a request for \$500,000 this past spring. Staff is working with communities on potential applications to use these funds which will be available after the application process is completed.

Project updates are as follows:

- Remains, Inc. is making interest payments on its loan from the program. The underground storage tank was removed from the site with little difficulty and asbestos removal is scheduled for the last week of August.
- Removal of the tanks at the Wittenberg Warehouse, part of the former Porter Oil Site currently owned by the Land Reutilization Authority of the City of St. Louis has been delayed until late summer when the City will have access to building demolition funds.
- Additional samples were pulled from long-term groundwater monitoring wells on the Ranken Technical College site and it is anticipated that a certificate of completion could be obtained in the next quarter.
- Additional samples were pulled from long-term groundwater monitor wells at the former Alliance Medical Warehouse site in Russellville and it is anticipated that a certificate of completion could be earned in the next quarter.

- A public meeting was held regarding the cleanup for the site owned by Habitat for Humanity of Springfield, Missouri, Inc. and staff is developing bid specifications for the project.
- SMI/SNF Landlord, LLC continues to repay its loan from the program as scheduled.

KT:ge

Agenda Item #8
REVIEW OF STRATEGIC MEASURES

Issue:

We have completed our first year of Scorecard reporting, and staff recently took a closer look at our measures to determine if they reflect the best way to capture our progress.

Action Needed:

Consensus on staff recommendations to update the measures for FY15.

Staff Recommendation:

Staff recommends revisions to the Scorecard measures for FY15 so they better reflect progress toward our goals in a more consistent manner.

Staff Contact:

Connie Patterson, Project Specialist

Background:

We recommend the following revisions to our Scorecard measures for FY15. A copy of the 6/30/14 Scorecard is attached for your convenience.

Improve Client Results

- Client dollars saved:
 - Update target to "\$50 million" to reflect the averages of client dollars saved from FY12 - FY14. This provides a realistic target based on FY13 and FY14 numbers.
- Total dollar amount of projects funded:
 - Update target to "\$115 million" to reflect the averages of total dollar amount of projects funded from FY12 - FY14. This provides a realistic target based on FY13 and FY14 numbers.
- Positive environmental impact:
 - Change measure to "Number of environmental impacts" for a concrete and tangible measurement that we can track moving forward. Defining impacts as the number of projects approved by the Board in a fiscal year, we set a target of 20 based on an average of projects funded in FY13-FY14.

Improve Client Satisfaction

- Number of EIERA client referrals:
 - Change measure to "Increase the number of EIERA referrals" and update target to ">33" to better reflect trend of growth or decline.

Build Awareness of EIERA's Value

- Comparison of Focus Group results:
 - Delete measure due to cost and time requirements.
 - Solicit feedback from strategic partners through the EIERA Communications Plan.
- Number of Web hits:
 - Change target to "6,500" to reflect a realistic goal based on FY14 numbers.
 - Focus on Web site expansion in the EIERA Communications Plan.

Create Sustainable Funding Model/Enhance Financial Strength

- Total Authority revenue increased:
 - Change target to "\$800,000" to better reflect a realistic goal based on FY13 and FY14 numbers.
- Diversification of revenues increased (<25%):
 - Change measure to "Diversification of revenues (<33 percent)."
 - Change goal to "< or = 33 percent" to be more realistic based on FY13 and FY14.
- Decrease average cost of services:
 - Change measure to "Average cost of services" to recognize cost decreases beyond a certain economy of scale will result only from drastic measures, such as cutting staff, that will affect the Authority's work in undesirable ways.
 - Change target to "\$75.00."

Financial Accountability Excellence

- Number of unaddressed significant audit findings:
 - Delete "unaddressed."

Continuous Quality Improvement

- Improve workflow processes (SOP) per year:
 - Delete measure and address through development of procedure manuals available to all EIERA staff.

Communications Practices improved

- Project information on Web site by deadline:
 - Delete measure and address through the EIERA Communications Plan.

Increase Staff capacity

- Percentage of staff training plans developed:
 - Change measure to "Percentage of staff training plans implemented."
 - Change target to "50 percent" for each EIERA staff member.

Scorecard measures not mentioned above remain the same. At the meeting, we will answer any questions you may have. We would also like to hear your thoughts on the measures relating to the Board.

Thank you.

CP:ge

Attachment

Attachment "A"

EIERA Balanced Scorecard							6/30/2014
	Top 8 KPI						↑ Performance Meets or Exceeds Target Expectations To Date
	Middle 9 KPI						↔ Performance Neutral To Date
	Bottom 8 KPI						↓ Performance Below Target Expectations To Date
Improve Client Results							
		Measured	2013	YTD	Target	Rank	Progress
Client dollars saved	6/30/2014	\$31,672,156	\$74,262,041	\$25,000,000	NA	↑	
Total dollar amount of projects funded	6/30/2014	\$89,198,556	\$156,221,550	\$40,000,000	NA	↑	
Positive environmental impacts	TBD	-	-	-	NA	NA	
Improve Client Satisfaction							
		Baseline	YTD	Target	Rank	Progress	
Client satisfaction ratings improved	12/31/2014	-	-	-	NA	NA	
Number of EIERA client referrals increased	9/30/2014	21	33	50	NA	↓	
Build Awareness of EIERA's Value							
		2013	YTD	Target	Rank	Progress	
Survey targeted groups	9/30/2014	-	-	-	NA	NA	
Comparison of Focus Group results	9/30/2015	-	-	-	NA	NA	
# web hits	6/30/2014	50,549	5,895	10,000	NA	↓	
# of applications for financing	6/30/2014	17	7	15	NA	↓	
Create Sustainable Funding Model/Enhance Financial Strength							
		2013	YTD	Target	Rank	Progress	
Total Authority revenue increased	6/30/2014	643,783	653,953	1,300,000	NA	↓	
Diversification of revenues increased (<25%)	6/30/2014	49%	54%	25%	NA	↓	
Decrease average cost of services	6/30/2014	\$ 93.50	\$ 71.42	<\$93.5	NA	↑	
Financial Accountability Excellence							
		Previous	YTD	Target	Rank	Progress	
# of unaddressed significant audit findings	12/31/2014	0	0	0	NA	↑	
Enhance Partnerships and Relationships							
		Baseline	YTD	Target	Rank	Progress	
Partner Interest in working with the EIERA	6/30/2014	2	5	8	NA	↓	
Continuous Quality Improvement							
		Previous	YTD	Target	Rank	Progress	
Timeliness of critical documents by deadline	6/30/2014	95%	93%	95%	NA	↓	
% of final critical documents with errors (<5%)	6/30/2014	4%	3%	5%	NA	↑	
Improve workflow processes (SOP) per year	12/31/2014	3	5	5	NA	↑	
Communications Practices improved							
		Previous	YTD	Target	Rank	Progress	
# contacts generating results	6/30/2014	12%	12%	10%	NA	↑	
Meeting materials on website by deadline	6/30/2014	75%	100%	95%	NA	↑	
Project Information on Website by deadline	12/31/2014	-	0	90%	NA	↓	
Increase Board involvement							
		Baseline	YTD	Target	Rank	Progress	
Survey on Board informed input	6/30/2014	-	-	50%	NA	NA	
Leads provided by Board which are pursued	9/30/2014	0	1	?	NA	↑	
Increase Staff capacity							
		Previous	YTD	Target	Rank	Progress	
Reduce inefficient use of staff time	3/31/2015	20	32	16	NA	↓	
% of identified gaps addressed	6/30/2014	-	75%	50%	NA	↑	
% of staff training plans completed	9/30/2014	-	100%	80%	NA	↑	

**316th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
November 20, 2014
10:00 a.m.**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 315th Meeting of the Authority Held September 3, 2014, in Jefferson City, Missouri
3. Presentation of Fiscal Year 2014 Authority Audit
4. State Revolving Fund Program
 - A. Update
 - B. Other
5. Other Financings
 - A. Henry County Water Company Series 2014
6. Project Updates
7. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Authorization to extend the Environmental Services Consultant Contract with Seagull Environmental Technologies, Inc.
 - C. Other
8. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the St. Louis Composting, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Consideration of the Funding Recommendation for the DMR Plastics, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - D. Authorization for the Director or Her Designee to Negotiate and Enter into an Agreement with Bridging the Gap, Inc. for the Development of a Web Based Missouri Recycled Products Directory
 - E. Other

9. Review of Strategic Measures
10. Selection of Authority CPA
11. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other
12. Closed Meeting Pursuant to Section 610.021(1), (3) and (11) RSMo. (as needed)
13. Adjournment of Closed Meeting and Return to Open Meeting
14. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Connie Patterson, Project Specialist
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

David Brown
Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
316th Board Meeting
November 20, 2014

Agenda Item #5A
HENRY COUNTY WATER COMPANY
REFUNDING REVENUE BONDS SERIES 2014
UPDATE

Issue:

The Henry County Water Company closed on \$7,515,000 in Tax-Exempt Water Facility Refunding Revenue Bonds on October 30, 2014.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Joe Boland, Deputy Director

Background:

The Henry County Water Company is a 501c(4) Not-for-Profit corporation that owns the water system serving Clinton, Missouri. It was organized in 1983 and is managed by a five-member board of directors. The system is operated by Alliance Water Resources through a contractual arrangement. The system currently serves approximately 4,500 customers.

In 1996, the Authority issued \$13,000,000 in Water Facility Refunding and Improvement Revenue bonds for the Henry County Water Company. The proceeds were used to partially refund a 1985 issue used to acquire the system and to pay for additional system improvements.

In 2004, the Henry County Water Company refunded the outstanding Series 1996 bonds by issuing \$11,815,000 through the Authority.

To realize further interest savings, the Henry County Water Company once again requested that the Authority sell private activity bonds to refund the outstanding balance of \$8,775,000 remaining in the 2004 Series. The estimated present value savings was approximately \$664,500. Pricing of the bonds occurred on October 13th and 14th which resulted in better savings than anticipated. Original net present value savings was estimated to be approximately \$664,000.

However, at the time of pricing, the actual net present value savings was slightly over \$1,000,000. The underwriters for this transaction were Edward D. Jones & Co. and Piper Jaffrey & Co.

JB:ge

State Environmental Improvement and Energy Resources Authority
316th Board Meeting
November 20, 2014

Agenda Item #7A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE

Issue:

Update on the Missouri Brownfields Revolving Loan Fund

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

Staff recently received a subgrant application from the Tower Grove Neighborhoods Community Development Corporation on a petroleum contaminated property from which tanks were previously removed. This application will be reviewed for funding consideration once final soil testing results are obtained so that we can know the full extent of contamination.

Project updates are as follows:

- Remains, Inc. is making interest payments on its loan from the program. Removal of the underground storage tank and asbestos occurred with no surprises and soil testing for further work, which will now be delayed until spring, appears promising.
- MDNR approval and a new contractor quote are necessitated by revisions to the cleanup plan for the Wittenberg Warehouse, part of the former Porter Oil Site currently owned by the Land Reutilization Authority of the City of St. Louis.
- The contractor for the project at Ranken Technical College site submitted the Tier 1 Risk Assessment Report to MDNR and it is anticipated that a certificate of completion could be obtained in the next quarter.
- Lab analysis of samples pulled from long-term groundwater monitor wells at the former Alliance Medical Warehouse site in Russellville during the previous quarter have not yet

been returned, but it is anticipated that a certificate of completion could be earned in the next quarter.

- A public meeting was held for the Habitat for Humanity of Springfield, Missouri, Inc. site and MDNR notified the applicant that additional assessment would be required before a Remediation Action Plan can be approved. Habitat for Humanity will work with the City of Springfield to obtain assessment funds for this work in the next quarter.
- SMI/SNF Landlord, LLC continues to repay its loan from the program as scheduled.

KT:ge

State Environmental Improvement and Energy Resources Authority
316th Board Meeting
November 20, 2014

Agenda Item #7B
MISSOURI BROWNFILEDS REVOLVING LOAN FUND
AUTHORIZATION TO EXTEND THE ENVIRONMENTAL SERVICES CONSULTANT CONTRACT WITH
SEAGULL ENVIRONMENTAL TECHNOLOGIES, INC.

Issue:

The agreement with our environmental services provider, Seagull Environmental Technologies, Inc. is set to terminate on December 5, 2014, unless renewed by the Authority.

Action Needed:

Authorization to extend the environmental services consultant contract with Seagull Environmental Technologies, Inc.

Staff Recommendation:

Staff recommends extending the contract for an additional two years, as allowed in the existing agreement.

Staff Contact:

Kristin Tipton, Development Director

Background:

The contract with Seagull Environmental Technologies, Inc. for environmental services to the Authority is set to terminate on December 5, 2014 unless the Authority approves automatic renewal for one additional two-year term.

The agreement with Seagull Environmental began on December 5, 2013, and since that time the company has provided excellent service to the program when needed. Seagull Environmental has prepared Analysis of Brownfield Cleanup Alternative and Remediation Action Plan documents required for our projects when necessary and has provided input and assistance on various program issues.

Approval of the agreement extension will enable program work to continue uninterrupted.

KT:ge

State Environmental Improvement and Energy Resources Authority
316th Board Meeting
November 20, 2014

Agenda Item #8B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR ST. LOUIS COMPOSTING, INC.

Issue:

St. Louis Composting, Inc. requested \$250,000 to purchase equipment costing \$440,000 that will enable the company to separate expired or recalled food from its packaging allowing them to compost the organic fraction and recycle the packaging.

Action Needed:

Consideration of the funding recommendation for the St. Louis Composting, Inc. project and authorization for the Director, or her designee, to enter into an agreement on behalf of the Authority.

Staff Recommendation:

Staff recommends funding this project in the amount of \$220,000, not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

St. Louis Composting, Inc. requested \$250,000 to purchase equipment costing \$440,000 that will enable the company to separate expired or recalled food from its packaging, allowing them to compost the organic fraction and recycle the packaging. The equipment, which uses relatively new technology currently not found in Missouri, will also separate disposable tableware from collected food service waste. St. Louis Composting was founded in 1992 and is now the largest compost producer in the greater St. Louis metro area, employing more than sixty people and receiving organic material from a number of sources, including the Missouri Botanical Garden, the St. Louis Zoo, and the St. Louis Cardinals. Although the company has been expanding, demand for its compost exceeds its ability to create more product.

According to the USEPA, one-third of all food produced in the United States is wasted. While composting can put that material to good use, much of the waste stream remains unrecovered due to packaging contamination that is difficult to remove and separate. The equipment St. Louis Composting proposes to purchase will allow for recovery of additional food waste streams and recyclable packaging. St. Louis Composting anticipates creating five

new full time employee positions and diverting an additional 6,500 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$220,000, not to exceed 50% of the cost of the equipment. This is the highest amount for which the project is eligible under program's eligibility criteria. This funding recommendation was unanimous.

KT:ge

Agenda Item #8C
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR DMR PLASTICS, INC.

Issue:

DMR Plastics, Inc. requested \$100,000 to purchase equipment costing \$170,000 that will enable the company to wash and dry previously unrecovered contaminated plastics so that they can be ground and sold for manufacturing feedstock.

Action Needed:

Consideration of the funding recommendation for the DMR Plastics, Inc. project and authorization for the Director, or her designee, to enter into an agreement on behalf of the Authority.

Staff Recommendation:

Staff recommends funding this project in the amount of \$100,000, not to exceed 66% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

DMR Plastics, Inc. (located in Bolckow) requested \$100,000 to purchase equipment costing \$170,000 that will enable the company to wash and dry previously unrecovered contaminated plastics so that they can be ground and sold for manufacturing feedstock. The material to be recovered is primarily high density polyethylene and polypropylene packaging materials that are contaminated with dirt, food by-product and labels. These materials are typically landfilled as there are few processors in the state that have the capacity to clean them. DMR Plastics, a successful past program participant, is a family owned business that formed in 1998 to shred and grind plastic scrap and has steadily grown over the years. The company grinds materials for others and also procures and grinds their own material. The addition of a wash line will enable the company to meet a growing customer need as businesses continue to identify means by which to reduce production costs. DMR Plastics anticipates adding six new full time employees and diverting an additional 1,500 tons annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$100,000, not to exceed 66% of the cost of the equipment. This funding recommendation was unanimous.

State Environmental Improvement and Energy Resources Authority
316th Board Meeting
November 20, 2014

Agenda Item #8D

AUTHORIZATION FO THE DIRECTOR OR HER DESIGNEE TO NEGOTIATE AND ENTER INTO AN AGREEMENT WITH BRIDING THE GAP, INC. FOR DEVELOPMENT OF A WEB BASED MISSOURI RECYCLED PRODUCTS DIRECTORY

Issue:

The Missouri Market Development Program's Missouri Recycled Products Directory is difficult for staff to keep current and not easy for users to access or search. Staff has been considering alternatives for some time.

Action Needed:

Authorization for the Director, or her designee, to negotiate and enter into a one year agreement with Bridging the Gap, Inc. for a web based Missouri Recycled Products Directory in an amount not to exceed \$8,000.

Staff Recommendation:

Authorizing the Director, or her designee, to negotiate and enter into an agreement with Bridging the Gap, Inc. for the development of a web based Missouri Recycled Products Directory.

Staff Contact:

Kristin Tipton

Background:

For many years, the Missouri Market Development Program has produced a document based Missouri Recycled Products Directory in which recycled-content products made or distributed in Missouri are promoted. This directory has been produced as an annual printed piece, on CD, and currently available as a document on our web site. Because products enter and leave the market randomly, it has not been easy to keep the document current and the document based format is inconvenient for people interested in using it.

Our longtime partner in several projects to promote the use of recovered materials, Bridging the Gap has proposed to build, test and launch a web based version of the directory for us. This would allow vendors to upload product descriptions and pictures for posting (upon our review and approval), and provide ability for users to access and search the directory online and via mobile devices.

The cost of development and production of the website is \$7,500. Staff believes it makes sense to budget an additional \$500 for tweaks we might desire as the new directory is put in use. The agreement with Bridging the Gap would be for 1 year at an amount not to exceed \$8,000 for these services. Additional costs will be web hosting fees (approximately \$10/month) and domain name renewals (approximately \$30/year) which will be paid by the Authority directly and not as part of the Bridging the Gap agreement.

The cost of developing and maintaining the website would come from the Program's Business Initiatives budget category.

KT:ge

State Environmental Improvement and Energy Resources Authority
316th Board Meeting
November 20, 2014

Agenda Item #9
STRATEGIC MEASURES UPDATE

Issue:

We would like to update the Board on our strategic measures for first quarter FY15 as well as our Communications Plan and the EIERA Web site.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Connie Patterson, Project Specialist

Background:

We recently compiled our strategic measures for first quarter FY15. A copy of the 9/30/14 Scorecard is attached for your convenience.

Tracking our outreach efforts revealed progress on several important measures worth highlighting:

Increase number of EIERA client referrals

- We reached 58 percent of our target.

Partner interest in working with the EIERA

- We reached 50 percent of our target.

Number of contacts generating results

- We exceeded our target by 70 percent.

Diversification of revenue

- While we continue to strive to reach our target of less than 33 percent, we have seen improvement relative to FY14 and FY13. Our current 37 percent distribution is more equitably divided between SRF and Market Development revenues and, to a lesser extent, Brownfields revenues.

We also improved on two internal processes:

Timeliness of critical documents by deadline

- We met deadlines on critical documents 100 percent. Our FY15 target is 95 percent.

Reduced inefficient use of staff time

- One inefficiency was noted in first quarter FY15. Our FY15 target is 16.

Some of our “Progress” arrows now point downward at the end of first quarter FY15, reflecting a less than 25 percent advancement toward our annual target. We will continue to focus on those areas and anticipate those measures will improve as we move forward into FY15.

On a related note, our previous update for the Board indicated we moved two strategic plan measures under our Communications Plan to be addressed. These measures were building awareness of EIERA's value and expansion of the Web site.

We have begun to implement the Communications Plan and have taken the initial steps to generally identify and refine key contacts and strategies as we determine the best ways to build awareness of our value.

In addition, updating and expanding the EIERA Web site is a work in progress. We invite you to check out our new Board Members page - you all look fantastic! Thank you for your help in updating your information.

At the meeting, we will answer any questions you may have.

Thank you.

CP:ge

Attachment

Attachment "A"

EIERA Balanced Scorecard						
						9/30/2014
Top 8 KPI	↑ Performance Meets or Exceeds Target Expectations To Date					
Middle 9 KPI	↔ Performance Neutral To Date					
Bottom 8 KPI	↓ Performance Below Target Expectations To Date					
Improve Client Results						
	Measured	2014	YTD	Target	Rank	Progress
Client dollars saved	9/30/2014	\$74,262,041	\$6,409,716	\$50,000,000		↓
Total dollar amount of projects funded	9/30/2014	\$156,221,550	\$8,781,000	\$115,000,000		↓
Number of environmental impacts	9/30/2014	-	-	20		NA
Improve Client Satisfaction						
		Baseline	YTD	Target	Rank	Progress
Client satisfaction ratings improved	3/31/2015	-	-	-		NA
Increase number of EIERA client referrals	6/30/2015	33	19	> 33		↑
Build Awareness of EIERA's Value						
		2014	YTD	Target	Rank	Progress
Survey targeted groups	12/31/2014	-	-	-		NA
# web hits	9/30/2014	5,895	1,134	6,500		↓
# of applications for financing	9/30/2014	7	1	15		↓
Create Sustainable Funding Model/Enhance Financial Strength						
		2014	YTD	Target	Rank	Progress
Total Authority revenue increased	9/30/2014	\$653,953	90,964	\$800,000		↓
Diversification of revenues (<33%)	9/30/2014	54%	37%	< or = 33%		↓
Average cost of services	9/30/2014	\$ 71.42	\$ 64.59	< \$75		↑
Financial Accountability Excellence						
		Previous	YTD	Target	Rank	Progress
# of significant audit findings	12/31/2014	0	0	0		↑
Enhance Partnerships and Relationships						
		Baseline	YTD	Target	Rank	Progress
Partner Interest in working with the EIERA	6/30/2014	5	4	8		↑
Continuous Quality Improvement						
		Previous	YTD	Target	Rank	Progress
Timeliness of critical documents by deadline	9/30/2014	93%	100%	95%		↑
% of final critical documents with errors (< 5%)	9/30/2014	3%	2%	5%		↑
Communications Practices improved						
		Previous	YTD	Target	Rank	Progress
# contacts generating results	9/30/2014	12%	17%	10%		↑
Meeting materials on website by deadline	9/30/2014	100%	100%	95%		↑
Increase Board involvement						
		Baseline	YTD	Target	Rank	Progress
Survey on Board informed input	6/30/2015	-	-	50%		NA
Leads provided by Board which are pursued	9/30/2014	1	0	2		↓
Increase Staff capacity						
		Previous	YTD	Target	Rank	Progress
Reduce inefficient use of staff time	9/30/2014	32	1	16		↑
% of identified knowledge gaps addressed	6/30/2015	75%	0%	50%		NA
% of staff training plans implemented	6/30/2015	-	0%	50%		NA